

Blight Analysis:

Planned Industrial Expansion Authority
(PIEA)

25th & Southwest Boulevard

PIEA Planning Area

Kansas City, Missouri

PREPARED FOR:

PLANNED INDUSTRIAL EXPANSION AUTHORITY (PIEA)

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JULY 16, 2004

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July 16, 2004

Planned Industrial Expansion Authority (PIEA)
20 East 5th Street, Suite 200
Kansas City, Missouri 64106

Subject: Blight Analysis, 25th & Southwest Boulevard PIEA Planning Area

Ladies and Gentleman:

We are pleased to transmit the attached Blight Study Report that has been prepared for the above referenced property. The purpose of this Report is to determine whether the subject property is blighted, as defined in Section 100.310, RSMo. Section 74-4 of the Kansas City, Missouri, Code of Ordinances has also been used for reference. This analysis represents an accumulation of our findings based on research and investigations performed as of the report's effective date, July 16, 2004. The attached report sets forth the data, research, investigations, analyses, and conclusions for this report.

The subject redevelopment area is composed of twelve (12) parcels of land containing approximately 3.10 acres. Presently, the subject property consists of several buildings and surface parking lots and various unimproved areas.

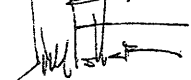
As determined in the following study, it is our opinion that the subject property represents a "blighted area" which is defined in Section 100.310, RSMo. Primary blighting factors include:

- Insanitary or unsafe conditions,
- Deteriorating site improvements,
- Economic under-utilization.

We have concluded these facts based on the current condition of the redevelopment area, general access and visibility of the area, existing conditions of improvements located within the redevelopment area, current condition of building infrastructure in the area, and the potential redevelopment opportunities existing for the site.

Please feel free to contact me if you have any questions or comments.

Sincerely,



James Potter, AICP
development initiatives, inc.

FACTUAL EVIDENCE OF BLIGHT
FOR THE
"25TH & SOUTHWEST BOULEVARD PIEA PLANNING AREA"

KANSAS CITY, MISSOURI

Prepared For:
Planned Industrial Expansion Authority
Of Kansas City, Missouri

Prepared By:
Development Initiatives, LLC
Kansas City, Missouri

INTRODUCTION

In order to qualify an area within the City of Kansas City, Missouri for use of the Planned Industrial Expansion Law and its available incentives for redevelopment, the identified area must be shown to be: 1) a "blighted area"; 2) an "insanitary area"; or 3) an "undeveloped industrial area". In this regard an establishment of factual evidence of blighting conditions, meeting the definition of any, or all of the above criteria, must be made.

The purpose of this section of the report is to establish factual evidence of blight for the 25th & Southwest Boulevard PIEA Planning Area (the "Planning Area"). The Planning Area is generally bound by Southwest Boulevard on the west, 25th Street on the north, Bellevue on the east, and 26th Street on the south. The Planning Area is depicted in the maps included on the following pages.

DEFINITION OF CRITERIA

Chapter 100 of the Missouri Revised Statutes entitled Industrial Development allows for the creation of "The Planned Industrial Expansion Authority" within a city and empowers the authority to submit general redevelopment plans to the city. However, "an authority shall not prepare a plan for a project area unless the governing body of the city has declared, by resolution or ordinance, the area to be blighted, unsanitary or undeveloped industrial area in need of industrial development" (RSMo Sec. 100.400.1 (2)).

The following definitions of blighting criteria are presented within Chapter 100, the Planned Industrial Expansion Law:

- "Blighted Area" shall mean an area which by reason of predominance of defective, or inadequate street layout, unsanitary or unsafe conditions, deterioration of the site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life, or property by fire and other causes, or any combination of such factors, retards the provision of



25th & Southwest Boulevard PIEA Planning Area



housing accommodations, or constitutes an economic or social liability, or a menace to public health, safety, morals or welfare in its present condition and use. (RSMo Sec. 100.310 (2)).

