

**CITY OF GRAIN VALLEY BOARD OF ALDERMEN  
SPECIAL MEETING AGENDA**

**FEBRUARY 29, 2016  
7:00 P.M.**

**OPEN TO THE PUBLIC**

LOCATED IN THE COUNCIL CHAMBERS OF CITY HALL  
711 MAIN STREET – GRAIN VALLEY, MISSOURI

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**ITEM I: CALL TO ORDER**

- Mayor Mike Todd

**ITEM II: ROLL CALL**

- Deputy City Clerk Tami Love

**ITEM III ORDINANCES**

**ITEM III(A) B16-02**      **An Ordinance Approving a Second Amendment to The Grain Valley Marketplace Tax Increment Financing Plan Relating Only to Redevelopment Project 2 and Taking Other Actions Related Thereto**  
*1<sup>st</sup> Reading*  
*Introduced by*  
*Alderman*  
*Yolanda West*

To amend the Grain Valley Marketplace Tax Increment Financing Plan, related to Redevelopment Project 2 which will allow the assignment of a new developer, additional development to occur and all other actions necessary by the plan to take place.

**ITEM IV: EXECUTIVE SESSION**

- Legal Actions, Causes of Action of Litigation Pursuant to Section 610.021(1), RSMo. 1998, as Amended
- Leasing, Purchase or Sale of Real Estate Pursuant to Section 610.021(2), RSMo. 1998, as Amended
- Hiring, Firing, Disciplining or Promoting of Employees (personnel issues), Pursuant to Section 610.021(3), RSMo. 1998, as Amended
- Individually Identifiable Personnel Records, Personnel Records, Performance Ratings or Records Pertaining to Employees or Applicants for Employment, Pursuant to Section 610.021(13), RSMo 1998, as Amended

**ITEM V: ADJOURNMENT**



**PLEASE NOTE**

THE NEXT SCHEDULED MEETING OF THE CITY OF GRAIN VALLEY BOARD OF ALDERMEN WILL TAKE PLACE MARCH 14, 2016 AS A REGULAR MEETING AT 7:00 P.M. TO BE HELD IN THE COUNCIL CHAMBERS OF GRAIN VALLEY CITY HALL

PERSONS REQUIRING AN ACCOMMODATION TO ATTEND AND PARTICIPATE IN THE MEETING SHOULD CONTACT THE CITY CLERK AT 816.847.6210 AT LEAST 48 HOURS BEFORE THE MEETING

THE CITY OF GRAIN VALLEY IS INTERESTED IN EFFECTIVE COMMUNICATION FOR ALL PERSONS

UPON REQUEST, THE MINUTES FROM THIS MEETING CAN BE MADE AVAILABLE BY CALLING 816.847.6210



# *Ordinances*

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**CITY OF GRAIN VALLEY  
BOARD OF ALDERMEN AGENDA ITEM**

<b>MEETING DATE</b>	02/29/2016 & 03/14/2016	
<b>BILL NUMBER</b>	B16-02	
<b>AGENDA TITLE</b>	<b>AN ORDINANCE APPROVING A SECOND AMENDMENT TO THE GRAIN VALLEY MARKETPLACE TAX INCREMENT FINANCING PLAN RELATING ONLY TO REDEVELOPMENT PROJECT 2 AND TAKING OTHER ACTIONS RELATED THERETO</b>	
<b>REQUESTING DEPARTMENT</b>	Administration	
<b>PRESENTER</b>	Ryan Hunt, City Administrator	
<b>FISCAL INFORMATION</b>	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available:	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>PURPOSE</b>	To amend the Grain Valley Marketplace Tax Increment Financing Plan, related to Redevelopment Project 2 which will allow the assignment of a new developer, additional development to occur and all other actions necessary by the plan to take place.	
<b>BACKGROUND</b>	The Grain Valley Marketplace Tax Increment Financing Plan was approved by Ordinance Number 2107 on September 27, 2010. On December 9, 2013 the Board of Aldermen approved Ordinance Number 2322 which amended the Grain Valley Marketplace Tax Increment Financing Plan, as it related to Projects 1A, 1B, 3 and 4.	
<b>SPECIAL NOTES</b>	N/A	

<b>ANALYSIS</b>	The Applicant has provided sufficient information to demonstrate that the statutorily required six findings have been met and the TIF Commission found such evidence of those findings compelling enough to adopt Resolution Number 2016-01, recommending to the Board of Aldermen that the proposed Amended Plan and Redevelopment Project be approved.
<b>PUBLIC INFORMATION PROCESS</b>	45-day notice letters were mailed certified return receipt to Taxing Jurisdictions on December 18, 2015. A 45-day notice was published in <i>The Examiner</i> on January 6, 2016. The Grain Valley Marketplace (Project 2) Tax Increment Financing Plan a Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan was filed with the Office of the City Clerk on January 8, 2016. 10-day Tax Payer Notices were mailed certified return receipt on January 22, 2016. A 10-day notice was published in <i>The Examiner</i> on January 27, 2016. The Tax Increment Financing Commission held a Public Hearing Notice on February 3, 2016.
<b>BOARD OR COMMISSION RECOMMENDATION</b>	The Tax Increment Financing Commission approved Resolution Number 2016-01 on February 3, 2016.
<b>DEPARTMENT RECOMMENDATION</b>	Staff recommends approval.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Ordinance, Tax Increment Financing Commission Resolution Number 2016-01, Staff and Consultant Report to the Board of Aldermen, But For Determination Report, Exhibit A: Grain Valley Marketplace (Project 2) Tax Increment Financing Plan a Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan, Exhibit B: Legal Description Project 2 (as expanded by this Amended TIF Plan) and Exhibit C: Legal Description Total Redevelopment Area (as expanded by this Amended TIF Plan)

**CITY OF  
GRAIN VALLEY**

**STATE OF  
MISSOURI**

BILL NO. B16-02

ORDINANCE NO. \_\_\_\_\_  
SECOND READING \_\_\_\_\_  
FIRST READING \_\_\_\_\_

INTRODUCED BY:  
*ALDERMAN WEST*

**AN ORDINANCE APPROVING A SECOND AMENDMENT TO THE GRAIN VALLEY  
MARKETPLACE TAX INCREMENT FINANCING PLAN RELATING ONLY TO  
REDEVELOPMENT PROJECT 2 AND TAKING OTHER ACTIONS RELATED  
THERE TO**

**WHEREAS**, on August 30, 2010, the TIF Commission recommended approval of the Grain Valley Marketplace Tax Increment Financing Redevelopment Plan (“Original Plan”), which Original Plan the Board of Aldermen approved by Ordinance No. 2107 on September 27, 2010; and

**WHEREAS**, on December 9, 2013, the Board of Aldermen adopted an amendment to the Original Plan (“First Amendment”) altering the boundaries of Redevelopment Project Area 1 by splitting it into Redevelopment Project Area 1A and Redevelopment Project Area 1B, but leaving the exterior boundaries of the Original Plan unchanged; and

**WHEREAS**, the original developer ceased development of Redevelopment Project Area 2 after completing only a portion of the project, subsequently, the City sought a new developer to continue development of Redevelopment Project Area 2; and

**WHEREAS**, on January 8, 2016, STAR Acquisitions, Inc. (“STAR”) submitted to the City a Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan (“Second Amendment”); and

**WHEREAS**, on December 18, 2015, the City mailed written notices of the scheduled TIF Commission public hearing to all taxing districts from which taxable property is included in the proposed Redevelopment Area (“Taxing Districts”), in compliance with Sections 99.825 and 99.830, RSMo; and

**WHEREAS**, on January 6, 2016, the City published notice in *The Examiner* of the scheduled TIF Commission public hearing to consider the merits of the Second Amendment, in compliance with Section 99.830, RSMo; and

**WHEREAS**, on January 22, 2016, the City mailed written notices of the scheduled TIF Commission public hearing to all persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the Redevelopment Area, in compliance with Section 99.830, RSMo; and

**WHEREAS**, on January 27, 2016, the City again published notice in *The Examiner* of the scheduled TIF Commission public hearing to consider the merits of the proposed Amended Plan, in compliance with Section 99.830, RSMo; and

**WHEREAS**, copies of the notices of the public hearing have been submitted to the Director of the Department of Economic Development, in compliance with Sections 99.825 and 99.830, RSMo; and

**WHEREAS**, on February 3, 2016, at 7:00 p.m., the TIF Commission opened the public hearing to consider the Second Amendment; and

**WHEREAS**, on February 3, 2016, the TIF Commission closed the public hearing to consider the Second Amendment; and

**WHEREAS**, the public hearing conducted by the TIF Commission to consider the Second Amendment was open to the public, a quorum of the Commissioners was present and acted throughout, and the proper notice of such hearing was given in accordance with all applicable laws including Chapter 610, RSMo; and

**WHEREAS**, on February 3, 2016, the TIF Commission voted unanimously to adopt a resolution recommending to the Board of Aldermen that it should adopt an ordinance: (1) re-affirming the findings it previously made when adopting the Original Plan; (2) approving the Second Amendment; and (3) naming STAR as the developer for Redevelopment Project Area 2; and

**WHEREAS**, on February 29, 2016, the Board of Aldermen held a public meeting during which it heard a presentation from and asked questions of the Developer regarding the Second Amendment and at that same meeting parties in interest and citizens were given the opportunity to be heard on the matter; and

**WHEREAS**, the Board of Aldermen having heard and considered the Second Amendment, and all comments, testimony, and other evidence adduced at public meetings, additional information provided by City staff and consultants from meetings with the applicants, the evidence and testimony submitted at the Commission public hearing, and the recommendations of the Commission, now desires to re-affirm the findings it made for the Original Plan and approve the Second Amendment.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF GRAIN VALLEY, MISSOURI, as follows:

**Section 1:** That upon consideration of the evidence produced in the TIF Commission hearing and presentations of information before this Board during the amendment process, the Board of Aldermen hereby re-affirms each and every finding made in Section 3 of Ordinance No. 2107 dated September 27, 2010, as those findings apply to the Second Amendment.

**Section 2:** That the Second Amendment, a copy of which is attached hereto and incorporated herein as **Exhibit A**, is hereby approved and adopted.

**Section 3:** That the Redevelopment Project Area 2 boundary is hereby expanded to include tracts of land legally described in **Exhibit B**; and in addition, because the Redevelopment Project Area 2 boundary is expanded, the overall boundary of the Original Plan is hereby expanded to include the tracts of land legally described in **Exhibit C**, which said exhibits are attached hereto and incorporated herein.

**Section 4:** That STAR Acquisitions, Inc is hereby named the developer for Redevelopment Project Area 2.

**Section 5:** That City staff, the City's special legal counsel, and other appropriate City officials are hereby authorized to take any and all actions as may be deemed necessary or convenient to carry out and comply with the intent of this Ordinance, to create those funds and accounts required by the Act to implement the Second Amendment, and to execute and deliver for

and on behalf of the City all certificates, instruments, and agreements or other documents as may be necessary, desirable, convenient, or proper to perform all matters authorized herein.

**Section 6:** It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

**Section 7:** This Ordinance shall be in full force and effect from and after its passage and approval by the Board of Aldermen.

Read two times and PASSED by the Board of Aldermen this \_\_\_\_ day of \_\_\_\_\_, 2016, the aye and nay votes being recorded as follows:

ALDERMAN ARNOLD \_\_\_\_\_  
ALDERMAN JOHNSTON \_\_\_\_\_  
ALDERMAN STANLEY \_\_\_\_\_  
MAYOR \_\_\_\_\_  
*(in the event of a tie only)*

ALDERMAN HEADLEY \_\_\_\_\_  
ALDERMAN PALECEK \_\_\_\_\_  
ALDERMAN WEST \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
James Cook  
City Attorney

\_\_\_\_\_  
Mike Todd  
Mayor

ATTEST:

\_\_\_\_\_  
Tami Love  
Deputy City Clerk

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**TAX INCREMENT FINANCING COMMISSION  
OF  
GRAIN VALLEY, MISSOURI**

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**A RESOLUTION OF THE CITY OF GRAIN VALLEY TAX INCREMENT FINANCING COMMISSION RECOMMENDING APPROVAL OF THE SECOND AMENDMENT TO THE GRAIN VALLEY MARKETPLACE TAX INCREMENT FINANCING PLAN AND TAKING OTHER ACTIONS RELATED THERETO.**

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WHEREAS, the City of Grain Valley Tax Increment Financing Commission (“TIF Commission”) has been duly formed by the Board of Aldermen of the City of Grain Valley, Missouri (“Board of Aldermen”) pursuant to Section 99.820.2 of the Revised Statutes of Missouri (“RSMo”);

WHEREAS, on August 30, 2010, the TIF Commission recommended approval of the Grain Valley Marketplace Tax Increment Financing Redevelopment Plan (“Original Plan”), which TIF Plan the Board of Aldermen approved by Ordinance No. 2107 on September 27, 2010;

WHEREAS, on December 9, 2013, the Board of Aldermen adopted an amendment to the Original Plan (“First Amendment”) altering the boundaries of Redevelopment Project Area 1 by splitting it into Redevelopment Project Area 1A and Redevelopment Project Area 1B, but leaving the exterior boundaries of the Original Plan unchanged;

WHEREAS, the original developer ceased development of Redevelopment Project Area 2 after completing only a portion of the project, subsequently, the City sought a new developer to continue development of Redevelopment Project Area 2;

WHEREAS, on January 8, 2016, STAR Acquisitions, Inc. (“STAR”) submitted to the City a Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan (“Second Amendment”)

WHEREAS, on December 18, 2015, the City mailed written notices of the scheduled TIF Commission public hearing to all taxing districts from which taxable property is included in the proposed Redevelopment Area (“Taxing Districts”), in compliance with Sections 99.825 and 99.830, RSMo;

WHEREAS, on January 6, 2016, the City published notice in *The Examiner* of the scheduled TIF Commission public hearing to consider the merits of the Second Amendment, in compliance with Section 99.830, RSMo;

WHEREAS, on January 22, 2016, the City mailed written notices of the scheduled TIF Commission public hearing to all persons in whose name the general taxes for the last preceding

year were paid on each lot, block, tract, or parcel of land lying within the Redevelopment Area, in compliance with Section 99.830, RSMo;

WHEREAS, on January 27, 2016, the City again published notice in *The Examiner* of the scheduled TIF Commission public hearing to consider the merits of the proposed Second Amendment, in compliance with Section 99.830, RSMo;

WHEREAS, a copies of the notices of the public hearing have been submitted to the Director of the Department of Economic Development, in compliance with Sections 99.825 and 99.830, RSMo;

WHEREAS, on February 3, 2016, at 7:00 p.m., the TIF Commission opened the public hearing to consider the proposed Second Amendment;

WHEREAS, on February 3, 2016, the TIF Commission closed the public hearing to consider the proposed Second Amendment;

WHEREAS, the public hearing conducted by the TIF Commission to consider the Second Amendment was open to the public, a quorum of the Commissioners was present and acted throughout, and the proper notice of such hearing was given in accordance with all applicable laws including Chapter 610, RSMo; and

WHEREAS, after considering the evidence and testimony received at the public hearing, the TIF Commission now desires to recommend that the Board of Aldermen make required findings and take certain actions to adopt and implement the Second Amendment.

NOW, THEREFORE, be it resolved by the Tax Increment Financing Commission for the City of Grain Valley:

1. **Findings.** The TIF Commission recommends that the Board of Aldermen by ordinance re-affirm the findings previously made by the Board pursuant to Section 99.810, RSMo, when it approved the Original Plan.

2. **Recommendations.** The TIF Commission recommends that the Board of Aldermen take the following actions with respect to the Second Amendment:

A. Adopt an ordinance to re-affirm the findings previously made when it approved the Original Plan;

B. Approve the Second Amendment by ordinance; and

C. Name STAR as the developer for Redevelopment Project Area 2.

APPROVED BY THE TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF GRAIN VALLEY THIS THIRD DAY OF FEBRUARY, 2016.

Passed and Approved this 3rd day of February, 2016.

  
Darryl Jones, Chairman

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# **STAFF AND CONSULTANT REPORT TO THE BOARD OF ALDERMEN**

## **SECOND AMENDMENT TO THE GRAIN VALLEY MARKETPLACE TAX INCREMENT FINANCING PLAN**

TIF COMMISSION PUBLIC HEARING DATE: FEBRUARY 3, 2016  
BOARD OF ALDERMEN CONSIDERATION: FEBRUARY 29, 2016

### **INTRODUCTION**

In the summer of 2010 a developer and the City of Grain Valley (“City”) submitted a proposed plan for the redevelopment of land located generally at the four corners of the I-70/Buckner-Tarsney Interchange in Grain Valley. That redevelopment plan, titled the “Grain Valley Marketplace Tax Increment Financing Plan,” will be referred to as the “Original Plan” for the purposes of this staff report.

As proposed, the Original Plan conceived four separate redevelopment project areas located within the larger redevelopment plan area. The City acted as the “developer” of Redevelopment Areas 1, 3, and 4 through a speculative TIF plan in anticipation of future development in those project areas. SG Property Management, LLC, submitted a plan for Redevelopment Project Area 2. The Original Plan was heard by the TIF Commission, which recommended unanimously that the City’s Board of Aldermen should approve the Plan and designate SG Property Management as the developer to implement that redevelopment project. By Ordinance No. 2017, adopted by the Board of Aldermen on September 27, 2010, the City made the requisite statutory findings for TIF Plan approval; approved the Original Plan; and designated SG Property Management, LLC, as the developer of Redevelopment Project Area 2. Since inception of the Original Plan, Redevelopment Project Area 2 has and continues to operate separately and distinctly from the remaining three project areas.

On December 9, 2013, the Board of Aldermen adopted the First Amendment to the Original Plan, which affected only Projects 1, 3, and 4. This amendment was primarily to accomplish two objectives: (1) to amend the project costs applicable to Project Areas 1, 3, and 4 to more closely match the actual costs of the public improvement projects related to those Projects; and (2) to alter the exterior boundaries of Redevelopment Project Area 1 by splitting into two components to maximize TIF capture on the remaining undeveloped portion of that Redevelopment Project Area.

As originally approved, SG Property Management intended to redevelop the Redevelopment Project 2 Area as a multi-screen movie theater, approximately 60,000 sf<sup>2</sup> of retail space, a financial institution, three fast food restaurants, and two full service restaurants. This redevelopment was to serve as the catalyst to redevelopment at all four corners of the Redevelopment Plan Area, but more importantly as the basis for the City to secure financing for a MoDOT cost matching program that would fund engineering, design, and construction costs necessary to make major improvements to the I-70/Buckner-Tarsney Road Interchange.

In recent years it has become evident that SG Property Management will not be able to complete the redevelopment of Redevelopment Project Area 2 as planned. Such failure would have drastic

effects on the City and the other taxing jurisdictions affected by the Original Plan, as the long-term financing for the blight removal being implemented would be in jeopardy, as would the long-term benefits expected by the City and other taxing jurisdictions for their participation in the Original Plan.

