

**THE PLANNED
INDUSTRIAL
EXPANSION
AUTHORITY
OF KANSAS CITY,
MISSOURI**

January 5, 2006

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20 E. Fifth Street
Kansas City, MO 64106
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Larry Marullo
c/o KCPL
1201 Walnut
Kansas City, Missouri 64106

Re: Utility Relocation
Boulevard Brewery
2501 Southwest Boulevard
Kansas City, Missouri

FILED²
MAR 14 2006
Missouri Public
Service Commission

Dear Mr. Marullo:

In September, 2004, upon recommendation of the Planned Industrial Expansion Authority of Kansas City, Missouri ("PIEA"), the City Council of Kansas City, Missouri passed and approved Committee Substitute for Ordinance No. 041081 finding that a blighted unsanitary and undeveloped industrial area exists on tracts of land generally bounded by Southwest Boulevard and 25th Street on North Bellevue Avenue on the East 26th Street on the South and a city alleyway just East of Southwest Boulevard and Southwest Boulevard on the West. The Ordinance also approved the Redevelopment Plan for this area (the 25th and Southwest Boulevard PIEA Area hereafter "Area").

Subsequent to the adoption of this Ordinance, on December 16, 2004, the PIEA adopted Resolution No. 936 approving the redevelopment proposal submitted by Boulevard Brewery Associates Limited Partnership for redevelopment of this Area and, on April 25, 2005, adopted Resolution No. 973 authorizing the issuance of Taxable Industrial Revenue Bonds to provide the necessary financing to redevelop the Area. The PIEA holds fee interest in the property and improvements and leases the same to Boulevard Brewery Associates, Limited Partnership whose lease payments retire the Bonds.

The PIEA therefore, and in accordance with the Redevelopment Plan approved by the City, owns the property that is being redeveloped for lease to Boulevard Brewery Associates.

It has come to the attention of the PIEA that certain utilities owned by Kansas City Power & Light ("KCPL") require relocation in order to implement the Redevelopment Plan. As our agents, Boulevard Brewery Associates Limited Partnership has, we understand, applied to KCPL to relocate the utilities under provisions of the City's franchise agreement and provisions of law (see Union Electric v. Land Clearance Redevelopment Authority, 555 S.W.2d 29 (Mo. banc 1977) that require that the utility

Exhibit No. 16
Case No(s). EC-2006-0332
Date 3-06-06 Rptr KE

company has to bear the cost of relocation as a result of redevelopment of blighted areas.

It is our understanding that KCP&L has taken the position that the cost for the utility relocation should be paid by Boulevard Brewery Associates relying a provision in the Redevelopment Plan (page 34) indicating that:

"It may be required that, as part of a specific project plan, and to remedy blighting conditions, certain utilities will be relocated or buried. Any changes will be coordinated with the City of Kansas City, Missouri and provided at the developer's expense."

Please be advised that the language in this section of the Redevelopment Plan is standard language in PIEA Redevelopment Plans that are approved by the City and is so stated for the purpose of assuring that neither the City nor the PIEA will be responsible for any expenses themselves associated with utility relocations. The statement should not be construed to mean that Boulevard Brewery Associates is partially or wholly responsible for the utility relocation expenses and further, since the PIEA is a local governmental entity and is the owner of the project, it should not incur this expense. Indeed, considering the investment being made and the new production facilities under construction, the PIEA anticipates there will be increased utility usage by Boulevard Brewery Associates as the lessee and operator of the new facilities. These factors as well as the requirements of the City's Franchise Agreement and requirements in law should dictate that utility relocation expenses on this project be borne by KCPL.

If you have any questions regarding this correspondence matter, please let me know. I look forward to you positive response.

Very truly yours, *Alfred Figuly*

Alfred Figuly
Executive Director

cc: Michael T. White, Esq.