- "Insanitary Area" shall mean an area in which there is a predominance of buildings and improvements which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open space, high density of population and overcrowding of buildings, overcrowding of land, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crimes, or constitutes an economic or social liability and is detrimental to the public health, morals, or welfare. (RSMo Sec. 100.310 (11)).
- "Undeveloped Industrial Area" shall mean any area which by reason of defective and inadequate street layout or location physical improvements, obsolescence and inadequate subdivision and platting contains vacant parcels of land not used economically; contains old, decaying, obsolete buildings, plants, structures; contains buildings, plants and structures whose operation is not economically feasible; contains intermittent commercial and industrial structures in a primarily industrial area; or contains insufficient space for the expansion and efficient use of land for industrial plants amounting to conditions which retard economic or social growth, or economic wastes and social liabilities and represent an inability to pay reasonable taxes to the detriment and injury to the public health, safety, morals and welfare. (RSMo Sec. 100.310 (18)).

CHAPTER 100 REDEVELOPMENT PROVISIONS

Blight Prevention

The authority is empowered to take actions deemed “necessary to prevent a recurrence of blighted, insanitary, underdeveloped industrial areas or effectuate the purposes of this law” (RSMo Sec. 100.390 (4)).

Methodology

While investigating individual parcels within the proposed redevelopment area, Development Initiatives has also analyzed the area as a whole. In the declaration of blight for the redevelopment area, the final determination of blight must be made for the area as a whole. The effective date of this analysis is July 16, 2004.

Previous Blight Determinations

The entire Planning Area does reside in an area which has previously been declared blighted by the City Council of Kansas City, Missouri. The entire area is within a previously approved Tax Increment Financing (TIF) District, the Summit TIF. The Summit TIF Area was originally approved by the TIF Commission of Kansas City, Missouri on July 12, 1995, and was adopted by the City Council of Kansas City, Missouri by Ordinance 951016 on August 31, 1995. Since the original adoption, the Summit TIF has been amended on five different occasions by ordinances 001035, 011653, 011688, 030632 and 040665.

Additionally, portions of the proposed Planning Area have been previously declared blighted and insanitary in the Land Clearance for Redevelopment Authority (LCRA) and the City Council of Kansas City, Missouri (Ordinance 981440).

These incentive areas are depicted on the following pages.



-  Summit Tax Increment Financing District
-  25th & Southwest Boulevard PIEA Boundary
-  Roads/Streets
-  Interstate/Highway