Concerned with the possibility of failure of the development and with the tacit approval of SG Property Management, the City has been actively seeking a new developer which might take over implementation, and possibly even improve upon, the Original Plan. Depending upon the submittals, doing so would likely result in an amendment to the Original Plan. The City, on behalf of the TIF Commission, solicited requests for proposals related to this; receiving one on January 8, 2016, from STAR Acquisitions, Inc. (“Applicant”). It is hoped that the Applicant will be able to put Redevelopment Project Area 2 back on track with the proposed Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan (“Amended Plan”), which is the subject of the this report. On February 3, 2016 the Grain Valley TIF Commission met and held a public hearing regarding the proposal. Upon the conclusion of the public hearing the TIF Commission voted unanimously to recommend the Board of Aldermen to approve the Amended Plan.

### **SUMMARY OF THE ORIGINAL PLAN PROJECT 2 COMPONENT FINANCING**

Originally, the total cost of the Project 2 improvements were estimated at \$25,908,026. The original developer was approved for reimbursement of \$6,615,000 (excluding \$75,000 in reimbursement of City costs), or approximately 26 percent of the total project costs through TIF and Community Improvement District (“CID”) assistance. During the up to 23 year term of the TIF, receipts from the proposed one percent (1.0%) CID sales tax was to be pledged toward repayment of the \$5,675,000 in TIF Reimbursable Project Costs. To date, the City’s IDA has issued \$2,830,000 of Tax Increment Revenue Bonds to pay for \$2,120,190 of TIF Reimbursable Project Costs, which bonds are backed by an annual appropriation of the City. Under the Original Plan, the CID would terminate 7 years after expiration of the TIF, after which the CID revenue will be utilized to reimburse the Project 2 Applicant up to \$1,015,000 on a pay-as-you-go basis. A Neighborhood Improvement District (NID) was created within the Project 2 area through which property owners would finance various public infrastructure improvements totaling approximately \$2,847,473, plus financing costs. These public infrastructure improvements include \$1.5 million towards reconstruction of the interchange, North Outer Road and Buckner Tarsney Road.

### **SUMMARY OF THE AMENDED PLAN**

The Amended Plan submitted by the Applicant is designed to improve upon the Original Plan. First and foremost, it is being submitted by a developer with a track record of success with commercial developments in the Kansas City metropolitan area. However; before summarizing the Amended Plan, it is important to recognize that several elements of the Original Plan were completed by the Original Developer (and MoDOT and the City). To date, the original developer constructed a movie theater and related parking lot, and Casey’s General Stores have constructed the planned convenience store. Additionally, a significant portion of the public

improvements including all of the I-70/Buckner Tarsney Road interchange improvements have been completed.

In addition to the completed elements of the Original Plan, through the Amended Plan the Applicant proposes to construct an approximately 60,000 ft<sup>2</sup> grocery store and approximately 21,000 ft<sup>2</sup> of retail and/or restaurant facilities. Further, the boundaries of Project Area 2 are being expanded to the north in order to accommodate the grocery store and related parking on the lots adjacent to and west of the existing theater lot. With this expansion, access to the proposed grocery store will be located on McQuerry Road, Buckner-Tarsney and NW Woodbury Drive.

The total project costs for the Amended Plan, including the share of the NID Costs passed from the Original Developer to the Applicant, are \$25,999,925. Of this, the Applicant is seeking \$6,550,000 (approximately 25.2%) of the total cost in TIF Reimbursable Costs, plus financing costs. The Applicant intends to spend \$9,623,227 (37%) of its own equity and debt, with an additional \$9,826,698 (37.8%) coming from third parties.

The Applicant seeks public finance assistance for a portion of the project costs in the form of TIF revenue bonds. Pursuant to the Original Plan, the developer was authorized to receive up to \$5,675,000 net proceeds from annual appropriation-backed TIF Revenue bonds. \$2,120,190 in net proceeds has been provided to the developer.

The Applicant's request for financing assistance is different in a very substantial way—the Applicant is not requesting an annual appropriation pledge from the City as a credit enhancement for the bonds to be issued, thus the financial risk to the City for issuing the Applicants requested bonds will be lower than for the initial bonds issued for the Original Developer. Because the Applicant's proposed project has higher projected revenues than did the Original Plan, the proposed Amended Plan is able to cover a larger amount of debt service for bonds. The Applicant is seeking a total of up to \$6,550,000 in net bond proceeds, which again would be TIF revenue bonds without a City annual appropriation pledge. The actual amount of net bond proceeds provided will be dependent upon the capacity of the actual project in the then current economic market at the time of bond issuance. It is anticipated that the developer will be reimbursed on a pay as you go basis – to the degree that project revenues allow - for any Reimbursable Project Costs not paid from TIF Revenue Bonds.

The “TIF Clock” began to run in 2010 when Redevelopment Project 2 was activated. The Amended Plan does not change the effect of activation—the TIF capture period and all financing dependent upon TIF revenues will end in 2033, just as was the case when the Original Plan was approved. Consistent with the Original Plan, the Amended Plan proposes that upon completion of the TIF Plan or the payment of all Reimbursable Project Costs (whichever occurs first), tax revenue from the proposed Redevelopment Area will be paid to all taxing jurisdictions within such area.

### **REVIEW PROCESS OF THE TIF APPLICATION**

In accordance with the City's adopted TIF procedures, the Applicant has submitted an executed funding agreement to the City to provide a funding source for costs incurred by the City in reviewing and considering its portion of the TIF Plan. The City, on behalf of the TIF Commission, mailed the statutorily required 45 day notice of the TIF Commission public hearing

to the affected taxing jurisdictions. Statutorily required notices have been, and will be, published in the newspaper and will be mailed to affected property owners. Between the date on which the notice of public hearing was mailed and the public hearing date, the City, on behalf of the TIF Commission, solicited proposals from other developers to develop the area, as is required by statute. The only proposal received was the joint proposal by the Applicant. The application was received and reviewed by City staff and determined to be consistent with applicable City policies and requirements, except as noted in this staff report.

As part of City staff's due diligence in reviewing the application for TIF assistance, the City has utilized Springsted Incorporated, the City's financial and economic development advisor. As part of its services related to review of the proposed TIF, Springsted performed an independent "but for" test in the form of an internal rate of return analysis of Project 2 by reviewing and analyzing the developer's estimated costs and operating revenues. Springsted has prepared a separate report regarding this issue that is included with your materials.

With respect to the Original Plan, Urban Planner Andrew Z. Murray, AICP, of Husch Blackwell Sanders LLP prepared a blight study of the proposed Redevelopment Area for the Applicant. At that time, the City retained Shaner Appraisals, Inc., to independently review the blight study to separately determine whether the study meets the criteria for the Missouri statutes and definitions regarding blight. Shaner prepared a separate report regarding its review of the blight study, which concurred with Mr. Murray's findings.

As a component of the Amended Plan the Applicant engaged the Polsinelli, PC Development Analysis Department to provide an Addendum to Analysis of Conditions Representing a Blighted Area, which was submitted as Exhibit 6B to the Amended Plan. The Addendum addresses blighted conditions that exist in the area proposed to be added to the TIF Redevelopment Area.

In order for the TIF Plan to be adopted, state statutes require that the Board of Aldermen make the following six findings:

1. The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;
2. The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;
3. The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment

project;

4. A plan has been developed for relocation assistance for businesses and residences;
5. A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;
6. A finding that the TIF Plan does not include the initial development or development of any gambling establishment.

The TIF Commission must hold a public hearing at which it will hear and consider all protests, objections, comments and other evidence presented. If necessary, the hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. The TIF Commission must vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas within thirty days following completion of the hearing. The TIF Commission must also make recommendations to the governing body within ninety days of the close of the public hearing concerning the adoption of redevelopment plans and redevelopment projects, and the designation of redevelopment areas.

### **ANALYSIS OF REQUIRED STATUTORY FINDINGS**

***FINDING # 1 - A finding must be made that the development area is a blighted area, a conservation area, or an economic development area and as a whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.***

#### **Blight Designation**

Exhibit 6 of the Original TIF Plan contains a blight study, dated July 2010, prepared for the Applicant by Urban Planner Andrew Z. Murray, AICP, of Husch Blackwell Sanders LLP. This study concluded that the area as a whole met the TIF statutory requirements for blight due to the existence of the following primary blighting factors in the redevelopment area:

- 1) Defective or inadequate street layout:
  - a. Inadequate and unsafe facilities.
- 2) Deterioration of site improvements:
  - a. Buildings exteriors;
  - b. Buildings interiors.
- 3) Unsanitary and unsafe conditions resulting from:
  - a. Deteriorated site improvements;
  - b. Environmental contamination.

- 4) Existence of conditions which endanger life or property by fire and other causes:
  - a. Deteriorating physical components;
  - b. Environmental contamination;
  - c. Unsafe road infrastructure.

The study further concludes that these blighting factors have resulted in an economic or social liability and/or constitute a menace to public health which means the area meets the statutory requirements to be declared a blighted area. Shaner Appraisals has reviewed the blight study at the City's request and has independently verified that the statutory blight requirements have been met.

Because the redevelopment plan has not yet been fully implemented, the blight found in the Original Plan has not yet been fully remediated. Additionally, the Applicant filed an Addendum to the Original Blight Study to address the Additional Property being added to the Redevelopment Area. In summary, the Addendum concludes that the Additional Property contributes to the blighted conditions found in the Original Blight Study area and continues to meet the TIF statutory requirements for blight due to the existence of the following primary blighting factor in the Additional Property area:

- 1) Improper subdivision or obsolete platting:
  - a. Lack of investment.
  - b. Economic underutilization

The Additional Property was platted in 2003 for development as a business and office park. Minimal development within the business park has occurred. The Addendum further concludes that the Additional Property's obsolete platting has kept the Additional Property undeveloped and underutilized creating an economic liability to the City. As a result, the Additional Property and the Redevelopment Area as a whole qualifies as a blighted area pursuant to the TIF Act.

#### "But For" Test

The "but for" test requires that a finding be made that the proposed Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing; i.e., "but for" the use of TIF, the area is not anticipated to be developed.

As required by the TIF statute, Exhibit 12A of the TIF Plan includes an affidavit from Tim Harris, as the President of STAR Acquisitions, Inc., the Applicant, attesting that the statutory requirements for blight for the area on the whole and the "but for" test have been met; i.e., that without TIF assistance Project 2 would not be reasonably expected to occur and that the project would not be economically viable for the Applicant without such assistance.

In addition, Springsted's independent analysis concludes that the projected internal rate of return for the Applicant would be -0.68% percent without TIF and CID assistance, which is obviously an unacceptable rate of return for any developer of any project. Springsted calculates the Applicant's internal rate of return at 6.75% percent with TIF and CID assistance. Springsted estimates that the internal rate of return necessary to motivate a developer to undertake a project of the type and size proposed for Project 2 within the current marketplace is 6% to 10.75%. As

the Applicant's rate of return without TIF and CID is below the market range, it is concluded that the Project would not occur without TIF.

**TIF Commission Recommendation:** the Board of Aldermen should: 1) find that the expanded Redevelopment Area (including the Additional Property) as a whole qualifies as a "Blighted Area" as described by state statutes; and 2) find that while a portion of Redevelopment Project 2 was developed, the remaining portion of Redevelopment Project 2 plus the Additional Property has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of tax increment financing and that the Applicant has submitted the required affidavit to that effect.

***FINDING # 2 - A finding must be made that the proposed TIF Plan conforms to the comprehensive plan for the development of the City as a whole.***

The City's comprehensive plan is titled the Grain Valley, Missouri Comprehensive Plan and was last adopted by the Mayor and Board of Aldermen in October 2014. Where applicable, the Comprehensive Plan is supplemented by area plans that are incorporated as a part of the comprehensive plan, and provide additional detail about specific areas. The proposed redevelopment project area lies within the area addressed in the City of Grain Valley's Main Street Corridor and Adjacent Neighborhoods Plan, which was adopted in July 2006. Both the Main Street Corridor and Adjacent Neighborhoods Plan and the City's Comprehensive Plan indicate that the Grain Valley Marketplace Redevelopment Area may be developed for restaurants, retail, movie theaters, financial institutions, other light commercial, office, and mixed use allowed in the Transition Zone Overlay District. Based on the proposed uses outlined by the City and Applicant in the TIF Plan and for Project 2, the Plan and Project 2 are consistent with the City's Comprehensive Plan for the area.

**TIF Commission Recommendation:** The Board of Aldermen should find that the proposed Amended Plan is in conformance with the City's Comprehensive Plan.

***FINDING # 3 - A finding must be made that the estimated dates for the completion of projects and retirement of obligations incurred to finance the development do not exceed twenty-three years from the time the first project is authorized, that the first project is scheduled to be authorized within ten years of the adoption of the TIF Plan, and that no property will be secured by eminent domain later than five years from the adoption of the ordinance approving the development project.***

The Original TIF Plan was approved in September 2010. As previously stated, a portion of Redevelopment Project 2 has already been completed. The portion that was completed is the movie theater and convenience store, as well as the public improvements servicing such development and the portion of the Public Road Improvements attributable to Redevelopment Project Area 2. The Amended Plan proposes to complete Redevelopment Project 2 by constructing a grocery store, approximately 21,000 sf<sup>2</sup> of retail and/or restaurant facilities, and all

the necessary infrastructure improvements needed to service such development. The remaining development is scheduled to commence in 2016 and is expected to be completed in 2019.

As previously stated, the “TIF Clock” began to run in 2010 when Redevelopment Project 2 was activated. The Amended Plan does not change the effect of activation—the TIF capture period and all financing dependent upon TIF revenues will end in 2033, just as was the case when the Original Plan was approved. Therefore, the adoption of an ordinance approving Project 2 will not be later than 10 years after the adoption of an ordinance approving the Original Plan. Additionally, the estimated dates of completion of Project 2 and the retirement of obligations incurred to finance the Project 2 redevelopment costs are not more than twenty-three years from the date the ordinance approving Project 2 is adopted. It is not anticipated that any property within Project 2 will be acquired by eminent domain, but nevertheless, the Original Plan and the Amended Plan specifically prohibits the acquisition of property by eminent domain later than five years from the adoption of an ordinance approving Project 2, in accordance with the TIF Act.

**TIF Commission Recommendation:** The Board of Aldermen should find that the Amended Plan contains information that dates for completion of projects and retirement of obligations incurred to finance the development are not more than twenty-three years from the adoption of the ordinance approving a development project within the development area, that no project is scheduled or permitted to begin more than ten years after the adoption of the ordinance authorizing the Original Plan, and that the proposed Amended Plan meets the statutory requirement regarding the acquisition of property by eminent domain.

***FINDING # 4 - A finding must be made that a plan has been developed for relocation assistance for businesses and residences.***

Exhibit 13 of the Original Plan includes a relocation policy for businesses and residences within the Original Plan and Project 2 areas. The relocation assistance plan for the Amended Plan is unchanged from the Original Plan and remains in effect, which satisfies the requirement for this finding. The City and the Developer do not anticipate that relocation assistance will be needed in the Amended Plan Area or implementation of Project 2; however, in case such relocation assistance is needed, a plan has been provided in accordance with the TIF Act.

**TIF Commission Recommendation:** The Board of Aldermen should find that the Applicant has developed a plan to provide relocation assistance for businesses and residences affected by the Amended Plan.

***FINDING # 5 - A finding must be made that a cost-benefit analysis has been prepared showing the economic impact of the Amended Plan on each taxing district which is at least partially within the boundaries of the development area, that the analysis shows the impact on the economy if the project is not built, as well as if it is built pursuant to the development plan under consideration, that the cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and that there is sufficient information from the developer for the commission to evaluate whether the project as proposed is financially feasible.***

A cost-benefit analysis has been submitted as Exhibit 11A to the Amended Plan to show the economic impact of the Amended Plan on each taxing jurisdiction and political subdivision that is at least partially within the boundaries of the proposed development area for Project 2. As required by state statute, this analysis shows the impact on the economy if Project 2 is not built, or is built in accordance with the Amended Plan under consideration. This analysis also includes a fiscal impact study on each affected political subdivision and provides sufficient information to evaluate whether Project 2 is financially feasible. Exhibit 7A is a letter from Robert Parks of Bank Liberty describing the bank's interest in providing financing to the Applicant for the retail/commercial portion of the Amended Plan.

The financial structure of Project 2 will be in part through the use of private capital in the form of equity, third party funds and debt financing. Project 2 is expected to generate TIF revenue and CID revenue based upon the projections shown in Exhibit 8A of the Amended Plan. The estimated Reimbursable Project Costs for Redevelopment Project 2 will be reduced by the amount of available non-captured CID revenues utilized to pay for/reimburse the approximately \$1,800,000 in NID costs associated with the land owned or to be owned by the Redevelopment Project 2 Developer. Reimbursable Project Costs would be repaid by revenues captured through the TIF and generated by the CID. While the amendment to the CID is not something the TIF Commission will consider, its existence is integral to the financing as a whole. This is because the CID provides an additional source of EATs (sales tax) revenue that is unaffected by a base year pass through amount (because the CID sales tax will not have been in existence in the year prior to the TIF activation). The Applicant has agreed to cause the CID to contribute the non-captured portion of its sales tax revenues to pay down TIF reimbursable costs and NID costs. The effect of this is to reduce the "burden" on the taxing jurisdictions by creating a revenue stream that will help to pay down TIF obligations sooner than would have been possible without it. The specific terms regarding the use of the TIF and CID revenue stream will be addressed in an amended and restated redevelopment agreement between the City and the Applicant to be considered and approved by the Board of Aldermen subsequent to its consideration of the Amended Plan.

The City staff and Springsted have reviewed in detail the overall financial aspects of the proposed Amended Plan. This analysis includes assumptions regarding potential tenants and projected TIF revenues from these uses. Based on this review, City staff believes that the proposed Amended Plan is financially feasible.

**TIF Commission Recommendation: The Board of Aldermen should find that the Applicant has prepared a cost-benefit analysis showing the economic impact of the Amended Plan on each taxing district which is at least partially within the boundaries of the development area, that the analysis shows the impact on the economy if the project is not built, as well as if it is built pursuant to the development plan under consideration, that the cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and that there is sufficient information for the Board of Aldermen to determine if the project is financially feasible.**

***FINDING # 6 - A finding must be made that the TIF Plan does not include the initial development or development of any gambling establishment.***

A review of the Amended Plan indicates that the initial development or development of any gambling establishment is **not** included.