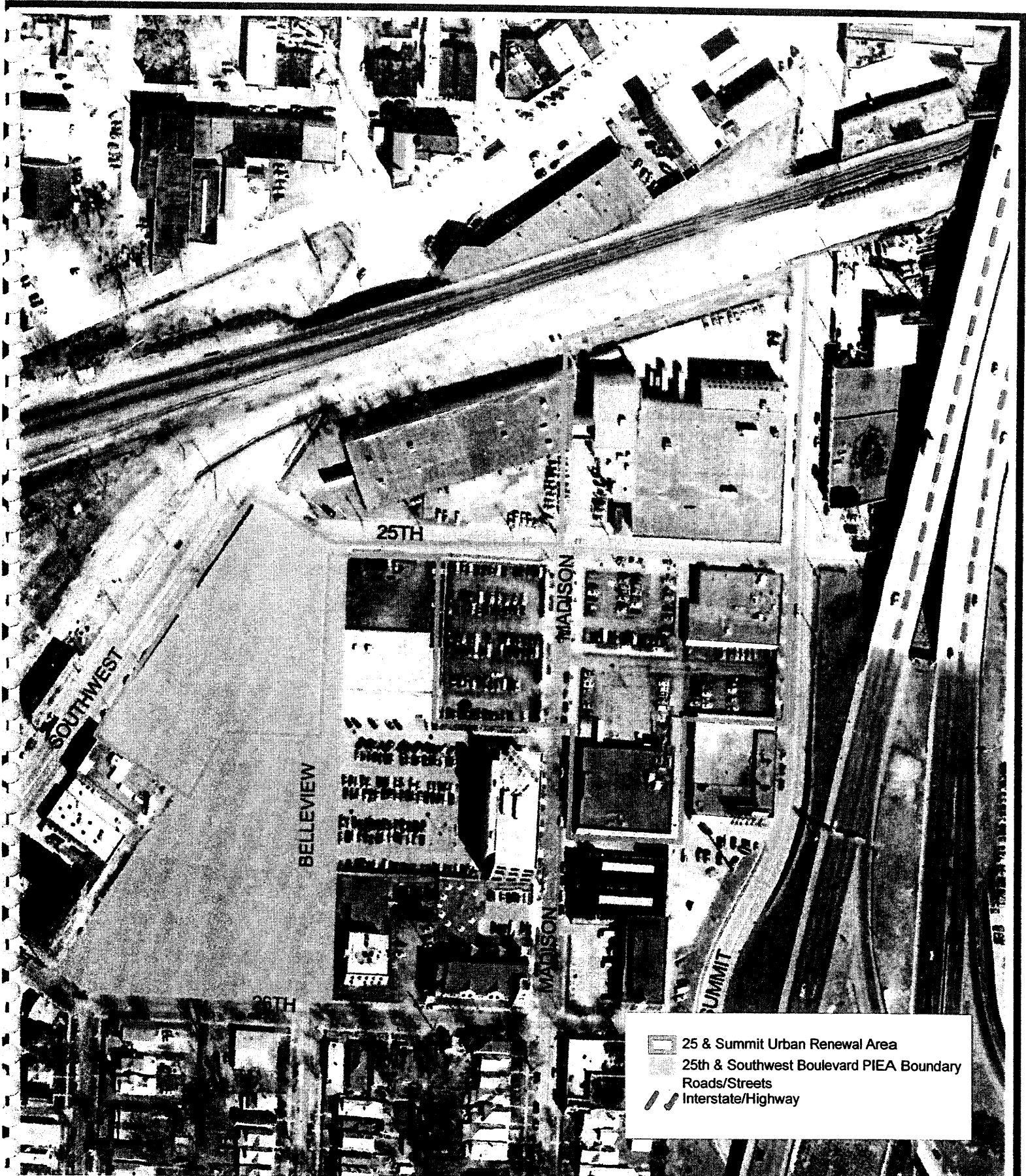


25th & Southwest Boulevard PIEA Planning Area

Other Incentive/Redevelopment Areas - TIF

Not to Scale





25th & Southwest Boulevard PIEA Planning Area Other Incentive/Redevelopment Areas - LCRA

Not to Scale

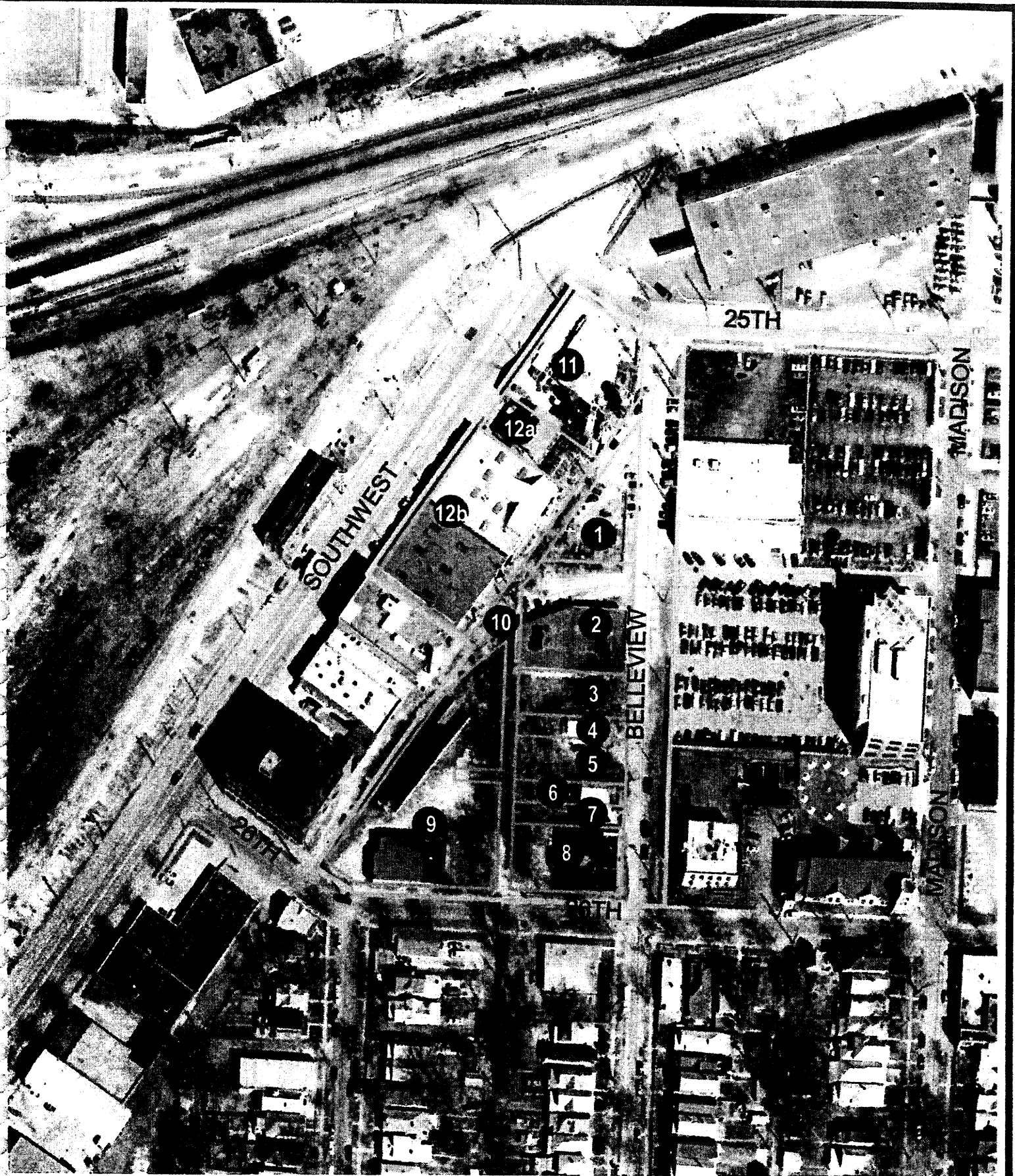


Legal Description

The redevelopment area is clearly delineated as shown on the following Planning Area Boundary Map. Legal Descriptions and additional parcel information is identified in Exhibit A: Parcel Information.

Ownership

Ownership of twelve parcels is vested in one (1) entity. The same entity has purchase contracts for the remaining property tracts within the Planning Area. All parcels are identified by the City of Kansas City, Missouri and the Jackson County Assessor's office. County assessment records for the redevelopment area are included in Exhibit A: Property Information.



25th & Southwest Boulevard PIEA Planning Area Ownership

Not to Scale



REDEVELOPMENT AREA DATA

Location & Access

General regional access to the Planning Area is via Interstate 35 (I-35) located approximately two blocks to the east and three blocks to the south. Local access to the Planning Area is via numerous surface streets located throughout the area.