**TIF Commission Recommendation: The Board of Aldermen should find that the Amended Plan does not include the initial development or development of any gambling establishment.**

### **CONCLUSION**

The City staff's approach in reviewing requests for TIF assistance overall has been to determine the amount of public benefit the TIF Plan will generate. Adoption and implementation of this Amended Plan and Project 2 will benefit the public by remediating the ongoing underutilization of Project Area 2 due to defective or inadequate street layout; deterioration of site improvements; unsanitary and unsafe conditions resulting from (a) deteriorated site improvements, and (b) environmental contamination; existence of conditions which endanger life or property by fire and other causes; and improper subdivision and obsolete platting, which together have resulted in an economic or social liability and/or menace to the public health. This Amended Plan will provide a grocery store and additional restaurant/retail development, and will serve as a catalyst for other retail development in and around the downtown area, thus helping to improve the quality of life for consumers in the City of Grain Valley, most of whom are constituents of each of the affected taxing jurisdiction, for years to come. Additionally, this Amended plan will generate approximately \$32.8 million in additional revenue to the Taxing Jurisdictions over the life of the TIF, which will help to ensure the sustainability of the community.

In conducting a thorough review of the proposed Amended Plan and Redevelopment Project along with the assistance of its financial and legal consultants, it is City staff's conclusion that the Applicant has generally provided sufficient information to demonstrate that the statutorily required six findings have been met and that the TIF Commission should recommend to the Board of Aldermen that the proposed Amended Plan and Redevelopment Project be approved.

On February 3, 2016, after the conclusion of a public hearing on the matter, the TIF Commission unanimously (11-0) adopted Resolution No. 2016-01, recommending to the Board of Aldermen that the proposed Amended Plan and Redevelopment Project be approved.



## Second Amendment to the Marketplace TIF Plan – Project 2

City of Grain Valley, Missouri

But For Determination Report

January 4, 2016

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*Mission Statement*

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.

## 1. Executive Summary

The City of Grain Valley retained Springsted to review the need for assistance for the proposed amendment to the Grain Valley Marketplace Tax Increment Plan – Project 2, to determine if the proposed project would reasonably be anticipated to be developed without adoption of the requested financial assistance. The Amendment proposes the completion of Project number 2 (the “Project”) with the development of an approximately 60,000 square foot grocery store, and the development of five (5) pad sites that total approximately 21,730 square feet, which are anticipated to consist of restaurant type uses, along with site construction, soft costs, and other necessary improvements. Project Area 2 includes land that is located at the northeast quadrant of the intersection of I-70 and Buckner-Tarsney Road, all in the City of Grain Valley, Missouri. The developer is Star Acquisitions, Inc., (the “Developer”).

The measurement index to determine the need for assistance is the return on investment given similar developments, termed the internal rate of return, (the “IRR”). Springsted reviewed Project costs, operating revenue and expense information, and the requested assistance revenues to determine the Project’s need for assistance. Springsted reviewed ten-year cash flow projections provided by the Developer, and tested the revenue and cost assumptions prepared by the Developer. The testing compared the Developer’s representations to industry benchmarks. We determined the following:

- The projected IRR without assistance to the Developer falls below the current range expected within the marketplace, and the Developer’s own return requirement. Based on the projected level of return without assistance we conclude the Project is unlikely to be undertaken without the requested public assistance.
- The development would have to realize either savings in project costs, increases in project revenue, or a combination of the two for the Project to be undertaken without the requested assistance.
- The base return without assistance is illustrated in Table A below, along with the rate at which assumptions would have to change for the Project to be considered feasible without assistance.

**Table A****Internal Rate of Return (IRR) – Return Analysis**

<b>Analysis</b>	<b>Change Necessary to be Feasible*</b>	<b>Return without Subsidy</b>
Base Developer Return	N/A	-0.68%
Decreased Costs	32% Decrease	7.03%
Increased Project Revenue	45% Increase	6.79%
Combined Cost Savings & Increased Project Revenue	19% Decreased Costs 19% Increased Revenue	7.05%

\*The feasibility threshold for purposes of our sensitivity analysis was defined as an internal rate of return of 6.75% per our modification to the Developer's return as discussed in the return calculation portion of this report.

- For purposes of performing our sensitivity analysis we have utilized an unleveraged return of 6.75% based on the Developer's base pro forma with our adjustments to calculate the return on an unleveraged basis.
- The *Korpacz/Price Waterhouse Cooper Real Estate Investor Survey* identifies the range of returns for a project of this nature as: 6.00% to 10.75%, with an average return target of 7.78%.

## 2. Purpose

The City of Grain Valley has retained Springsted to review the proposed Second Amendment to the Grain Valley Marketplace Tax Increment Plan – Project 2. The proposed project would provide for the development of an approximately 60,000 square foot grocery store, and the development and sale of five (5) pad sites that total approximately 21,730 square feet which are anticipated to be developed for restaurant uses. The Developer will undertake the necessary site work improvements as part of the Project. The Developer is requesting assistance in the form of Tax Increment Financing (“TIF”) and a Community Improvement District (“CID”) sales tax.

The City has requested this analysis determine the Project’s need for the requested TIF and CID assistance, based on the Project cost and operating pro forma information provided by the Developer. The analysis that follows will examine whether the proposed Project would reasonably be anticipated to be developed without the adoption of the requested financial assistance.

The report that follows is pursuant to Missouri Statutes 99.800 et seq. relative to a determination that the proposed Project within the proposed TIF Redevelopment Plan would reasonably be anticipated to be developed without the adoption of the Plan.

We have approached this determination based on the proposed Project’s plans regarding development costs, outcomes, financing sources, and timing, to develop a measure of the Developer’s expected return when compared to the amount of risk. If a project is owned and operated as an investment, a measure of return is calculated considering the time value of money, and involves an assumed sale of the property at a price appropriate in the market place: this analysis is termed the internal rate of return. The final determination is based on whether or not the potential return is reasonable without the requested assistance, within the current marketplace and at the present time.

The Developer is requesting modification to the following assistance programs currently in place on the development site:

- Statutory TIF - Revenues in the form of available ad valorem property tax revenues, Payment in Lieu of Taxes, (“PILOTS”) along with Economic Activity Taxes (“EATS”) where it is anticipated 50% of the growth in sales tax revenues will be captured and re-directed to pay for the existing debt obligations of the TIF District, as well as new eligible reimbursable redevelopment project costs incurred by the Developer; and
- Community Improvement District (“CID”) - An existing CID would remain in place and would continue to impose a one percent (1% ) sales and use tax applicable to taxable retail sales within the redevelopment project area with 50% of the receipts being captured under TIF and re-directed to pay for eligible reimbursable redevelopment project costs. It is anticipated that the CID will dedicate the uncaptured 50% of CID

sales tax receipts toward existing debt obligations already in place, as well as reimbursing the Developer for costs associated with the repayment of Neighborhood Improvement District (“NID”) costs. For the purpose of this analysis we have assumed the CID sales tax revenue, not captured as TIF, will be sufficient to repay the NID costs and that this revenue stream would be available separate from the requested TIF Plan modification. In the event that the CID revenue stream is incapable of fully repaying the NID costs and the Developer is required to pay all or a portion of these costs from private sources, it would only reduce the returns from the levels shown in this analysis. As a result of this assumption, the outstanding NID costs to the Developer are not included in this analysis, as they are presumed to be repaid by the non-captured CID revenue.

### 3. The Project

The proposed Project contemplates the development of an approximately 60,000 square foot grocery store, and the development of five restaurant pad sites totaling approximately 21,730 square feet, along with necessary site work improvements. The Developer will be constructing and leasing the grocery store building, which they anticipate constructing in 2016 and occupancy starting in 2017. The five pad sites are proposed to be sold to third party entities for development, with sales projected for 2016-2018.

In addition to the commercial component of the development, the Developer also intends to undertake all necessary improvements to develop the site such as parking lot, sanitary sewer, storm water and utility improvements in addition to other on-site improvements.

The Developer has provided an estimated redevelopment project budget, shown below in Table B, broken down into the following categories: land acquisition, site construction costs, building shell costs, grocery furniture, fixtures, & equipment, soft costs, and hard cost contingency.

**Table B**

Project Costs Category	Total Project Cost	% of Total Costs	Developer Costs*	Third Party Costs	TIF Reimbursable Costs
Land Acquisition	\$2,680,000	11%	\$680,000	-	\$2,000,000
Site Construction Costs	4,509,984	19%	1,093,815	2,166,169	1,250,000
Building Shell Costs	10,600,000	44%	3,600,000	5,500,000	1,500,000
Grocery Furniture, Fixtures & Equipment	1,800,000	7%	1,800,000	-	-
Soft Costs	3,854,442	16%	2,077,221	1,777,221	-
Hard Cost Contingency	755,499	3%	372,191	383,308	-
<b>Total Redevelopment Project Costs</b>	<b>\$24,199,925</b>	<b>100%</b>	<b>\$9,623,227</b>	<b>\$9,826,698</b>	<b>\$4,750,000</b>

#### Land Acquisition

The Developer's land acquisition costs are \$2,680,000 which is approximately 11% of the redevelopment project budget. The land acquisition cost is based on information provided by the Developer. The Developer anticipates requesting reimbursable costs in the amount of \$2,000,000 related to the land acquisition.

#### Site Work Costs

The Developer prepared a total budget for site work costs of \$4,509,984, which represents approximately 19% of the total project cost. The line-items associated with this category are for costs related to, excavation/grading, parking lot improvements, sanitary and storm sewer, water service line, landscaping, and signage. For these expenses the Developer is seeking \$1,250,000 in reimbursable TIF costs, with an additional \$2,166,169 anticipated

to be funded by third-parties. The anticipated net cost to the Developer is \$1,093,815.

### Building Shell Costs

The Developer has prepared a total cost for building shell construction of \$10,600,000; which is the largest of the cost categories at approximately 44% of the total project cost. The Developer will only be responsible for the construction of the 60,000 square foot grocery store, which has an estimated total cost of \$5,100,000 that equates to a per square foot cost of \$85.00. The Developer is seeking \$1,500,000 in TIF reimbursement for building shell costs, leaving them with a net-cost of \$3,600,000. The remaining \$5,500,000 in building costs will be incurred by third parties.

To analyze the Developer's cost assumption for the construction of the grocery store shell, we compared the cost estimate to the RSMeans Square Foot Estimator for construction costs for the proposed building types in the Kansas City metro Area. The RSMeans data provides a range of cost estimates for the construction of vertical building improvements.

The Developer's cost assumption for the 60,000 square foot grocery building is approximately \$85 per square foot. The RSMeans estimate range for this type of building ranges from \$87.66 to \$113.71, depending on construction type. Based on this review it appears the Developer's building cost assumption is reasonable.

It should be noted that the Developer is only responsible for costs related to the construction of the grocery store, and the related site work improvements. Any cost savings related to the building improvements the Developer is undertaking could have a positive effect on the rate of return realized by the Developer, while the higher than estimated costs would have a converse effect. In the return analysis section of the report, we discuss the sensitivity of the rate of return to changes in the project costs, and the effect on the return without assistance if there is a decrease in project costs.

### Grocery Store Furniture, Fixtures, and Equipment

The Developer has indicated an estimated cost of \$1,800,000 will be incurred for costs associated with the furniture, fixtures, and equipment necessary for the grocery store. This line item equates to approximately 7% of the total project cost, and the Developer will be responsible for incurring the entire amount and is not seeking any reimbursement. The cost assumption equates to \$30 per square foot for the 60,000 square foot grocery store.

### Soft Costs

The Developer has estimated the total soft cost expenses at \$2,077,221, which equates to approximately 16% of the total project cost. The soft cost category includes costs associated with the following line-items; mobilization, permits,

construction staking, engineering design, geo-tech, commissions, legal & accounting, architecture, and soft cost contingency. The Developer has projected they will incur approximately \$2,077,221 of these costs, with the remaining \$1,777,221 paid by third-party developers. The Developer is not seeking TIF reimbursement for these expenses.

The largest of the soft cost line are permits, engineering design, and architecture, which are each based on a cost estimate equivalent to 5% of the anticipated building shell and site improvement costs. In total these three line-items amount to \$2,266,498 of the total soft-cost category, of which the Developer is anticipating incurring 50% of the total or approximately \$1,133,249. The Developer's cost assumptions for the soft-cost category appear to be reasonable and likely to be incurred. Additionally, the Developer is not seeking a developer fee for the project.

### Hard Cost Contingency

The estimated hard cost contingency is \$755,499, of which the Developer is anticipating incurring \$372,191 of these costs. The total line item equates to 3% of the overall project cost. The cost estimate is based on 5% of the total site improvement and building shell costs, which is a reasonable assumption.

In the "Return Analysis" section of the report we discuss the sensitivity of the rate of return to changes in the project costs, and the effect on the return of a decrease in project costs.

## 4. Assistance Request

The Developer is seeking assistance in the form of statutorily available TIF revenues, PILOTS and EATS, which will be captured and re-directed to pay for eligible redevelopment project costs, including previously incurred and newly incurred costs. Additionally, the Developer intends to utilize the existing CID which imposes a one percent (1%) sales and use tax applicable to all taxable retail sales within the redevelopment project area. Fifty percent of the receipts of this sales tax will be captured under TIF and re-directed to pay for eligible reimbursable redevelopment project costs. It is anticipated that the CID will dedicate the uncaptured 50% of the CID sales tax receipts toward repayment of existing debt obligations and the reimbursement of the Developer for costs associated with the repayment of Neighborhood Improvement District costs. The TIF assistance requested by the Developer for the completion of their portion of the project is anticipated to be from a mix of up-front funding through the issuance of Tax Increment Revenue Bonds, as well as on a pay-as-you go basis. The Developer is seeking reimbursement for a total principal amount of project costs of \$4,750,000. Additionally, the Developer is seeking reimbursement for interest expenses incurred on any portion that is initially funded by the Developer and reimbursed on a pay-as-you-go basis.

At the time of the preparation of this document the exact mix of up-front funding vs. pay-as-you-go funding is not yet known. For the purposes of this analysis, the pro forma, and subsequent IRR analysis, is based on the assumption that approximately \$4,000,000 will be funded up-front through the issuance of a Tax Increment Revenue Bonds and the remaining \$750,000 in eligible costs will be reimbursed on a pay-as-you-go basis at an anticipated interest rate of 6.0%.

The TIF and CID revenue streams generated by the District over its remaining term will first be utilized to repay debt obligations of the TIF District, which would include both TIF Revenue Bonds sold in 2012 and parity bonds issued to fund the assumed \$4,750,000 of the Developer's eligible costs. Any revenue remaining after payment of bond debt service would be utilized to pay the remaining eligible costs on a pay-as-you-go basis, in the event the parity bonds were issued in an amount less than \$4,750,000.

The Developer will be funding their portion of the Project costs (net of any TIF bond revenues) through a mix of Developer equity and private debt. The Developer pro forma estimated an equity contribution of 25% of project costs with the remaining 75% of redevelopment project costs to be financed by permanent debt. As previously noted, the Developer intends to construct all site improvements along with the 60,000 square foot grocery store. It is anticipated that third parties will purchase and develop the five additional pad-ready sites. The Developer projected private financing terms of 6.0% interest over a term of 25-years.

Table C provides the anticipated sources that will be utilized to fund the redevelopment project.

**Table C**

<b>Sources:</b>	
Developer Equity/Debt	\$9,623,227
Third Party Equity/Debt	\$9,826,698
TIF Assistance	\$4,750,000
<b>Total Sources</b>	<b>\$24,199,925</b>

## 5. Return Analysis

Utilizing the operating pro forma prepared by the Developer, we evaluated the need for assistance for the proposed development as a whole by comparing the potential return with and without assistance. The Developer provided a 10-year operating pro forma for the development, which included the build-out, and operating revenue and expense assumptions. The Developer demonstrated the potential return through a leveraged internal rate of return (IRR) calculation, to illustrate the potential return with and without assistance. The return realized by the Developer is a result of the assumptions used in the creation of the operating pro forma; therefore, a number of steps must be performed to analyze the reasonableness of the assumptions used.

The first step in analyzing the return to the Developer is to determine if the costs presented are reasonable. We have discussed a portion of the costs above and have commented on the mechanics whereby cost savings on the private side could occur. If cost savings for the Developer's share occur absent any other changes, the Developer would realize a greater return than projected. In the sensitivity analysis below we examine the impact of cost savings on the projected rate of return without assistance.

The second step in calculating the return to the Developer is to determine if the operating revenues and expenses are reasonable.

- The Developer has assumed a lease rate of \$9.10 per square foot for the grocery store with the lease rate to escalate 1.5% after 5 years.
- It is anticipated that third parties will construct the five other pads sites with sale prices ranging from \$500,000 to \$800,000 per pad site.

We examined various retail lease rate listings in the Kansas City area market for comparison. Our conclusion is that the projected lease rates, and pad sale prices are reasonable. In the sensitivity analysis we examine the impact of increased lease rates and pad sale amounts on the projected rate of return without assistance.

The third step in analyzing the return to the Developer is to determine if the assumptions for a sale of the asset are reasonable. The return analysis to the Developer should factor in a hypothetical sale of the asset at the end of ten years of operations. A critical assumption when valuing the asset at the time of the hypothetical sale is the capitalization rate. The available net operating income divided by the capitalization rate results in the assumed fair market value of the asset. The Developer has used a capitalization rate of 8.5% for the project to calculate the hypothetical sale value. In reviewing historical cap rate trends for commercial retail developments, we feel 8.5% is a reasonable assumption.

Table D illustrates the Developer's base pro forma with the rate of return with and without assistance, on a leveraged basis.

**Table D**

Base Developer Pro Forma	Without Assistance	With Assistance
Leveraged	N/A	9.83%

To provide a comparison of the Developer’s return without assistance to an industry benchmark the Developer’s submitted pro forma was modified to include the IRR analysis on an unleveraged basis. An unleveraged IRR calculation is performed in order to compare the potential return to the Developer based on the *Price Waterhouse Cooper (PWC)/Korpacz Real Estate Investor Survey, Fourth Quarter 2015*, which provides a market comparison against which project feasibility can be considered.

Table E shows our modified pro forma with the rate of return with and without assistance, on an unleveraged basis.

**Table E**

SI Modified Pro Forma	Without Assistance	With Assistance
Unleveraged	-0.68%	6.75%

To evaluate the rate of return a project of this nature would require to be considered “feasible” we consulted the *Korpacz/Price Waterhouse Cooper Real Estate Investor Survey* prepared for the fourth quarter of 2015. This survey provides a resource for comparing the Developer’s rate of return to a market benchmark to help determine feasibility. According to the developers surveyed, the typical unleveraged market return necessary to pursue a project of this nature falls in a range from 6.00% to 10.75%; with an average return of 7.78%.