Land Area

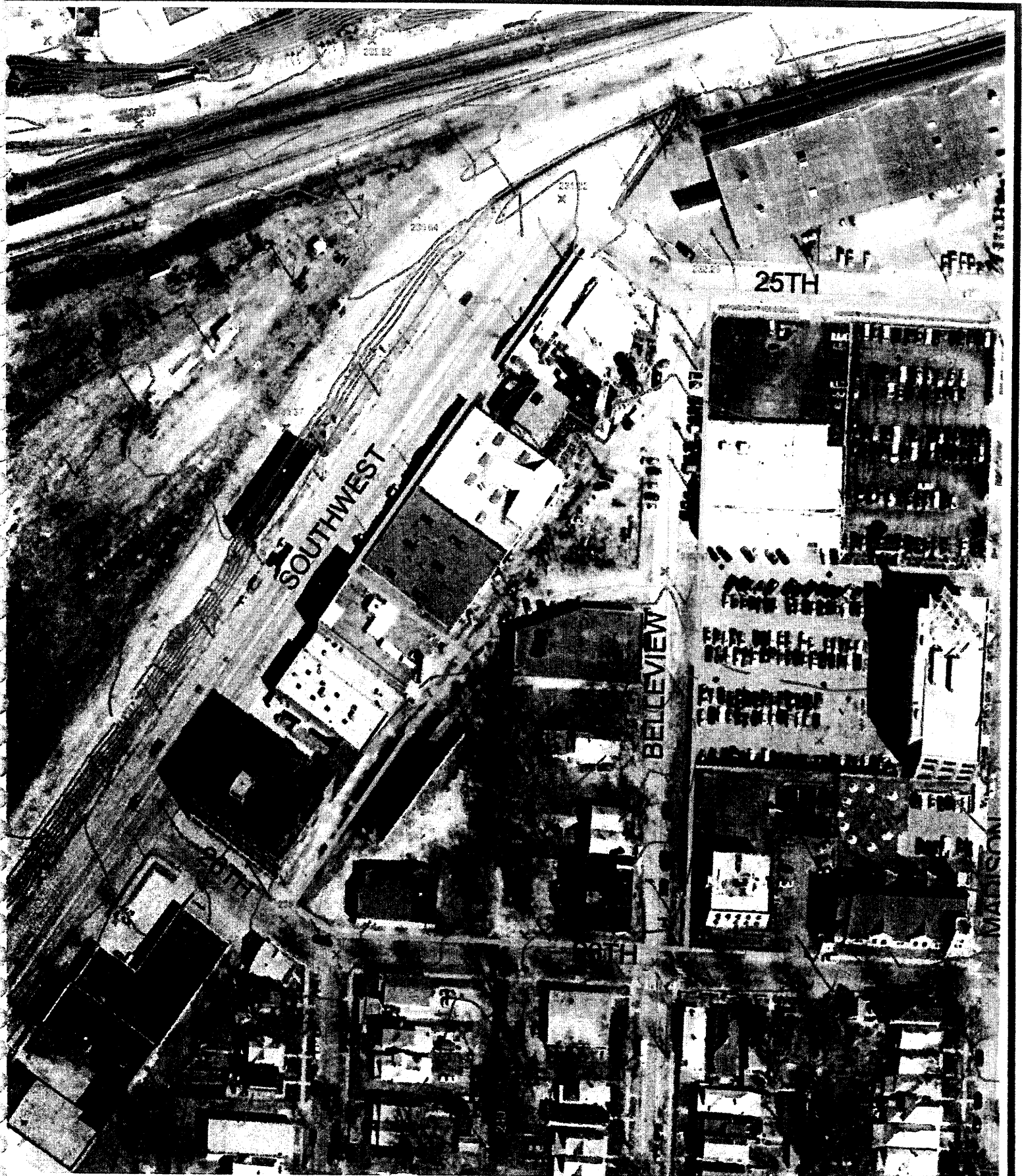
There are a total of twelve (12) property parcels within the Planning Area. The Planning Area contains a total of 135,201 square feet, or 3.10 acres of property. Property parcels within the Planning Area range in size from 306 square feet to 30,759 square feet.

Topography

The topography of the Planning Area slopes gradually from the southeast to the northwest. However, most improvements are located at street grade. According to City staff, as well as the Federal Emergency Management Agency (FEMA), the subject property is not located in a 100 year flood plain.

Easements

Development Initiatives was not provided with a title report which encompasses the Planning Area. No evaluation can be concluded regarding easements or other restrictions which may be in effect within the Planning Area. However, it appears that a recently abandoned rail spur currently exists within the Planning Area. Survey documents to identify rail way right-of-way existing through the Planning Area. It is our understanding that as part of redevelopment activities within the Planning Area, this right-of-way will be acquired.



25th & Southwest Boulevard PIEA Planning Area
Topographic Features, 1.5 meter intervals

Not to Scale



Zoning

The existing zoning in the Planning Area falls within two zoning classes.

Zoning Classification	Purpose*
M2A	The M2 zoning classification is primarily designed for certain permitted heavy industrial uses. Identified uses are outlined in Sec. 80-190 of the Kansas City Zoning Ordinance.
R4	The intent of the R4 classification is to preserve and promote more dense residential usage. This section applies to apartment houses, row houses and converted dwellings.