In order to answer the question “is the development likely to occur without public assistance” we analyzed the without incentive scenarios, using the base developer pro forma without assistance as the basis of the assumption. We performed a sensitivity analysis in order to understand the magnitude at which project costs would have to decrease, or conversely project revenues would have to increase, for the project to be considered feasible. For this sensitivity analysis we used the 6.75% return with assistance from our modified pro forma as a benchmark for performing our sensitivity analysis, as this appeared to be a feasibility threshold the Developer was willing to accept.

To understand the impact of the project cost assumptions, we performed a cost sensitivity analysis to determine the rate at which costs would have to be reduced for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table F illustrates the development would need to realize a 32% reduction in project costs in order to be feasible without assistance. Given a 32% reduction in costs the project would have a rate of return of 7.03%.

**Table F**

Project Costs Sensitivity	Reduction in Project Costs	Rate of Return without assistance
	32%	7.03%

To understand the impact of projected lease rates and pad sale assumptions, we have performed a sensitivity analysis to determine the rate at which project revenues would have to increase for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table G illustrates the development would need to realize a 45% increase in project revenues in order for the project to be feasible without assistance. Given a 45% increase in project revenues, the project would have a rate of return of 6.79% which falls into the reasonable range.

**Table G**

Project Revenue Sensitivity	Increase in Project Revenue	Rate of Return without assistance
	45%	6.79%

As a final step in the sensitivity analysis, and to understand the impact of a combined change in project costs and project revenues, we have performed a sensitivity analysis to determine the rate at which these areas would have to change for the projected rate of return to be in excess of our feasibility benchmark without assistance. Table H illustrates the development would need to realize a combined 19% decrease in project costs and a 19% increase in project revenues for the project to be feasible without assistance. Given these changes in assumptions the project would have a rate of return of 7.05%.

**Table H**

Combined Sensitivity	Reduction in Project Costs	Increased Project Revenues	Rate of Return without assistance
	19%	19%	7.05%

The three tables above (Tables F, G, and H) indicate the magnitude at which project assumptions would have to change for the project as a whole to have a rate of return in excess of the 6.75% feasibility benchmark used in the sensitivity analysis. Absent changes of the magnitude outlined above, the project would not have a sufficient enough return to draw market investment. Only by assuming either increases in project revenues, decreases in project costs, or a combination of the two does the return increase to a feasible level without public assistance. However, we project changes of the magnitude

outlined above are unlikely to be realized, which indicates the proposed project, when viewed as a whole, would not likely be completed through private enterprise alone.

## 6. Conclusions

The proposed Project contemplates the construction of a 60,000 square foot grocery store, and the development of five pad sites that total approximately 21,730 square feet of restaurant uses; along with other site work and soft costs. The Developer will bear all the risk until project completion and permanent financing is in place, and continued operating risk thereafter. This level of risk demands a positive return with a comparable national market range of 6.00% to 10.75%, with an average of 7.78% as indicated in the *PWC/Korpacz* study.

As detailed above, the projected IRR to the Developer without assistance, falls below the current range expected within the marketplace and in comparison to the return with assistance.

A Blight Study prepared by the Polsinelli PC, Development Analysis Department and an affidavit signed by the Developer dated \_\_\_\_\_, states that the redevelopment area is a blighted area and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Based upon the Blight Study, Developer affidavit, and upon our analysis, Springsted concludes that the proposed Project, without assistance would not likely be undertaken at this time without the requested assistance

**EXHIBIT A**

GRAIN VALLEY MARKETPLACE  
(Project 2)  
TAX INCREMENT FINANCING PLAN  
A SECOND AMENDMENT TO  
THE GRAIN VALLEY MARKETPLACE TAX INCREMENT PLAN  
Grain Valley, Missouri

SEE ATTACHED

**GRAIN VALLEY MARKETPLACE  
(Project 2)**

**TAX INCREMENT FINANCING PLAN  
A SECOND AMENDMENT TO  
THE GRAIN VALLEY MARKETPLACE  
TAX INCREMENT PLAN**

**Grain Valley, Missouri**

**GRAIN VALLEY MARKETPLACE  
(Project 2)  
TAX INCREMENT FINANCING PLAN  
A SECOND AMENDMENT TO  
THE GRAIN VALLEY MARKETPLACE TAX INCREMENT PLAN  
Grain Valley, Missouri**

Prepared By:

Polsinelli PC on behalf of STAR Acquisitions, Inc.

Submitted to:

The City of Grain Valley TIF Commission

January 8, 2016

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**Exhibit List**

- 1A Grain Valley Marketplace Redevelopment Area
- 1C Redevelopment Project Area 2
- 2 Redevelopment Areas Map
- 3A Site Plan – Project Area 2
- 5 Estimated Redevelopment Project Costs and Reimbursable Project Costs for Redevelopment Project 2

- 6A Addendum to Existing Conditions Study
- 7A Commitment to Finance Redevelopment Project 2
- 8A Revenue Projections for Redevelopment Project 2
- 11A Cost Benefit Analysis for Project 2
- 12A Developer Affidavit Project 2

**SECOND AMENDMENT**  
**TO THE GRAIN VALLEY MARKETPLACE**  
**TAX INCREMENT FINANCING PLAN**

**(PROJECT 2)**

Submitted to the City of Grain Valley, Missouri on January 8, 2016

**Recitals.**

A. The City of Grain Valley, Missouri (the "City") is authorized pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo (the "TIF Act") to adopt a plan for the redevelopment of a prescribed area that will directly and substantially benefit from redevelopment project improvements and to provide funding to implement the plan.

B. By Ordinance No. 2107, adopted by the Board of Aldermen of the City on September 27, 2010, the City approved the Grain Valley Marketplace Redevelopment Plan ("Redevelopment Plan" or "TIF Plan"), determined that the Redevelopment Project Areas (1 through 4 inclusive) constitute a Blighted Area; determined that the Redevelopment Plan, Redevelopment Projects, and Redevelopment Project Areas met the other applicable requirements of the Act; selected a developer to implement the Redevelopment Project Area 2 portion of the Redevelopment Plan, and authorized the City to enter into a contract with a developer for the implementation of Redevelopment Project 2 described in the Redevelopment Plan.

C. The TIF Plan provides for the redevelopment of the Redevelopment Area through one or more redevelopment projects in each of the four (4) Redevelopment Project Areas in Grain Valley, Missouri. Redevelopment Projects 1, 3, and 4 include Public Road Improvements to be undertaken by the City. Redevelopment Project 2 includes the construction of a commercial development comprised of retail, restaurants and entertainment; public improvements servicing the development; the portion of Public Road Improvements attributable to Redevelopment Project Area 2; and other

additional necessary and beneficial public improvements outside the Redevelopment Project Areas, which are necessary and beneficial to the TIF Plan.

D. In the event that the exterior boundaries of a Redevelopment Area or a Redevelopment Plan Area are to be altered, the City is authorized to consider and approve an amendment to the TIF Plan under Section 99.825 of the TIF Act.

E. On December 9, 2013, the Board of Aldermen adopted an amendment to the TIF Plan (the "First Amendment") by ordinance altering the exterior boundaries of Redevelopment Project Area 1 by splitting it into Redevelopment Project Area 1A and Redevelopment Project Area 1B. The exterior boundaries of the Redevelopment Plan were unchanged.

F. The First Amendment also addressed changes in the redevelopment project costs actually incurred and activated tax increment allocation financing for Redevelopment Project Area 1A. The First Amendment did not include any changes to the TIF Plan with regard to Redevelopment Project Area 2.

G. Since adoption of the First Amendment, the original developer of Redevelopment Project 2 as identified in the TIF Plan ceased development of Redevelopment Project 2 after completing only a portion of the project. The purpose of this Second Amendment to the Grain Valley Marketplace Tax Increment Financing Plan (the "Amended TIF Plan") is to identify a new developer for Redevelopment Project 2, amend the boundaries of Redevelopment Project Area 2, correspondingly amend the boundaries of the overall Redevelopment Area, describe revised components of Redevelopment Project 2 and include a corresponding site plan, include an addendum to the original Existing Conditions Study, describe revised costs for Redevelopment Project 2, including costs eligible for TIF reimbursement, include revised projections of incremental real property and sales taxes (pursuant to revised assessed value and sales projections) within Redevelopment Project Area 2, contain an updated commitment to finance, developer affidavit, and cost-benefit analysis in connection with Redevelopment Project 2.

## Amendments

1. Generally. This Amended TIF Plan is intended to supplement the existing TIF Plan. To the extent that the Amended TIF Plan differs from or is inconsistent with the existing TIF Plan, the Amended TIF Plan shall supersede the TIF Plan. In all other respects, however, the TIF Plan shall remain in effect. The Amended TIF Plan is not intended to have an effect on Redevelopment Projects 1A, 1B, 3 or 4, and shall not be construed to change any provisions of the TIF Plan or First Amendment with respect to those projects. All capitalized words or terms used in this Amended TIF Plan that are not defined herein shall have the meaning ascribed to them in the TIF Plan or First Amendment.

2. Name of Amended TIF Plan. The name of the Amended TIF Plan shall remain the "Grain Valley Marketplace Tax Increment Financing Plan." The name of Project Areas 1A, 1B, 3, and 4 shall remain "Grain Valley Interchange."

3. Boundaries. The exterior boundaries of the Redevelopment Area (Project Areas 1A -- 4 inclusive) shall be expanded. The exterior boundaries of Redevelopment Project Area 2 shall also be correspondingly expanded. The exterior boundaries of Redevelopment Projects 1A, 1B, 3, and 4 shall not change. A legal description describing the boundaries of the expanded Redevelopment Area is attached hereto as Exhibit 1A, the legal description describing the boundaries of the amended Redevelopment Project Area 2 is attached hereto as Exhibit 1 C, and the boundaries of both the expanded Redevelopment Area and amended Redevelopment Project Area 2 are depicted on the map attached as Exhibit 2.

4. Definitions.

a. Developer's CID Pledge Account. The separate segregated account within the Special Allocation Fund into which the non-captured portion of Developer's CID Sales Tax revenues are to be deposited and from which such revenues will be disbursed to pay for or reimburse CID eligible costs.

b. Grain Valley Marketplace Redevelopment Area. Collectively, Redevelopment Project Area 1A, Redevelopment Project Area 1B, Redevelopment Project Area 2, Redevelopment Project Area 3, and Redevelopment Project Area 4, such real property legally described in the aggregate in Exhibit 1A.

c. Preliminary Site Plan. The conceptual preliminary site plan for Redevelopment Project Area 2 attached as Exhibit 3A, as such plan may be amended from time to time without further amendment to the Plan.

d. Redevelopment Project 2. (i) The construction of a grocery store, approximately 21,000 square feet of retail and/or restaurant facilities, and infrastructure improvements servicing such development within Redevelopment Project Area 2; and (ii) the already completed improvements consisting of the existing movie theater and convenience store, as well as the public improvements servicing such development in Redevelopment Project Area 2 and the portion of the Public Road Improvements attributable to Redevelopment Project Area 2 as set forth on Exhibit 4A to the Redevelopment Plan. The Preliminary Site Plan generally depicting Redevelopment Project 2 is set forth on Exhibit 3A attached hereto.

e. Redevelopment Project 2 Developer. STAR Acquisitions, Inc., a Missouri corporation, its successors and assigns for Redevelopment Project 2.

f. Redevelopment Project 2 Developer's CID Eligible Expenses. The non-captured portion of Developer's CID sales tax revenues shall be utilized to pay for or reimburse CID administrative and operating costs, as well as Redevelopment Project 2 Developer's NID Assessments.

g. Reimbursable Project Costs for Redevelopment Project 2. Reimbursable Project Costs for Redevelopment Project 2 shall include—

(i) Six Million Five Hundred and Fifty Thousand and No/100 Dollars (\$6,550,000.00) of the Redevelopment Project Costs for Redevelopment

Project 2 set forth on Exhibit 5 attached hereto, plus interest, capitalized interest and Financing Costs, as such estimate may be amended from time to time without further amendment to the Plan.<sup>1</sup>

(ii) Two Million One Hundred Five Thousand Seven Hundred and Seventy-Three and No/100 Dollars (\$2,105,773.00) already utilized to pay for or reimburse Redevelopment Project Costs for Redevelopment Project 2 set forth on Exhibit 4A to the Redevelopment Plan, plus interest, capitalized interest and Financing Costs.

(iii) Seventy-Five Thousand and No/100 Dollars (\$75,000.00) already utilized to pay for or reimburse Redevelopment Project Costs for Redevelopment Project 2 to the City.

5. Specific Plan Objectives. Specific objectives of this Plan are: Construction of a grocery store, approximately 21,000 square feet of retail and/or restaurant facilities, and infrastructure improvements servicing such development within Redevelopment Project Area 2, as generally depicted on Exhibit 3A.<sup>2</sup>

6. Plan Implementation.

a. Redevelopment Project 2. Redevelopment Project 2 includes the construction of a grocery store, approximately 21,000 square feet of retail and/or restaurant facilities, and infrastructure improvements servicing such development within Redevelopment Project Area 2; and also includes the already completed improvements consisting of the

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<sup>1</sup> Estimated Reimbursable Project Costs for Redevelopment Project 2 will be reduced by the amount of available non-captured CID revenues utilized to pay for/reimburse the approximately \$1,800,000 in NID costs associated with the land owned or to be owned by the Redevelopment Project 2 Developer.

<sup>2</sup> The following specific objectives of the Redevelopment Plan specifically pertaining to Redevelopment Project 2 have already been achieved – construction of the existing movie theater and convenience store, as well as the public improvements servicing such development in Redevelopment Project Area 2 and the portion of the Public Road Improvements attributable to Redevelopment Project Area 2 as set forth on Exhibit 4A to the Redevelopment Plan.

existing movie theater and convenience store, as well as the public improvements servicing such development in Redevelopment Project Area 2 and the portion of the Public Road Improvements attributable to Redevelopment Project Area 2 as set forth on Exhibit 4A to the Redevelopment Plan. Portions of the above-mentioned Public Road Improvements are located outside the Grain Valley Marketplace Redevelopment Area, but are necessary and beneficial to this Plan.

b. Schedule of Development. A portion of Redevelopment Project 2 has already been completed. Commencement of construction of the remainder of Redevelopment Project 2 is expected to commence in 2016 and is expected to be completed in approximately 2019.

7. Financing Plan.

a. Projected Redevelopment Project Costs for Project 2. The Redevelopment Project Costs for Redevelopment Project 2 are estimated to be approximately Twenty-Five Million Nine Hundred and Ninety-Nine Thousand and No/100 Dollars (\$25,999,000.00), as shown on Exhibit 5 attached hereto. These estimated Redevelopment Project Costs include Reimbursable Project Costs in the total aggregate amount of approximately Six Million Five Hundred and Fifty Thousand and No/100 Dollars (\$6,550,000.00), as currently anticipated, and shown on Exhibit 5, plus interest, capitalized interest and Financing Costs.<sup>1 3</sup> Exhibit 4A to the Redevelopment Plan shall be used solely for referring to Redevelopment Project Costs for Project 2 that were expended prior to the adoption of this Amended TIF Plan, consistent with the way Exhibit 4A is referenced in this Amended TIF Plan. For purposes of defining and discussing

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<sup>3</sup> In addition to the Redevelopment Project Costs for Project 2 set forth above that are estimated to be incurred going forward, certain Redevelopment Project Costs set forth on Exhibit 4A to the Redevelopment Plan have been incurred prior to the adoption of this Amended TIF Plan. Of such costs, Two Million One Hundred Five Thousand Seven Hundred and Seventy-Three and No/100 Dollars (\$2,105,773.00) have been paid for or reimbursed as Reimbursable Project Costs, plus interest, capitalized interest and Financing Costs and Seventy-Five Thousand and No/100 Dollars (\$75,000.00) have been paid for or reimbursed as Reimbursable Project Costs to the City.

Redevelopment Project Costs (and Reimbursable Project Costs) for Project Area 2 expended after adoption of this Amended TIF Plan, Exhibit 5 attached hereto shall apply.

b. Evidence of Commitment to Finance. The Developer has committed to fund the costs of Redevelopment Project 2 that are not qualified as Reimbursable Project Costs, as set forth in the “Developer Private Costs” column on Exhibit 5 attached hereto. This commitment is evidenced in a letter attached as Exhibit 7A.

c. Projected TIF Revenue and Other Incremental Revenue for Project 2. The projected Payments in Lieu of Taxes and Economic Activity Taxes to be generated by Project 2 are approximately Fourteen Million Nine Hundred and Forty-Eight Thousand Eight Hundred and Nineteen and No/100 Dollars (\$14,948,819.00). The projections and the specific assumptions made to determine such projections are set forth in Exhibit 8A.

d. Payments in Lieu of Taxes.

i. Equalized Assessed Valuation. According to the records of the County Assessor, the approximate Total Initial Equalized Assessed Value of Project 2 of the Grain Valley Marketplace Redevelopment Area is Six Hundred Fifty-Seven Thousand Six Hundred and Thirty-Six and No/100 Dollars (\$657,636.00). The approximate current ad valorem tax levy rates in the Grain Valley Marketplace Redevelopment Area are \$8.7748 per \$100 of assessed valuation for residential and commercial property, both of which excludes the replacement tax levy and the blind pension fund, which levies are not subject to tax increment financing.

ii. Anticipated Assessed Valuation. Upon completion of Redevelopment Project 2, the assessed value of Redevelopment Project 2 is anticipated to be Two Million Eight Hundred and Eighty-Three Thousand Five Hundred and Sixty-Three and No/100 Dollars (\$2,883,563.00). When development of Redevelopment Project 2 is complete, and this Plan is

terminated, Redevelopment Project 2 will annually yield an estimated Two Hundred and Twenty-Four Thousand Nine Hundred and Sixty-Nine and No/100 Dollars (\$224,969.00) in additional ad valorem real property taxes.

e. Economic Activity Taxes.

i. Current Sales and Sales Tax Rates. Sales tax revenue resulting from sales in Redevelopment Project Area 2 the year prior to the year in which the Plan was adopted was Five Hundred Forty-Two Thousand Three Hundred and Fifteen and No/100 Dollars (\$542,315.00). The current local sales tax rate for the Taxing Districts is 4.875% (4.625% after April 2018 when a portion of the County sales tax levy sunsets), which excludes the County Capital Improvements Tax (stadium tax) of 0.375% which is not subject to capture by tax increment financing.

ii. Anticipated Sales Taxes. In the last year during which this Amended TIF Plan is expected to be in effect, it is projected that: (1) total annual sales subject to local sales tax in Redevelopment Project Area 2 will be approximately Thirty-Four Million Ninety-Nine Thousand Eight Hundred and Forty-One and No/100 Dollars (\$34,099,841.00); and (2) using the 4.625% sales tax rate in (e)(i) above, sales in Redevelopment Project Area 2 will yield an estimated One Million Five Hundred Seventy-Seven Thousand One Hundred and Eighteen and No/100 Dollars (\$1,577,118.00) in total annual sales tax revenue.

f. Special Allocation Fund. In addition to the segregated PILOT Account and Economic Activity Account required by the Act to be maintained in the Special Allocation Fund, the City Finance Director has established and shall continue to maintain a third separate segregated account into which all payments of the non-captured portion of Developer's CID sales tax revenues are to be deposited to pay/reimburse CID eligible expenses.

8. Disbursements from Special Allocation Fund. In addition to the segregated PILOT Account and Economic Activity Account required by the Act to be

maintained in the Special Allocation Fund, the City Finance Director has also created a separate segregated account into which will be deposited payments of the non-captured portion of the Developer's CID Sales Tax revenues, estimates of which are set forth in the "CID Revenue (non- TIF Captured)" column of Exhibit 8A. Disbursement of funds from such account shall be made by the City Finance Director to the Project Area 2 Developer for purposes of payment/reimbursement of CID eligible expenses.

9. Cost-Benefit Analysis.

a. Project Area 2. The amount of all revenue estimated to be received by the Taxing Districts directly from the Redevelopment Project 2 during the first twenty-three (23) years is Thirty-Two Million Eight Hundred Nineteen Thousand Three Hundred and Thirty-three and No/100 Dollars (\$32,819,333), as shown on the cost-benefit analysis attached as Exhibit 11A. The cost-benefit analysis shows the impact on the Taxing Districts if Redevelopment Project 2 is built pursuant to this Plan, and illustrates the fiscal impact on each such Taxing District.

10. Required Statutory Findings.

a. Blighted Area. The Grain Valley Marketplace Redevelopment Area on the whole is a Blighted Area as defined in the Act and as found by the Board of Aldermen in Ordinance No. 2107, and the development remains in the public interest because it will alleviate defective and inadequate street and highway infrastructure in the area, improve the safety of the public, increase employment in and enhance the tax base of the City. To date, these blighted conditions have not yet been fully abated. Further, all real property included within the expanded boundaries of the Redevelopment Area is interrelated and blighted on the whole as established in the Existing Conditions Addendum attached as Exhibit 6B. Not all of the factors establishing the Redevelopment Area as a Blighted Area in Ordinance No. 2107 have been remediated, but Project Area 2, as amended, will serve to alleviate such conditions.

b. Expectations for Development (But-for analysis). The Grain Valley Marketplace Redevelopment Area on the whole has not been subject to growth and development through investment by private enterprise as demonstrated in part by the Developer Affidavit with respect to Redevelopment Project Area 2, attached as Exhibit 12A, and would not reasonably be anticipated to be developed without the adoption of tax increment financing due to the substantial costs of the Redevelopment Project.

c. Conforms to Comprehensive Plan. The City's Comprehensive Plan indicates that the Grain Valley Marketplace Redevelopment Area may be developed for restaurants, retail, movie theaters, convenience stores, and other light commercial uses allowed in the Transition Zone Overlay District. This Amended TIF Plan designates the Grain Valley Marketplace Redevelopment Area for such uses and consequently conforms to the City's Comprehensive Plan.

d. Date to Adopt Redevelopment Project. Any Ordinance approving any Redevelopment Project will not be adopted later than ten (10) years from the adoption of the original TIF Plan.

e. Date to Complete Redevelopment. Redevelopment Project 2 will be completed prior to a date that is not more than 23 years from the adoption of the Ordinance approving Redevelopment Project 2.

f. Date to Retire Obligations. Obligations are required to be retired on a date that is less than 23 years from the adoption of the last Ordinance approving any Redevelopment Project.

g. Acquisition by Eminent Domain. No property constituting the Grain Valley Marketplace Redevelopment Area will be acquired by eminent domain.

h. Relocation Assistance Plan. The plan for relocation assistance for businesses and residences attached as Exhibit 13 to the TIF Plan is unchanged and remains in effect.

i. Cost-benefit Analysis -- Project Area 2. The cost-benefit analysis attached as Exhibit 11A, shows the economic impact of Redevelopment Project 2 on each Taxing District. The analysis shows the impact on the economy if Redevelopment Project 2 is built and if Redevelopment Project 2 is not built pursuant to this Amended TIF Plan. The analysis includes a fiscal impact study on every Taxing District.

j. Gambling Establishment. This Amended TIF Plan does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

Exhibit 1A  
Legal Description

Total Redevelopment Area  
(as expanded by this Amended TIF Plan)

See Attached

TOTAL TIF AREA DESCRIPTION  
FOR: CITY OF GRAIN VALLEY,  
JACKSON COUNTY, MISSOURI  
SW1/4 SECTION 26 & NW1/4 SECTION 35,  
ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST

REVISED -- SEPTEMBER 10, 2010

**TOTAL TIF AREA DESCRIPTION:**

AN AREA OF LAND FOR TAX INCREMENT FINANCING, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 26 AND THE NORTHWEST QUARTER OF SECTION 35, ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST, IN THE CITY OF GRAIN VALLEY, JACKSON COUNTY, MISSOURI, BEARINGS ARE REFERENCED TO GRID NORTH OF THE MISSOURI STATE PLANE COORDINATE SYSTEM, NAD 1983, WEST ZONE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, T49N, R30W, BEING A FOUND ALUMINUM CAP AND IRON BAR, PER CERTIFIED LAND RECORD DOCUMENT NUMBER 600-49541; THENCE N01°26'34"E ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 786.82 FEET TO THE NORTHWEST CORNER OF LOT 2, "INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, AND BEING THE POINT OF BEGINNING; THENCE CONTINUING N01°26'34"E ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 363.11 FEET TO THE SOUTHWEST CORNER OF "WINGATE TOWNHOMES P.U.D." A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE S86°53'55"E ALONG THE SOUTH LINE OF SAID "WINGATE TOWNHOMES P.U.D.", A DISTANCE OF 955.23 FEET TO THE SOUTHEAST CORNER OF SAID "WINGATE TOWNHOMES P.U.D."; THENCE N01°41'59"E ALONG THE EAST LINE OF SAID "WINGATE TOWNHOMES P.U.D." AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 507.95 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF WOODBURY DRIVE, AS NOW ESTABLISHED; THENCE S88°21'14"E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 331.29 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MISSOURI STATE ROUTE 88, AS NOW ESTABLISHED; THENCE S01°22'31"W ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 319.47 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE S87°46'34"E ALONG SAID NORTH LINE AND ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 703.90 FEET; THENCE N01°19'04"E ALONG THE SOUTHERLY LINE OF LOT 15, "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 4.60 FEET; THENCE S87°46'35"E ALONG THE SOUTH LINE OF LOTS 15 AND 14, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 156.62 FEET; THENCE N01°44'06"E ALONG THE SOUTHERLY LINE OF SAID LOT 14, A DISTANCE OF 31.54 FEET; THENCE S87°43'32"E ALONG THE SOUTH LINE OF LOTS 14, 13 AND 12, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 164.25 FEET; THENCE S01°35'07"W ALONG THE SOUTHERLY LINE OF SAID LOT 12, A DISTANCE OF 35.99 FEET TO A POINT ON THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S87°46'34"E ALONG THE SOUTH LINE OF LOTS 12 AND 11, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" AND BEING ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 344.06 FEET TO THE SOUTHEAST CORNER OF SAID LOT 11, ALSO BEING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S01°18'26"W ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 378.85 FEET; THENCE N87°46'34"W ALONG A LINE THAT IS PARALLEL WITH AND 378.80 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 345.90 FEET; THENCE S01°35'07"W, A DISTANCE OF 832.50 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF U.S. INTERSTATE I-70, AS NOW ESTABLISHED; THENCE N81°26'03"W ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 37.38 FEET; THENCE N69°12'33"W

CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 137.94 FEET; THENCE S01°44'06"W, A DISTANCE OF 811.47 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, "MINTER VIEW" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N88°05'05"W ALONG THE SOUTH LINE OF LOTS 3 AND 4, SAID "MINTER VIEW" AND ALONG THE SOUTH LINE OF LOTS 6, 5, 4, 3 AND 2, "HOEHN ADDITION" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 646.42 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2, "HOEHN ADDITION"; THENCE N01°42'54"E ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 135.00 FEET; THENCE N88°05'05"W, A DISTANCE OF 200.17 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MAIN STREET, AS NOW ESTABLISHED; THENCE S01°40'36"W ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 463.46 FEET; THENCE N88°05'03"W, A DISTANCE OF 303.85 FEET TO A POINT ON THE EAST LINE OF LOT 15, "MINTER ADDITION" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N01°40'36"E ALONG THE EAST LINE OF SAID LOT 15, A DISTANCE OF 3.95 FEET TO THE NORTHEAST CORNER OF SAID LOT 15; THENCE N88°05'03"W ALONG THE NORTH LINE OF SAID LOT 15, A DISTANCE OF 215.15 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MINTER AVENUE, AS NOW ESTABLISHED; THENCE N01°40'36"E ALONG THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 10, SAID "MINTER ADDITION AND ALONG THE EAST LINE OF LOTS 10, 9, 8 AND 7, SAID "MINTER ADDITION", A DISTANCE OF 324.50 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 35, T49N, R30W; THENCE N88°05'03"W ALONG SAID NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, A DISTANCE OF 775.49 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE N01°36'03"E ALONG SAID WEST LINE, A DISTANCE OF 233.64 FEET TO THE SOUTHWEST CORNER OF LOT 1, "OOLA COMPLEX, LOT 1" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 1 AND ALONG THE NORTHEASTERLY PROLONGATION OF SAID SOUTHERLY LINE AND ALL BRING ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING AN INITIAL TANGENT BEARING OF N70°55'43"E, A CENTRAL ANGLE OF 12°40'59" AND A RADIUS OF 4316.28 FEET, FOR AN ARC DISTANCE OF 955.46 FEET TO A POINT ON THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 8A, "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N02°06'21"E ALONG THE SOUTHERLY PROLONGATION OF SAID EAST LINE AND ALONG SAID EAST LINE OF LOT 8A, A DISTANCE OF 789.05 FEET TO THE NORTHEAST CORNER OF SAID LOT 8A; THENCE N86°54'31"W ALONG THE NORTH LINE OF SAID LOT 8A, A DISTANCE OF 118.85 FEET TO A POINT ON THE EAST LINE OF LOT 7, SAID "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK"; THENCE N01°42'16"E ALONG SAID EAST LINE OF LOT 7, A DISTANCE OF 163.09 FEET TO THE NORTHEAST CORNER OF SAID LOT 7; THENCE N86°54'47"W ALONG THE NORTH LINE OF LOTS 7 AND 4, SAID "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK" AND ALONG THE NORTH LINE OF LOT 2, "INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 814.72 FEET TO THE POINT OF BEGINNING.

THE DESIGNATED TOTAL TDG AREA DESCRIBED ABOVE CONTAINS 3,685,470 SQUARE FEET OR 84.6067 ACRES, MORE OR LESS.

FOR: CITY OF GRAIN VALLEY  
ATTN: KEN MURPHY  
CITY PLANNER  
GRAIN VALLEY, MISSOURI 64029

BY: \_\_\_\_\_  
ROLAND B. MCBRIDE, MO. PLS #2486  
TRANSYSTEMS CORP., MO. LC #318  
2400 PERSHING ROAD, SUITE 400  
KANSAS CITY, MISSOURI 64108

AND

Lots 1, 15, 16, 17 and 18, The Breezeway Executive Business Park, a subdivision in Grain Valley, Jackson County, Missouri, according to the recorded plat thereof, as well as that portion of land thereon platted as right-of-way for Breezeway Drive.

Exhibit 1C  
Legal Description

Project 2

(as expanded by this Amended TIF Plan)

See Attached

TIP-#2NE AREA DESCRIPTION  
FOR: CITY OF GRAIN VALLEY,  
JACKSON COUNTY, MISSOURI  
SW1/4 SECTION 26 & NW1/4 SECTION 35,  
ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST

REVISED - SEPTEMBER 10, 2010  
TIP-#2NE AREA DESCRIPTION:

AN AREA OF LAND FOR TAX INCREMENT FINANCING, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 26 AND THE NORTHWEST QUARTER OF SECTION 35, ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST, IN THE CITY OF GRAIN VALLEY, JACKSON COUNTY, MISSOURI, BEARINGS ARE REFERENCED TO GRID NORTH OF THE MISSOURI STATE PLANE COORDINATE SYSTEM, NAD 1983, WEST ZONE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, T49N, R30W, BEING A FOUND ALUMINUM CAP AND IRON BAR, PER CERTIFIED LAND RECORD DOCUMENT NUMBER 600-49541; THENCE N89°02'55"E, A DISTANCE OF 1331.40 FEET TO THE POINT OF INTERSECTION OF THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26 AND THE CENTERLINE OF U.S. INTERSTATE I-70, AS NOW ESTABLISHED, AND BEING THE POINT OF BEGINNING; THENCE N01°22'31"E ALONG SAID EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 1253.42 FEET TO THE NORTHWEST CORNER OF SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE S87°46'34"E ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 663.90 FEET; THENCE N01°19'04"E ALONG THE SOUTHERLY LINE OF LOT 15, "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 4.60 FEET; THENCE S87°46'35"E ALONG THE SOUTH LINE OF LOTS 15 AND 14, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 156.62 FEET; THENCE N01°44'06"E ALONG THE SOUTHERLY LINE OF SAID LOT 14, A DISTANCE OF 31.54 FEET; THENCE S87°43'32"E ALONG THE SOUTH LINE OF LOTS 14, 13 AND 12, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 164.25 FEET; THENCE S01°35'07"W ALONG THE SOUTHERLY LINE OF SAID LOT 12, A DISTANCE OF 35.99 FEET TO A POINT ON THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S87°46'34"E ALONG THE SOUTH LINE OF LOTS 12 AND 11, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" AND BEING ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 344.06 FEET TO THE SOUTHEAST CORNER OF SAID LOT 11, ALSO BEING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S01°18'26"W ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 378.85 FEET; THENCE N87°46'34"W ALONG A LINE THAT IS PARALLEL WITH AND 378.80 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 345.90 FEET; THENCE S01°35'07"W, A DISTANCE OF 832.50 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID U.S. INTERSTATE I-70; THENCE N81°26'03"W ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 37.38 FEET; THENCE N69°12'33"W CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 137.94 FEET; THENCE

S01°44'06"W, A DISTANCE OF 180.49 FEET TO A POINT ON THE CENTERLINE OF SAID U.S. INTERSTATE I-70; THENCE N81°26'03"W ALONG SAID CENTERLINE OF U.S. INTERSTATE I-70, A DISTANCE OF 818.40 FEET TO THE POINT OF BEGINNING.  
THE DESIGNATED TIF-#2NE AREA DESCRIBED ABOVE CONTAINS 1,394,926 SQUARE FEET OR 32.0231 ACRES, MORE OR LESS.

FOR: CITY OF GRAIN VALLEY  
ATTN: KEN MURPHY  
CITY PLANNER  
GRAIN VALLEY, MISSOURI 64029

BY: \_\_\_\_\_  
ROLAND E. MCBRIDE, MO. PLS #2486  
TRANSYSTEMS CORP., MO. LC #318  
2400 PERSHING ROAD, SUITE 400  
KANSAS CITY, MISSOURI 64108

AND

Lots 1, 15, 16, 17 and 18, The Breezeway Executive Business Park, a subdivision in Grain Valley, Jackson County, Missouri, according to the recorded plat thereof, as well as that portion of land thereon platted as right-of-way for Breezeway Drive.

Exhibit 2  
Redevelopment Area Map  
(as expanded by this Amended TIF Plan)