*City of Kansas City, Missouri Zoning Ordinance.

Utilities

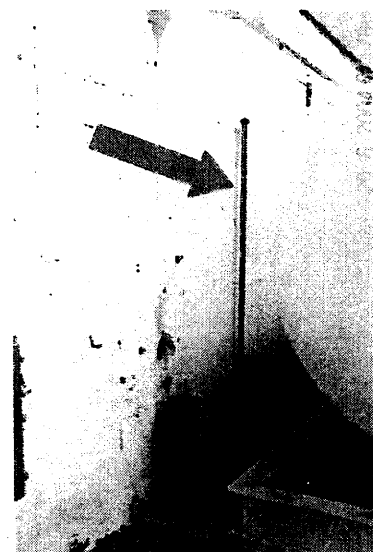
All utilities are available to the Planning Area including water, sewers, natural gas, and electricity.

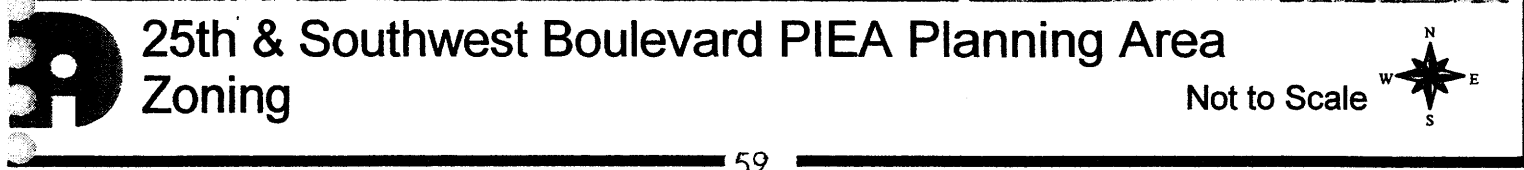
Environmental

While we are not experts in the environmental industry, we assume that due to the date of construction of many of the improvements within the Planning Area, the area and improvements could contain some type of environmental liability. Such liabilities might include asbestos-containing material, lead-based paint, underground-fuel storage tanks (USTs) and polychlorinated biphenyls (PCB) containing materials.

Upon inspection, we did note a possible abandoned underground storage tank (UST) located at the northeast corner of Tract 12. We noted a former vent pipe (pictured to the right) located on the east side of the building.

Additionally, we observed some suspect asbestos containing exterior shingle material on one of the single-family residences in the area. This material was in relatively good condition.





Depending upon the size, amount and nature of potential environmentally contaminated materials, their presence poses a significant liability to the property and the overall redevelopment plan. It is recommended that prior to extensive redevelopment of the Planning Area, continued environmental inspections be completed to identify and remediate potential environmental liabilities.

Real Estate Taxes

Information on real estate taxes, appraised value, and assessed value were obtained from the Jackson County Assessor's office. The following table illustrates the market value, assessed value and taxable amounts of all property tracts within the Redevelopment Area.

Existing Improvements

The Planning Area, as well as the immediate surrounding area, is dominated by a multitude of commercial, light industrial and residential uses. Of the property within the Planning Area, approximately one-half contain some type of improvement; the remaining one-half are presently without improvement (vacant). Historically, much of the area has been utilized in a light industrial fashion. Existing uses within facilities located in the Planning Area include the primary brewing functions of Boulevard Brewing Company. These include the brewhouse, consisting of vats, brew kettles and whirlpools, the bottling line, various warehouse areas, administrative offices and tasting room. Additionally, several single-family houses, owned by Boulevard, presently exist and are in the process of being vacated. Overall, the Southwest Boulevard corridor is currently experiencing a large amount of reinvestment, including commercial and light industrial uses.

Of the facilities within the Planning Area which have undergone some redevelopment, it is estimated that most improvements are beginning to see the end of their economic lives or are currently underutilized. The substantial cost to upgrade existing building systems to modern standards significantly hinders redevelopment of the facilities.

[illegible]