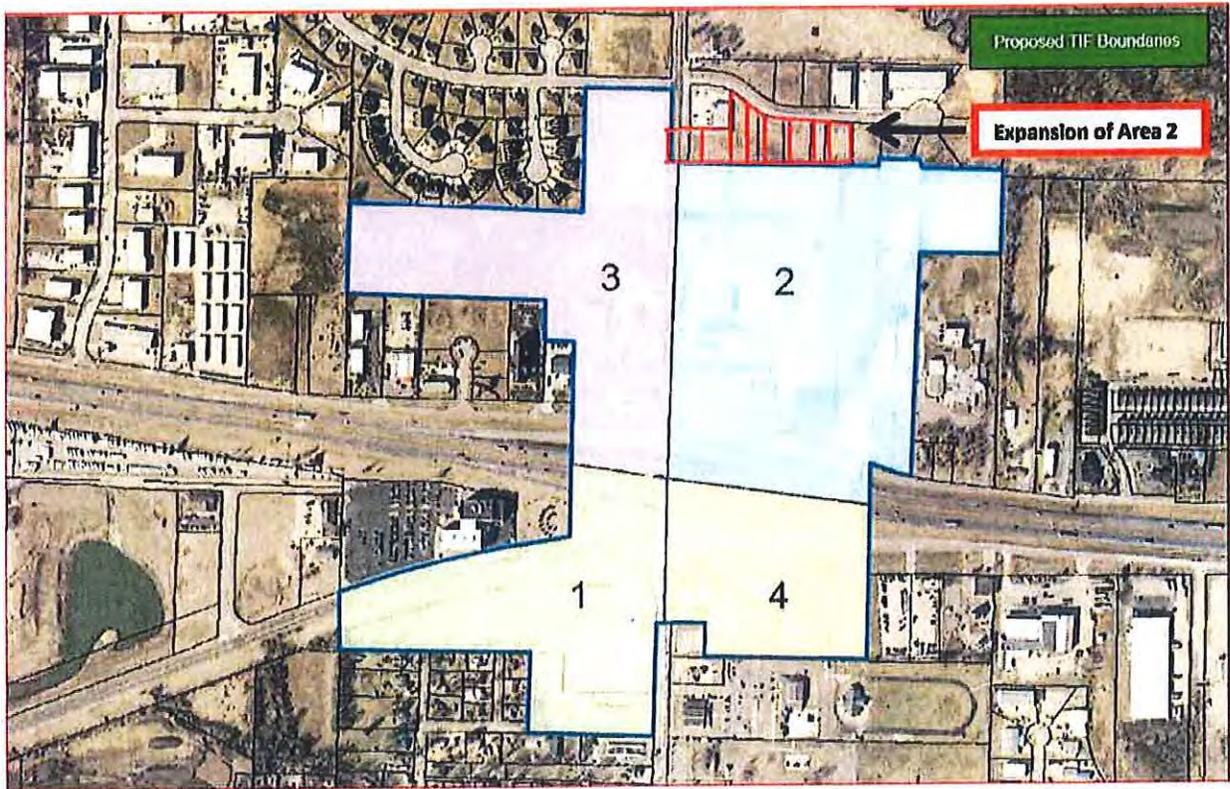
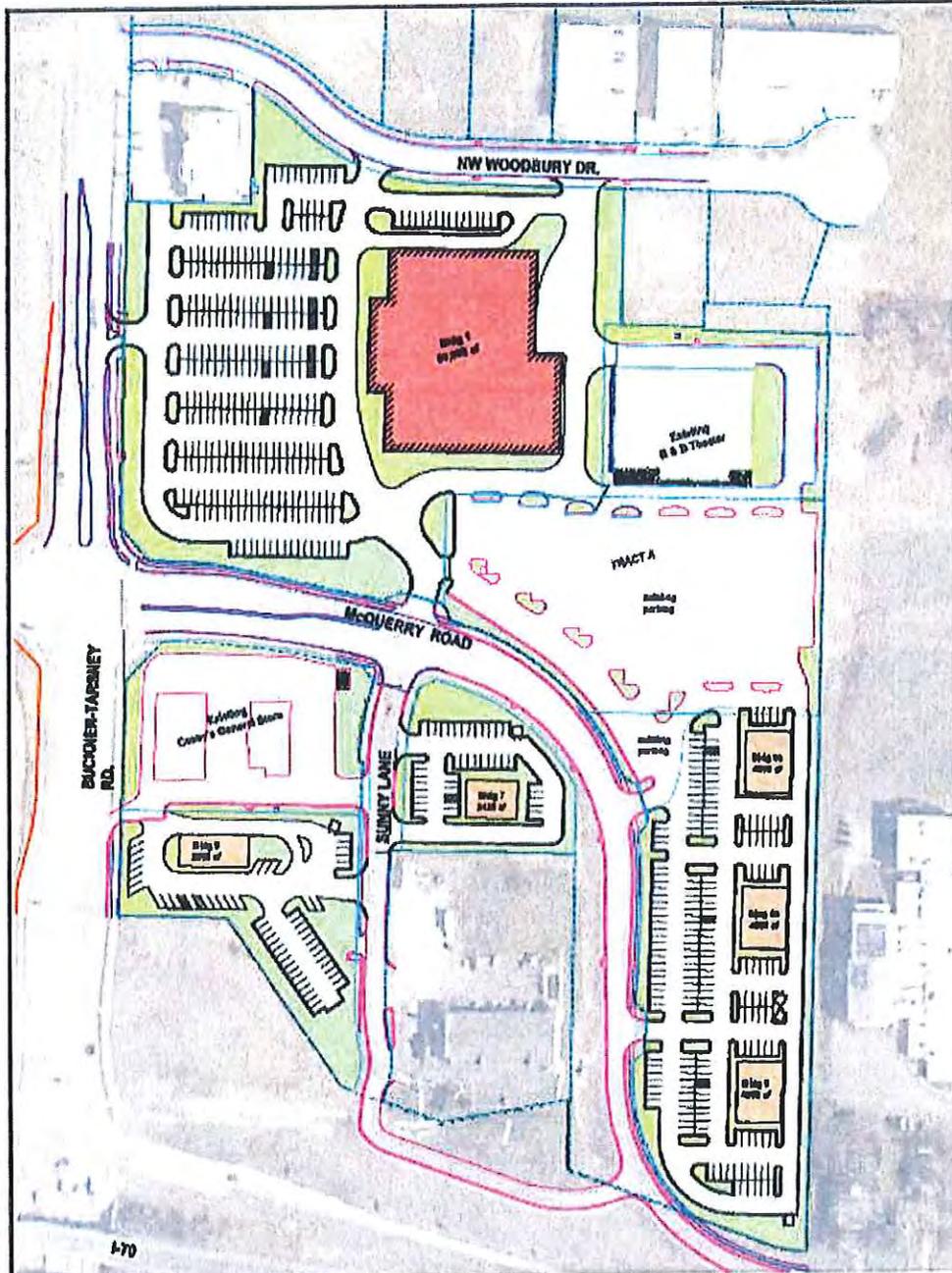


Exhibit 3A  
Site Plan Map



Description	Projected Use	Building Area (sq ft)		Off-Street Parking	
		Req. Area	Provided	Req. Area	Provided
1a	grocery	60,000	600	200	200
5a	retail/office	4,000	64	64	64
5b	retail/office	4,000	64	64	64
6	retail/office	4,000	64	64	64
7	retail/office	3,000	48	48	48
8-9	retail/office	3,000	48	48	48
10a	office	91,178	365	287	287
nc1	PA&P Theater	34,668	existing	existing	existing
nc2	Classy	4,000	existing	existing	existing

**GRAIN VALLEY MARKETPLACE**

(12-11-15)



**AGC Engineers, Inc.**

4513 Landon St., Suite D  
Leary, Missouri 64087  
816.714.0000  
816.714.3000  
www.agceng.com

Exhibit 5  
 Estimated Redevelopment Project Costs and  
 Reimbursable Project Costs for Redevelopment Project 2

**Grain Valley Market Place Project Sources and Uses**

Project Cost	Total	Projected TIF Reimbursed Costs	Developer Private Costs	Thlrd Party Private Costs
<b>Land Acquisition</b>	<b>\$2,680,000</b>	<b>\$2,000,000</b>	<b>\$680,000</b>	
<b>Building Shell Costs</b>	<b>\$10,600,000</b>	<b>\$1,500,000</b>	<b>\$3,600,000</b>	<b>\$8,500,000</b>
<b>Site Construction Costs</b>				
Unclassified Excavation	\$350,000			
Embankment	\$950,000			
Type 5 Base	\$154,400			
Asphalt Pavement	\$1,048,005			
Heavy Duty Pavement	\$319,500			
Curb and Gutter	\$233,168			
Storm Pipe	\$134,200			
Existing Storm Removals	\$10,000			
Roof Drains	\$18,000			
Storm Manholes	\$34,000			
Parking Lot Storm Inlets (CI)	\$24,000			
Parking Lot Storm Inlets (AI)	\$33,000			
Water Service Line	\$2,760			
Water Service Bore	\$725			
Water Main	\$27,000			
Water Meter Vault	\$3,500			
Fire Hydrant Assembly	\$15,000			
Sanitary Service Line	\$2,340			
Sampling Manhole	\$3,000			
Grease Interceptor	\$22,500			
Sidewalk ROW	\$6,720			
Sidewalk	\$77,616			

Retaining Walls	\$88,000			
Underground Detention Breezeway	\$64,000			
Detention Control Structures	\$7,000			
Erosion Control Temporary	\$75,500			
Seeding, Sodding	\$8,800			
Parking Lot Pavement Marking	\$33,400			
Landscaping and Irrigation	\$166,000			
Parking Lot Lighting	\$168,750			
Power Line Relocation	\$360,000			
Dumpster Enclosures	\$60,000			
Interior Signage (Stop and ADA)	\$9,100			
<b>SUBTOTALS</b>	<b>\$4,509,984</b>	<b>\$1,250,000</b>	<b>\$1,093,815</b>	<b>\$2,166,169</b>

<b>Furniture, Fixtures &amp; Equipment</b>	<b>\$1,800,000</b>	<b>\$0</b>	<b>\$1,800,000</b>	<b>\$0</b>
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<b>Hard Cost Contingency</b>	<b>\$755,499</b>	<b>\$0</b>	<b>\$372,191</b>	<b>\$383,308</b>
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<b>Soft Costs</b>				
Mobilization	\$302,200	\$0	\$151,100	\$151,100
Permits	\$755,499	\$0	\$377,750	\$377,750
Construction Staking	\$100,000		\$50,000	\$50,000
Engineering Design	\$755,499		\$377,750	\$377,750
Geo Tech	\$302,200	\$0	\$151,100	\$151,100
Commissions	\$500,000		\$400,000	\$100,000
Legal & Accounting	\$200,000		\$100,000	\$100,000
Architecture	\$755,499		\$377,750	\$377,750
Soft Cost Contingency	\$183,545	\$0	\$91,772	\$91,772
<b>SUBTOTALS</b>	<b>\$3,854,442</b>	<b>\$0</b>	<b>\$2,077,221</b>	<b>\$1,777,221</b>

<b>TOTAL PROJECT COSTS</b>	<b>\$24,199,925</b>	<b>\$4,750,000</b>	<b>\$9,623,227</b>	<b>\$9,826,698</b>
		<b>Projected TIF Reimbursed Costs</b>	<b>Developer Private Costs</b>	<b>Third Party Private Costs</b>

<b>TOTAL PROJECT COSTS W/ DEVELOPER'S SHARE OF NID COSTS</b>	<b>\$25,999,925</b>	<b>\$6,550,000</b>	<b>\$9,623,227</b>	<b>\$9,826,698</b>
		<b>Projected TIF Reimbursed Costs*</b>	<b>Developer Private Costs</b>	<b>Third Party Private Costs</b>

\*Projected TIF Reimbursed Costs (with NID costs) includes reimbursement of \$1,800,000 in NID costs; however, a portion of the \$1,800,000 in NID costs will be repaid with all available non-captured CID revenues.

\*\* In addition to the Redevelopment Project Costs for Project 2 set forth above that are estimated to be incurred going forward, certain Redevelopment Project Costs set forth on Exhibit 4A to the Redevelopment Plan have been incurred prior to the adoption of this Amended TIF Plan. Of such costs, Two Million One Hundred Five Thousand Seven Hundred and Seventy-Three and No/100 Dollars (\$2,105,773.00) have been paid for or reimbursed as Reimbursable Project Costs, plus interest, capitalized interest and Financing Costs and Seventy-Five Thousand and No/100 Dollars (\$75,000.00) have been paid for or reimbursed as Reimbursable Project Costs to the City.

Exhibit 6B  
Addendum to Existing Conditions Study

SEE ATTACHED

**ADDENDUM TO ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA**

*for the*

**GRAIN VALLEY MARKETPLACE TIF REDEVELOPMENT AREA**

**GRAIN VALLEY MARKETPLACE**

**TIF REDEVELOPMENT PLAN**

**January 8, 2016**

**Completed for the City of Grain Valley, Missouri**

**Tax Increment Financing Commission**

**Polsinelli PC**

**Development Analysis Department**

**ADDENDUM TO ANALYSIS OF**  
**CONDITIONS REPRESENTING A BLIGHTED AREA**

**I. INTRODUCTION**

The Grain Valley Marketplace Redevelopment Area (the "Redevelopment Area") was established as a Blighted Area by the Board of Aldermen of the City of Grain Valley, Missouri (the "City") on September 27, 2010 pursuant to the adoption of the Grain Valley Marketplace Redevelopment Plan ("Redevelopment Plan" or "TIF Plan"). The City is now considering adding additional property to the Redevelopment Area. Such additional property contributes to the blighted condition of the Redevelopment Area as a whole for the reasons described herein.

**II. FACTUAL AND PROCEDURAL BACKGROUND**

On September 27, 2010, the Board of Aldermen adopted Ordinance No. 2107, determining that the Redevelopment Project Areas (1 through 4 inclusive) constitute a Blighted Area. Based upon this conclusion the City approved the TIF Plan. The TIF Plan included an exhibit titled "Analysis of Conditions Representing a Blighted Area" (the "Original Blight Study"), which established that the Redevelopment Area was a blighted area according to the criteria set forth in the TIF Act. The Original Blight Study is incorporated here by reference as though set forth in full.

On December 9, 2013, the Board of Aldermen adopted an amendment to the TIF Plan (the "First Amendment") which altered the boundaries of Redevelopment Project Area 1 by splitting it into Redevelopment Project Area 1A and Redevelopment Project Area 1B, adjusted the exterior boundaries of the Redevelopment Area, and activated tax increment allocation financing for Redevelopment Project Area 1A.

**III. ADDITION TO BLIGHTED AREA**

Section 99.805(1) of the TIF Act describes a "blighted area" as an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete

planning, 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 housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The City is now considering the Second Amendment to the TIF Plan (the "Second Amendment"), which proposes, among other components, to amend the boundaries of Redevelopment Project Area 2 and correspondingly amend the boundaries of the Redevelopment Area. Such amendment will add property to the Redevelopment Area which is situated directly north of Redevelopment Project Area 2 (the "Additional Property"), as legally described on Exhibit A and as depicted on Exhibit B.

The Additional Property contributes to the blighted condition of the Redevelopment Area as a whole. The Additional Property is directly related to the original Redevelopment Area in geographic proximity, character, and impact from the blighting factors described in the Original Blight Study. In addition, the Additional Property suffers from obsolete platting which has contributed to the lack of economic growth of the area resulting in an economic liability to the City.

#### **IV. PREDOMINANCE OF BLIGHT**

The Additional Property is geographically proximate to the original Redevelopment Area and is impacted by the blight factors described in the Original Blight Study. The Additional Property also contributes an additional component of blight due to its obsolete platting.

The Additional Property has experienced substantial development stagnation. The Additional Property was platted (along with additional adjacent property) by the City in September 2003 for development as a business and office park called the "Breezeway Exclusive Business Park" ("Breezeway"). Breezeway was anticipated to be composed of 20 lots, 3 fronting Buckner Tarsney Road zoned commercial and 15 lots extending east zoned for light industrial use. More than a decade later, minimal development within the business park has occurred, which has precluded the anticipated economic growth, job creation, and enhanced tax base associated with Breezeway.

Given Breezeway's failed development concept, the Breezeway plat of the Additional Property is obsolete. The obsolete and undeveloped platted lots on the Additional Property represent a liability to the economic vitality of the City. As established by the Original Blight Study for the Redevelopment Area as a whole, the Additional Property suffers from lack of investment and economic underutilization. As documented in the City's Comprehensive Plan, the City suffers from a lack of sufficient commercial development, the result of which is less than desirable property and economic activity tax revenues.

The Redevelopment Area and the Additional Property are located at a critical intersection within the City for purposes of commercial development. The ongoing underutilization due to blight factors set forth in the Original Blight Study and the obsolete platting discussed above serve only to suppress the tax base available for public services. These issues also exacerbate the City's long-time concerns about the lack of sufficient commercial uses for its residents and absence of corresponding job creation. As established in the Original Blight Study, without comprehensive redevelopment of the Redevelopment Area (including the Additional Property), the physical condition of the property will continue to remain unproductive.

## **V. CONCLUSION**

The Additional Area contributes to the blighted condition of the Redevelopment Area as a whole. In addition to the impacts of the other blight factors set forth in the Original Blight Study, the Additional Area's obsolete platting, which has kept the Additional Property undeveloped and underutilized, creates an economic liability to the City. As a result, the Additional Area and the Redevelopment Area as a whole qualify as blighted area pursuant to the TIF Act.

## **Exhibit A**

### **Legal Description of Additional Area**

Lots 1, 15, 16, 17 and 18, The Breezeway Executive Business Park, a subdivision in Grain Valley, Jackson County, Missouri, according to the recorded plat thereof, as well as that portion of land thereon platted as right-of-way for Breezeway Drive.



**REDEVELOPMENT AREA (INCLUDING ADDITIONAL AREA)**

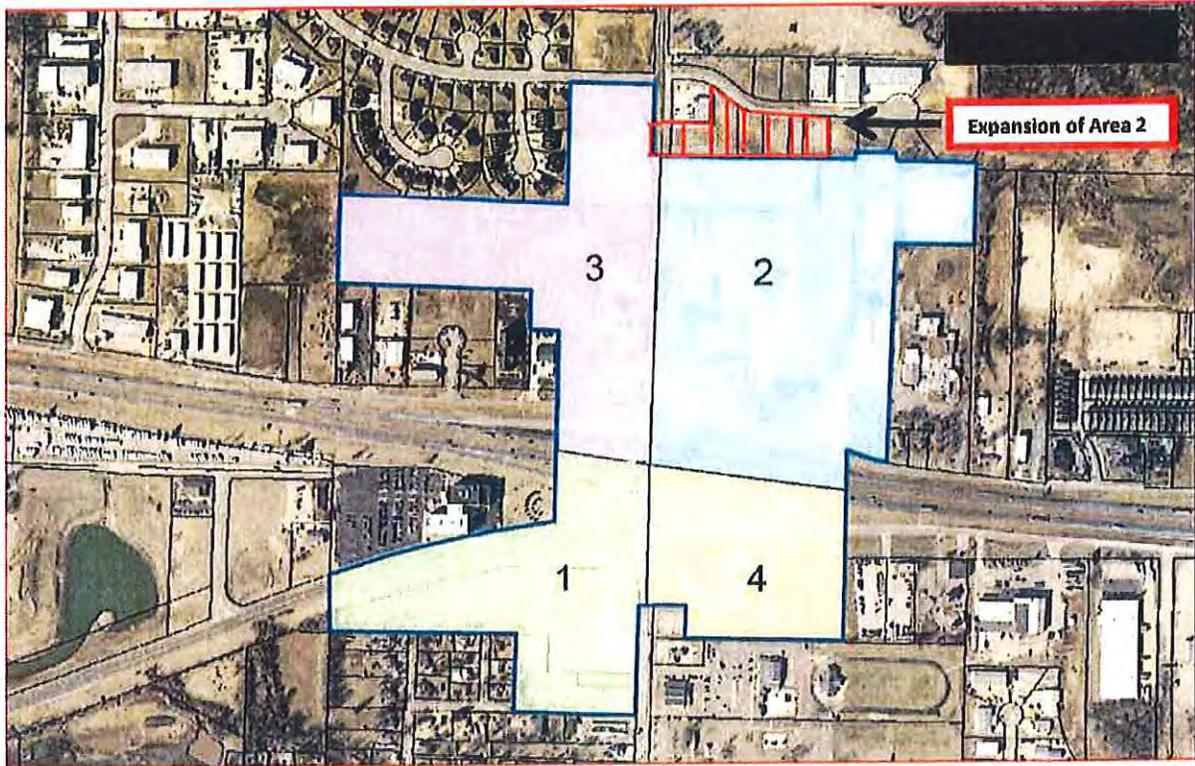


Exhibit 7A

Commitment to Finance – Redevelopment Project 2



9200 N.E. Barry Road • Kansas City, MO 64157-1209 • 816.407.9200 • BankLibertyKC.com

7 January 2016

Mr. Curtis J Petersen  
Polsinelli PC  
900 W. 48<sup>th</sup> Place, Suite 900  
Kansas City, Missouri 64112

Dear Mr. Petersen:

Star Development Corporation (and its affiliates, including Timothy D. Harris and Star Acquisitions, LLC) has a longstanding relationship with BankLiberty and this Loan Officer, which has included financing for numerous substantial projects spanning roughly the past fifteen years.

We are familiar with Tax Increment Financing and Community Improvement District financing, and have provided loans to projects relying on such financing before. We are also familiar with the general site plan and general financing requirements for the project to be located along I-70 and South Buckner Tarsney Road in Grain Valley, Missouri.

The Bank would be willing to finance this project, subject to the usual underwriting, caveats, Loan Committee and Board approval. Should there be any questions or need for additional information, please do not hesitate to contact me at 816-447-3471.

Respectfully,

A handwritten signature in blue ink that reads "Robert Parks".

Robert Parks  
Market President

## Exhibit 8A Revenue Projections Project Area 2

2015 Ad Valorem Levy Rates Subject to TIF		
Taxing District	Rate	Captured
Grain Valley NS School District	5.4612%	5.4612%
City of Grain Valley	1.7294%	1.7294%
Central Jackson County Fire	1.1731%	0.5804%
Jackson County	0.4956%	0.4956%
Jackson County Disabil/Mental Health	0.1936%	0.1936%
Libra TV	0.3146%	0.3146%
Missouri Blind Pension (not subject to TIF capture)	0.0300%	0.0000%
M&M Replacement Tax (not subject to TIF capture)	0.9300%	0.0000%
<b>TOTAL</b>	<b>10.3275%</b>	<b>8.7748%</b>

2015 Sales Tax Rates Subject to TIF		
Taxing District	Rate	After 4/2018
Jackson County	0.7500%	0.5000%
County - CICFPD	0.5000%	0.5000%
County - stadium	0.3750%	0.3750%
City - General Tax	1.0000%	1.0000%
City - Cap Improv Tax	0.5000%	0.5000%
City - Parks & Rec	0.5000%	0.5000%
City - Transportation Tax	0.5000%	0.5000%
Zoo Tax	0.1250%	0.1250%
State	4.2250%	4.2250%
CID	1.0000%	1.0000%
<b>TOTAL CAPTURED (65%)</b>	<b>4.8750%</b>	<b>4.6250%</b>
<b>TOTAL CAPTURED (65%)</b>	<b>2.4375%</b>	<b>2.3125%</b>

TIF does not capture stadium or state sales tax.

PILOTS ASSUMPTIONS	
Market Value After Redevelopment	\$ 11,495,250
Assessed Value @ 32%	\$ 3,678,480
Biennial Growth	2.0%
Base Assessed Value	\$ 657,636

EATS ASSUMPTIONS	
Gross Taxable Sales	\$ 26,939,000
Base Taxable Sales	\$ 542,315
Projected Increment subject to capture by TIF	\$ 26,396,685
Annual Growth (after stabilization)	1.50%

CID ASSUMPTIONS	
CID Retail Sales Tax	1.00%

ANNUAL GROWTH			
TIF Year	Calendar Year	Assessed Value	Taxable Sales
1	2011		
2	2012		
3	2013		
4	2014		
5	2015		
6	2016		
7	2017	1,958,400	23,540,000
8	2018	2,551,728	26,122,100
9	2019	2,883,563	27,683,932
10	2020	2,941,234	28,320,678
11	2021	2,941,234	28,948,489
12	2022	3,000,058	29,382,716
13	2023	3,000,058	29,823,457
14	2024	3,060,060	30,270,808
15	2025	3,060,060	30,724,871
16	2026	3,121,261	31,185,744
17	2027	3,121,261	31,653,530
18	2028	3,183,686	32,128,333
19	2029	3,183,686	32,610,258
20	2030	3,247,360	33,099,412
21	2031	3,247,360	33,595,903
22	2032	3,312,307	34,099,841
23	2033		

TIF REVENUES				
Year	PILOTS	EATS	CID (TIF Captured)	TOTAL
2011	-	-	-	-
2012	-	-	-	-
2013	-	14,561	6,048	20,608
2014	-	41,903	12,447	54,350
2015	50,040	66,304	20,500	136,844
2016	50,040	66,304	20,500	136,844
2017	51,041	432,213	114,169	597,423
2018	112,997	457,478	126,692	697,168
2019	164,540	477,184	134,267	775,990
2020	193,366	484,484	136,281	814,132
2021	193,366	491,895	138,325	823,586
2022	198,376	499,416	140,400	838,192
2023	198,376	507,050	142,506	847,933
2024	203,486	514,799	144,644	862,929
2025	203,486	522,664	146,813	872,964
2026	208,699	530,647	149,016	888,361
2027	208,699	538,730	151,251	898,699
2028	214,015	546,974	153,520	914,509
2029	214,015	555,322	155,822	925,159
2030	219,438	563,795	158,160	941,392
2031	219,438	572,394	160,532	952,365
2032	224,969	581,123	162,940	969,033
2033	224,969	589,983	165,384	980,337
<b>TOTAL</b>	<b>\$ 3,319,823</b>	<b>\$ 8,763,686</b>	<b>\$ 2,464,011</b>	<b>\$ 14,948,819</b>

Note: PILOTS Projections reflect timing of Developer's anticipated receipt of revenues (i.e. PILOTS collected Q4 any given year received Q1 the following year)

Notes: Sales Taxes reduced by 3% (1.5% State Fee + 2% Early Payment); PILOTS reduced by 1%

CID REVENUES	
(Non-TIF Captured)	TOTAL
-	-
-	-
6,048	6,048
12,447	12,447
20,500	20,500
20,500	20,500
114,169	114,169
126,692	126,692
134,267	134,267
136,281	136,281
138,325	138,325
140,400	140,400
142,506	142,506
144,644	144,644
146,813	146,813
149,016	149,016
151,251	151,251
153,520	153,520
155,822	155,822
158,160	158,160
160,532	160,532
162,940	162,940
165,384	165,384
<b>\$</b>	<b>\$ 2,464,011</b>

**BASE ASSESSED VALUE (BEFORE DEVELOPMENT OF THE PROJECT)**

BASE MARKET VALUE	\$2,056,229
BASE ASSESSED VALUE	\$657,636

**PROJECTED ASSESSED VALUE AND SALES REVENUE (AFTER DEVELOPMENT OF THE PROJECT)**

**AD VALOREM ASSUMPTIONS**

TOTAL APPRAISED VALUE	\$11,495,250
TOTAL ASSESSED VALUE	\$3,678,480

**SALES**

BASE SALES	\$542,315
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Projected Sales:	SF	Sales / SF	Total Sales	Sales Begin	Pad Sale	Pad Sale Year
Grocery Store	60,000	\$ 300	\$ 18,000,000	2017		
B&B Theatre	24,000	\$ 75	\$ 1,800,000	2013		
5A Rest	4,800	\$ 300	\$ 1,440,000	2017	\$ 500,000	2016
5B Rest	4,800	\$ 250	\$ 1,200,000	2017	\$ 800,000	2016
6 Rest	4,800	\$ 250	\$ 1,200,000	2018	\$ 800,000	2017
7 Rest	3,430	\$ 300	\$ 1,029,000	2018	\$ 500,000	2017
8 Caseys	4,400	\$ 250	\$ 1,100,000	2013		
9 Rest	3,900	\$ 300	\$ 1,170,000	2019	\$ 500,000	2018
Existing Hotel	NA	NA	NA			
<b>TOTALS</b>	110,130		\$ 26,939,000		\$ 3,100,000	

**TIF REVENUE PROJECTIONS**

NPV DISCOUNT RATE	6.00%	TIF CAPTURED R/P TAX LEVY	0.0877475
		ANNUAL SALES GROWTH	1.50%
		BIENNIAL R/P GROWTH	2.00%

**BASE ASSESSED VALUATION**

Parcel	Acres	Appraised Value	Assessed Value
Original Redevelopment Area 2		\$ 2,054,444	\$ 657,422
Additional land (2016)		\$ 1,785	\$ 214
<b>TOTAL:</b>		<b>\$ 2,056,229</b>	<b>\$ 657,636</b>

**ESTIMATED POST-CONSTRUCTION ASSESSED VALUATION**

	SF	Appraised Value PSF	Appraised Value	Assessed Value	Placed on Tax Rolls
Grocery Store	60,000	\$ 70.00	\$ 4,200,000	\$ 1,344,000	2017
B&B Theatre	24,000	\$ 96.46	\$ 2,315,000	\$ 740,800	2014
5A Rest	4,800	\$ 200.00	\$ 960,000	\$ 307,200	2017
5B Rest	4,800	\$ 200.00	\$ 960,000	\$ 307,200	2017
6 Rest	4,800	\$ 200.00	\$ 960,000	\$ 307,200	2018
7 Rest	3,430	\$ 225.00	\$ 771,750	\$ 246,960	2018
8 Caseys	4,400	\$ 102.50	\$ 451,000	\$ 144,320	2014
9 Rest	3,900	\$ 225.00	\$ 877,500	\$ 280,800	2019
Existing Hotel	NA	NA	NA	NA	NA
<b>TOTAL:</b>	<b>110,130</b>		<b>\$ 11,495,250</b>	<b>\$ 3,678,480</b>	

Assessment Rates

Commercial

32.00%

Square feet to be built

81,730

Exhibit 11A  
Cost-Benefit Analysis  
Project Area 2

SEE ATTACHED

**GRAIN VALLEY, MISSOURI  
TAX INCREMENT FINANCING PLAN  
SUMMARY - COST BENEFIT ANALYSIS**

Taxing Jurisdiction	New Real Property Tax	New Sales Tax	Total Benefit	Net Present Value*
Grain Valley R5 School District	\$ -	\$ -	\$ -	\$ -
City of Grain Valley	\$ -	\$ 6,278,374	\$ 6,278,374	\$ 2,658,292
Central Jackson County Fire	\$ 231,787	\$ -	\$ 231,787	\$ 122,999
Jackson County	\$ -	\$ 4,394,862	\$ 4,394,862	\$ 1,860,804
Jackson County Disabled/Mental Health	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -
Zoo	\$ -	\$ 313,919	\$ 313,919	\$ 132,915
Missouri Blind Pension	\$ 11,859	\$ -	\$ 11,859	\$ 2,427
M&M Replacement Tax	\$ 367,629	\$ -	\$ 367,629	\$ 154,559
State	\$ -	\$ 21,220,903	\$ 21,220,903	\$ 8,985,027
<b>TOTAL:</b>	<b>\$ 611,275</b>	<b>\$ 32,208,058</b>	<b>\$ 32,819,333</b>	<b>\$ 13,917,024</b>

\*Net Present Value discount rate is

6%



**GRAIN VALLEY, MISSOURI  
TAX INCREMENTAL FINANCING PLAN  
COST BENEFIT ANALYSIS (CITY OF GRAIN VALLEY)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT			WITHOUT REDEVELOPMENT		
		AD VALOREM TAXES	SALES TAX	TOTAL BENEFIT	AD VALOREM TAXES	SALES TAX	TOTAL BENEFIT
1	2011	\$ 11,369	\$ 13,558	\$ 24,927	\$ 11,369	\$ 13,558	\$ 24,927
2	2012	\$ 11,369	\$ 13,558	\$ 24,927	\$ 11,369	\$ 13,558	\$ 24,927
3	2013	\$ 11,369	\$ 13,558	\$ 24,927	\$ 11,369	\$ 13,558	\$ 24,927
4	2014	\$ 11,369	\$ 13,558	\$ 24,927	\$ 11,369	\$ 13,558	\$ 24,927
5	2015	\$ 11,369	\$ 13,558	\$ 24,927	\$ 11,369	\$ 13,558	\$ 24,927
6	2016	\$ 11,373	\$ 13,558	\$ 24,931	\$ 11,373	\$ 13,558	\$ 24,931
7	2017	\$ 11,373	\$ 301,029	\$ 312,402	\$ 11,373	\$ 13,558	\$ 24,931
8	2018	\$ 11,373	\$ 333,305	\$ 344,678	\$ 11,373	\$ 13,558	\$ 24,931
9	2019	\$ 11,373	\$ 352,828	\$ 364,201	\$ 11,373	\$ 13,558	\$ 24,931
10	2020	\$ 11,373	\$ 358,019	\$ 369,392	\$ 11,373	\$ 13,558	\$ 24,931
11	2021	\$ 11,373	\$ 363,287	\$ 374,661	\$ 11,373	\$ 13,558	\$ 24,931
12	2022	\$ 11,373	\$ 368,635	\$ 380,008	\$ 11,373	\$ 13,558	\$ 24,931
13	2023	\$ 11,373	\$ 374,063	\$ 385,436	\$ 11,373	\$ 13,558	\$ 24,931
14	2024	\$ 11,373	\$ 379,572	\$ 390,945	\$ 11,373	\$ 13,558	\$ 24,931
15	2025	\$ 11,373	\$ 385,164	\$ 396,537	\$ 11,373	\$ 13,558	\$ 24,931
16	2026	\$ 11,373	\$ 390,840	\$ 402,213	\$ 11,373	\$ 13,558	\$ 24,931
17	2027	\$ 11,373	\$ 396,601	\$ 407,974	\$ 11,373	\$ 13,558	\$ 24,931
18	2028	\$ 11,373	\$ 402,448	\$ 413,821	\$ 11,373	\$ 13,558	\$ 24,931
19	2029	\$ 11,373	\$ 408,383	\$ 419,756	\$ 11,373	\$ 13,558	\$ 24,931
20	2030	\$ 11,373	\$ 414,407	\$ 425,780	\$ 11,373	\$ 13,558	\$ 24,931
21	2031	\$ 11,373	\$ 420,522	\$ 431,895	\$ 11,373	\$ 13,558	\$ 24,931
22	2032	\$ 11,373	\$ 426,728	\$ 438,101	\$ 11,373	\$ 13,558	\$ 24,931
23	2033	\$ 11,373	\$ 433,027	\$ 444,400	\$ 11,373	\$ 13,558	\$ 24,931
TOTAL NPV		\$ 261,564	\$ 6,590,205	\$ 6,851,769	\$ 261,564	\$ 311,831	\$ 573,395
		\$139,913	\$2,825,100	\$2,965,012	\$139,913	\$166,808	\$306,720

Expand Redevelopment Area 2

**Benefit to Taxing Jurisdiction**

Net Present Value	\$	-	\$	6,278,374	\$	6,278,374
Real Property Taxes	\$	-	\$	2,658,292	\$	2,658,292
Sales Taxes	\$	-	\$	261,564	\$	261,564
Total Taxes	\$	-	\$	2,919,856	\$	2,919,856

**GRAIN VALLEY, MISSOURI  
TAX INCREMENTAL FINANCING PLAN  
COST BENEFIT ANALYSIS (CENTRAL JACKSON COUNTY FIRE)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT		WITHOUT REDEVELOPMENT	
		AD VALOREM TAXES		AD VALOREM TAXES	
1	2011	\$	7,712	\$	7,712
2	2012	\$	7,712	\$	7,712
3	2013	\$	7,712	\$	7,712
4	2014	\$	7,712	\$	7,712
5	2015	\$	7,712	\$	7,712
6	2016	\$	7,715	\$	7,715
7	2017	\$	15,344	\$	7,715
8	2018	\$	18,825	\$	7,715
9	2019	\$	20,771	\$	7,715
10	2020	\$	20,771	\$	7,715
11	2021	\$	21,109	\$	7,715
12	2022	\$	21,109	\$	7,715
13	2023	\$	21,454	\$	7,715
14	2024	\$	21,454	\$	7,715
15	2025	\$	21,806	\$	7,715
16	2026	\$	21,806	\$	7,715
17	2027	\$	22,165	\$	7,715
18	2028	\$	22,165	\$	7,715
19	2029	\$	22,531	\$	7,715
20	2030	\$	22,531	\$	7,715
21	2031	\$	22,905	\$	7,715
22	2032	\$	22,905	\$	7,715
23	2033	\$	23,286	\$	7,715
TOTAL		\$	378,365	\$	146,577
NPV			\$209,079		\$86,079

Real Property Taxes  
**\$ 231,787**  
\$ 122,999

Net Present Value  
\$

**Benefit to Taxing Jurisdiction**

**GRAIN VALLEY, MISSOURI  
FINANCING PLAN  
TAX INCREMENTAL ANALYSIS (JACKSON COUNTY)  
COST BENEFIT ANALYSIS (JACKSON COUNTY)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT			WITHOUT REDEVELOPMENT		
		AD VALOREM TAXES	SALES TAX	TOTAL BENEFIT	AD VALOREM TAXES	SALES TAX	TOTAL BENEFIT
1	2011	\$ 3,258	\$ 8,813	\$ 12,071	\$ 3,258	\$ 8,813	\$ 12,071
2	2012	\$ 3,258	\$ 8,813	\$ 12,071	\$ 3,258	\$ 8,813	\$ 12,071
3	2013	\$ 3,258	\$ 8,813	\$ 12,071	\$ 3,258	\$ 8,813	\$ 12,071
4	2014	\$ 3,258	\$ 8,813	\$ 12,071	\$ 3,258	\$ 8,813	\$ 12,071
5	2015	\$ 3,258	\$ 8,813	\$ 12,071	\$ 3,258	\$ 8,813	\$ 12,071
6	2016	\$ 3,259	\$ 8,813	\$ 12,072	\$ 3,259	\$ 8,813	\$ 12,072
7	2017	\$ 3,259	\$ 208,687	\$ 211,946	\$ 3,259	\$ 7,457	\$ 10,716
8	2018	\$ 3,259	\$ 231,280	\$ 234,539	\$ 3,259	\$ 7,457	\$ 10,716
9	2019	\$ 3,259	\$ 244,946	\$ 248,205	\$ 3,259	\$ 7,457	\$ 10,716
10	2020	\$ 3,259	\$ 248,579	\$ 251,839	\$ 3,259	\$ 7,457	\$ 10,716
11	2021	\$ 3,259	\$ 252,268	\$ 255,527	\$ 3,259	\$ 7,457	\$ 10,716
12	2022	\$ 3,259	\$ 256,011	\$ 259,270	\$ 3,259	\$ 7,457	\$ 10,716
13	2023	\$ 3,259	\$ 259,810	\$ 263,070	\$ 3,259	\$ 7,457	\$ 10,716
14	2024	\$ 3,259	\$ 263,667	\$ 266,926	\$ 3,259	\$ 7,457	\$ 10,716
15	2025	\$ 3,259	\$ 267,581	\$ 270,840	\$ 3,259	\$ 7,457	\$ 10,716
16	2026	\$ 3,259	\$ 271,554	\$ 274,813	\$ 3,259	\$ 7,457	\$ 10,716
17	2027	\$ 3,259	\$ 275,587	\$ 278,846	\$ 3,259	\$ 7,457	\$ 10,716
18	2028	\$ 3,259	\$ 279,680	\$ 282,939	\$ 3,259	\$ 7,457	\$ 10,716
19	2029	\$ 3,259	\$ 283,834	\$ 287,094	\$ 3,259	\$ 7,457	\$ 10,716
20	2030	\$ 3,259	\$ 288,051	\$ 291,311	\$ 3,259	\$ 7,457	\$ 10,716
21	2031	\$ 3,259	\$ 292,331	\$ 295,591	\$ 3,259	\$ 7,457	\$ 10,716
22	2032	\$ 3,259	\$ 296,676	\$ 299,935	\$ 3,259	\$ 7,457	\$ 10,716
23	2033	\$ 3,259	\$ 301,085	\$ 304,344	\$ 3,259	\$ 7,457	\$ 10,716
TOTAL		\$ 74,957	\$ 4,574,504	\$ 4,649,461	\$ 74,957	\$ 179,642	\$ 254,599
NPV		\$ 40,095	\$ 1,959,216	\$ 1,999,311	\$ 40,095	\$ 98,411	\$ 138,506

**Benefit to Taxing Jurisdiction**

Real Property Taxes	-	Sales Taxes	\$ 4,394,862	Total Taxes	\$ 4,394,862
Net Present Value	-		\$ 1,860,804		\$ 1,860,804

**GRAIN VALLEY, MISSOURI  
TAX INCREMENTAL FINANCING PLAN  
COST BENEFIT ANALYSIS (COUNTY DISABLED/MENTAL HEALTH)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT		WITHOUT REDEVELOPMENT	
		AD VALOREM TAXES	AD VALOREM TAXES	AD VALOREM TAXES	AD VALOREM TAXES
1	2011	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
2	2012	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
3	2013	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
4	2014	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
5	2015	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
6	2016	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
7	2017	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
8	2018	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
9	2019	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
10	2020	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
11	2021	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
12	2022	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
13	2023	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
14	2024	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
15	2025	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
16	2026	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
17	2027	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
18	2028	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
19	2029	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
20	2030	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
21	2031	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
22	2032	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
23	2033	\$ 1,273	\$ 1,273	\$ 1,273	\$ 1,273
<b>TOTAL</b>		<b>\$ 29,281</b>	<b>\$ 29,281</b>	<b>\$ 29,281</b>	<b>\$ 29,281</b>
<b>NPV</b>		<b>\$15,663</b>	<b>\$15,663</b>	<b>\$</b>	<b>\$15,663</b>

Real Property Taxes

\$

Net Present Value

\$

**Benefit to Taxing Jurisdiction**

-

-



**GRAIN VAL' MISSOURI**  
**TAX INCREMENT FINANCING PLAN**  
**COST BENEFIT ANALYSIS (ZOO)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT		WITHOUT REDEVELOPMENT	
		SALES TAX		SALES TAX	
1	2011	\$ -		\$ -	
2	2012	\$ 678		\$ 678	
3	2013	\$ 678		\$ 678	
4	2014	\$ 678		\$ 678	
5	2015	\$ 678		\$ 678	
6	2016	\$ 678		\$ 678	
7	2017	\$ 15,051		\$ 678	
8	2018	\$ 16,665		\$ 678	
9	2019	\$ 17,641		\$ 678	
10	2020	\$ 17,901		\$ 678	
11	2021	\$ 18,164		\$ 678	
12	2022	\$ 18,432		\$ 678	
13	2023	\$ 18,703		\$ 678	
14	2024	\$ 18,979		\$ 678	
15	2025	\$ 19,258		\$ 678	
16	2026	\$ 19,542		\$ 678	
17	2027	\$ 19,830		\$ 678	
18	2028	\$ 20,122		\$ 678	
19	2029	\$ 20,419		\$ 678	
20	2030	\$ 20,720		\$ 678	
21	2031	\$ 21,026		\$ 678	
22	2032	\$ 21,336		\$ 678	
23	2033	\$ 21,651		\$ 678	
TOTAL		\$ 328,832	\$	\$ 14,914	
NPV		\$140,615	\$	\$7,701	

zoo tax not levied until 2012

Expand Redevelopment Area 2

Sales Taxes  
**\$ 313,919**  
 \$132,915

\$

Net Present Value

**Benefit to Taxing Jurisdiction**

**GRAIN VALLEY, MISSOURI  
TAX INCREMENTAL FINANCING PLAN  
COST BENEFIT ANALYSIS (MO BLIND PENSION)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT		WITHOUT REDEVELOPMENT	
		AD VALOREM TAXES	AD VALOREM TAXES	AD VALOREM TAXES	AD VALOREM TAXES
1	2011	\$	197	\$	197
2	2012	\$	197	\$	197
3	2013	\$	197	\$	197
4	2014	\$	197	\$	197
5	2015	\$	197	\$	197
6	2016	\$	201	\$	197
7	2017	\$	588	\$	197
8	2018	\$	766	\$	197
9	2019	\$	865	\$	197
10	2020	\$	865	\$	197
11	2021	\$	882	\$	197
12	2022	\$	882	\$	197
13	2023	\$	900	\$	197
14	2024	\$	900	\$	197
15	2025	\$	918	\$	197
16	2026	\$	918	\$	197
17	2027	\$	936	\$	197
18	2028	\$	936	\$	197
19	2029	\$	955	\$	197
20	2030	\$	955	\$	197
21	2031	\$	974	\$	197
22	2032	\$	974	\$	197
23	2033	\$	994	\$	197
<b>TOTAL</b>		\$	<b>16,396</b>	\$	<b>4,537</b>
<b>NPV</b>			<b>\$7,413</b>		<b>\$2,427</b>

Real Property Taxes  
**\$ 11,859**  
\$ 4,986

Net Present Value  
**\$**

**Benefit to Taxing Jurisdiction**



**GRAIN VALLEY, MISSOURI  
TAX INCREMENTAL FINANCING PLAN  
COST BENEFIT ANALYSIS (STATE OF MISSOURI)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT		WITHOUT REDEVELOPMENT	
		SALES	TAXES	SALES	TAXES
1	2011	\$	22,913	\$	22,913
2	2012	\$	22,913	\$	22,913
3	2013	\$	22,913	\$	22,913
4	2014	\$	22,913	\$	22,913
5	2015	\$	22,913	\$	22,913
6	2016	\$	22,913	\$	22,913
7	2017	\$	994,565	\$	22,913
8	2018	\$	1,103,659	\$	22,913
9	2019	\$	1,169,646	\$	22,913
10	2020	\$	1,187,191	\$	22,913
11	2021	\$	1,204,999	\$	22,913
12	2022	\$	1,223,074	\$	22,913
13	2023	\$	1,241,420	\$	22,913
14	2024	\$	1,260,041	\$	22,913
15	2025	\$	1,278,942	\$	22,913
16	2026	\$	1,298,126	\$	22,913
17	2027	\$	1,317,598	\$	22,913
18	2028	\$	1,337,362	\$	22,913
19	2029	\$	1,357,422	\$	22,913
20	2030	\$	1,377,783	\$	22,913
21	2031	\$	1,398,450	\$	22,913
22	2032	\$	1,419,427	\$	22,913
23	2033	\$	1,440,718	\$	22,913
<b>TOTAL</b>		\$	<b>21,747,898</b>	\$	<b>526,995</b>
<b>NPV</b>			<b>\$9,266,932</b>		<b>\$281,905</b>

Real Property Taxes

\$ **21,220,903**  
\$ 8,985,027

**Benefit to Taxing Jurisdiction**

Net Present Value

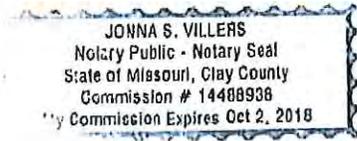


By: [Signature]  
Name: Timothy D. Harris  
Title: President  
Title: STAR Acquisitions, Inc.

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 7 day  
of ~~December~~, 2016.  
January

My Commission Expires: 10/2/2018  
SEAL

[Signature]  
Printed Name: JONNA S. VILLERS



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**EXHIBIT B**

Legal Description

Project 2

(as expanded by this Amended TIF Plan)

See Attached

TIF-#2NE AREA DESCRIPTION  
FOR: CITY OF GRAIN VALLEY,  
JACKSON COUNTY, MISSOURI  
SW1/4 SECTION 26 & NW1/4 SECTION 35,  
ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST

REVISED - SEPTEMBER 10, 2010  
TIF-#2NE AREA DESCRIPTION:

AN AREA OF LAND FOR TAX INCREMENT FINANCING, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 26 AND THE NORTHWEST QUARTER OF SECTION 35, ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST, IN THE CITY OF GRAIN VALLEY, JACKSON COUNTY, MISSOURI, BEARINGS ARE REFERENCED TO GRID NORTH OF THE MISSOURI STATE PLANE COORDINATE SYSTEM, NAD 1983, WEST ZONE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, T49N, R30W, BEING A FOUND ALUMINUM CAP AND IRON BAR, PER CERTIFIED LAND RECORD DOCUMENT NUMBER 600-49541; THENCE N89°02'55"E, A DISTANCE OF 1331.40 FEET TO THE POINT OF INTERSECTION OF THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26 AND THE CENTERLINE OF U.S. INTERSTATE I-70, AS NOW ESTABLISHED, AND BEING THE POINT OF BEGINNING; THENCE N01°22'31"E ALONG SAID EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 1253.42 FEET TO THE NORTHWEST CORNER OF SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE S87°46'34"E ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 663.90 FEET; THENCE N01°19'04"E ALONG THE SOUTHERLY LINE OF LOT 15, "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 4.60 FEET; THENCE S87°46'35"E ALONG THE SOUTH LINE OF LOTS 15 AND 14, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 156.62 FEET; THENCE N01°44'06"E ALONG THE SOUTHERLY LINE OF SAID LOT 14, A DISTANCE OF 31.54 FEET; THENCE S87°43'32"E ALONG THE SOUTH LINE OF LOTS 14, 13 AND 12, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 164.25 FEET; THENCE S01°35'07"W ALONG THE SOUTHERLY LINE OF SAID LOT 12, A DISTANCE OF 35.99 FEET TO A POINT ON THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S87°46'34"E ALONG THE SOUTH LINE OF LOTS 12 AND 11, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" AND BEING ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 344.06 FEET TO THE SOUTHEAST CORNER OF SAID LOT 11, ALSO BEING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S01°18'26"W ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 378.85 FEET; THENCE N87°46'34"W ALONG A LINE THAT IS PARALLEL WITH AND 378.80 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 345.90 FEET; THENCE S01°35'07"W, A DISTANCE OF 832.50 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID U.S. INTERSTATE I-70; THENCE N81°26'03"W ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 37.38 FEET; THENCE N69°12'33"W CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 137.94 FEET; THENCE

S01°44'06"W, A DISTANCE OF 180.49 FEET TO A POINT ON THE CENTERLINE OF SAID U.S. INTERSTATE I-70; THENCE N81°26'03"W ALONG SAID CENTERLINE OF U.S. INTERSTATE I-70, A DISTANCE OF 818.40 FEET TO THE POINT OF BEGINNING. THE DESIGNATED TIF-#2NE AREA DESCRIBED ABOVE CONTAINS 1,394,926 SQUARE FEET OR 32.0231 ACRES, MORE OR LESS.

FOR: CITY OF GRAIN VALLEY  
ATTN: KEN MURPHY  
CITY PLANNER  
GRAIN VALLEY, MISSOURI 64029

BY: \_\_\_\_\_  
ROLAND E. MCBRIDE, MO. PLS #2486  
TRANSYSTEMS CORP., MO. LC #318  
2400 PERSHING ROAD, SUITE 400  
KANSAS CITY, MISSOURI 64108

AND

Lots 1, 15, 16, 17 and 18, The Breezeway Executive Business Park, a subdivision in Grain Valley, Jackson County, Missouri, according to the recorded plat thereof, as well as that portion of land thereon platted as right-of-way for Breezeway Drive.

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**EXHIBIT C**

Legal Description  
Total Redevelopment Area  
(as expanded by this Amended TIF Plan)

See Attached

TOTAL TIF AREA DESCRIPTION  
FOR: CITY OF GRAIN VALLEY,  
JACKSON COUNTY, MISSOURI  
SW1/4 SECTION 26 & NW1/4 SECTION 35,  
ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST

REVISED -- SEPTEMBER 10, 2010

**TOTAL TIF AREA DESCRIPTION:**

AN AREA OF LAND FOR TAX INCREMENT FINANCING, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 26 AND THE NORTHWEST QUARTER OF SECTION 35, ALL IN TOWNSHIP 49 NORTH, RANGE 30 WEST, IN THE CITY OF GRAIN VALLEY, JACKSON COUNTY, MISSOURI, BEARINGS ARE REFERENCED TO GRID NORTH OF THE MISSOURI STATE PLANE COORDINATE SYSTEM, NAD 1983, WEST ZONE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, T49N, R30W, BEING A FOUND ALUMINUM CAP AND IRON BAR, PER CERTIFIED LAND RECORD DOCUMENT NUMBER 600-49541; THENCE N01°26'34"E ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 786.82 FEET TO THE NORTHWEST CORNER OF LOT 2, "INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, AND BEING THE POINT OF BEGINNING; THENCE CONTINUING N01°26'34"E ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 26, A DISTANCE OF 363.11 FEET TO THE SOUTHWEST CORNER OF "WINGATE TOWNHOMES P.U.D." A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE S86°53'55"E ALONG THE SOUTH LINE OF SAID "WINGATE TOWNHOMES P.U.D.", A DISTANCE OF 955.23 FEET TO THE SOUTHEAST CORNER OF SAID "WINGATE TOWNHOMES P.U.D."; THENCE N01°41'59"E ALONG THE EAST LINE OF SAID "WINGATE TOWNHOMES P.U.D." AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 507.95 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF WOODBERRY DRIVE, AS NOW ESTABLISHED; THENCE S88°21'14"E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 331.29 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MISSOURI STATE ROUTE BB, AS NOW ESTABLISHED; THENCE S01°22'31"W ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 319.47 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE S87°46'34"E ALONG SAID NORTH LINE AND ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 703.90 FEET; THENCE N01°19'04"E ALONG THE SOUTHERLY LINE OF LOT 15, "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 4.60 FEET; THENCE S87°46'35"E ALONG THE SOUTH LINE OF LOTS 15 AND 14, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 156.62 FEET; THENCE N01°44'06"E ALONG THE SOUTHERLY LINE OF SAID LOT 14, A DISTANCE OF 31.54 FEET; THENCE S87°43'32"E ALONG THE SOUTH LINE OF LOTS 14, 13 AND 12, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK", A DISTANCE OF 164.25 FEET; THENCE S01°35'07"W ALONG THE SOUTHERLY LINE OF SAID LOT 12, A DISTANCE OF 35.99 FEET TO A POINT ON THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S87°46'34"E ALONG THE SOUTH LINE OF LOTS 12 AND 11, SAID "THE BREEZEWAY EXCLUSIVE BUSINESS PARK" AND BEING ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 344.06 FEET TO THE SOUTHEAST CORNER OF SAID LOT 11, ALSO BEING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26; THENCE S01°18'26"W ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 378.85 FEET; THENCE N87°46'34"W ALONG A LINE THAT IS PARALLEL WITH AND 378.80 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 345.90 FEET; THENCE S01°35'07"W, A DISTANCE OF 832.50 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF U.S. INTERSTATE I-70, AS NOW ESTABLISHED; THENCE N81°26'03"W ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 37.38 FEET; THENCE N69°12'33"W

CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 137.94 FEET; THENCE S01°44'06"W, A DISTANCE OF 811.47 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, "MINTER VIEW" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N88°05'05"W ALONG THE SOUTH LINE OF LOTS 3 AND 4, SAID "MINTER VIEW" AND ALONG THE SOUTH LINE OF LOTS 6, 5, 4, 3 AND 2, "HOEHN ADDITION" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 646.42 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2, "HOEHN ADDITION"; THENCE N01°42'54"E ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 135.00 FEET; THENCE N88°05'05"W, A DISTANCE OF 200.17 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MAIN STREET, AS NOW ESTABLISHED; THENCE S01°40'36"W ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 463.46 FEET; THENCE N88°05'03"W, A DISTANCE OF 303.85 FEET TO A POINT ON THE EAST LINE OF LOT 15, "MINTER ADDITION" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N01°40'36"E ALONG THE EAST LINE OF SAID LOT 15, A DISTANCE OF 3.95 FEET TO THE NORTHEAST CORNER OF SAID LOT 15; THENCE N88°05'03"W ALONG THE NORTH LINE OF SAID LOT 15, A DISTANCE OF 215.15 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MINTER AVENUE, AS NOW ESTABLISHED; THENCE N01°40'36"E ALONG THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 10, SAID "MINTER ADDITION AND ALONG THE EAST LINE OF LOTS 10, 9, 8 AND 7, SAID "MINTER ADDITION", A DISTANCE OF 324.50 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 35, T49N, R30W; THENCE N88°05'03"W ALONG SAID NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, A DISTANCE OF 775.49 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE N01°36'03"E ALONG SAID WEST LINE, A DISTANCE OF 233.64 FEET TO THE SOUTHWEST CORNER OF LOT 1, "OODA COMPLEX, LOT 1" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 1 AND ALONG THE NORTHEASTERLY PROLONGATION OF SAID SOUTHERLY LINE AND ALL BRING ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING AN INITIAL TANGENT BEARING OF N70°55'43"E, A CENTRAL ANGLE OF 12°40'59" AND A RADIUS OF 4316.28 FEET, FOR AN ARC DISTANCE OF 955.46 FEET TO A POINT ON THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 8A, "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N02°06'21"E ALONG THE SOUTHERLY PROLONGATION OF SAID EAST LINE AND ALONG SAID EAST LINE OF LOT 8A, A DISTANCE OF 789.05 FEET TO THE NORTHEAST CORNER OF SAID LOT 8A; THENCE N86°54'31"W ALONG THE NORTH LINE OF SAID LOT 8A, A DISTANCE OF 118.85 FEET TO A POINT ON THE EAST LINE OF LOT 7, SAID "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK"; THENCE N01°42'16"E ALONG SAID EAST LINE OF LOT 7, A DISTANCE OF 163.09 FEET TO THE NORTHEAST CORNER OF SAID LOT 7; THENCE N86°54'47"W ALONG THE NORTH LINE OF LOTS 7 AND 4, SAID "REPLAT OF LOT 1, INTERSTATE DEVELOPMENT PARK" AND ALONG THE NORTH LINE OF LOT 2, "INTERSTATE DEVELOPMENT PARK" A SUBDIVISION IN SAID CITY, COUNTY AND STATE, ACCORDING TO THE RECORDED PLAT THEREOF, A DISTANCE OF 814.72 FEET TO THE POINT OF BEGINNING.

THE DESIGNATED TOTAL TIF AREA DESCRIBED ABOVE CONTAINS 3,685,470 SQUARE FEET OR 84.6067 ACRES, MORE OR LESS.

FOR: CITY OF GRAIN VALLEY  
ATTN: KEN MURPHY  
CITY PLANNER  
GRAIN VALLEY, MISSOURI 64029

BY: \_\_\_\_\_  
ROLAND B. MCBRIDE, MO. PLS #2486  
TRANSYSTEMS CORP., MO. LC #318  
2400 PERSHING ROAD, SUITE 400  
KANSAS CITY, MISSOURI 64108

AND

Lots 1, 15, 16, 17 and 18, The Breezeway Executive Business Park, a subdivision in Grain Valley, Jackson County, Missouri, according to the recorded plat thereof, as well as that portion of land thereon platted as right-of-way for Breezeway Drive.