

**Received in the office of the
City Clerk for the
City of Lee's Summit, Missouri on
June 8, 2023 @ 2:00pm**

REINHART FOODSERVICE, LLC LCRA REDEVELOPMENT PLAN

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF THE CITY OF LEE'S SUMMIT, MISSOURI**

June 8, 2023

1. City's Previous Blight Finding

In June of 2014, the City Council adopted Ordinance 7472, which determined that certain real property within the Missouri Highway 291 and US Highway 50 corridors was blighted and designated a land clearance for redevelopment authority urban renewal area, to be known as the "US 50 / M-291 Highway Urban Renewal Area." Ordinance 7472 is attached hereto as Exhibit 1. This Redevelopment Plan and the associated blight finding adds property to, and will be treated as part of, the US 50 / M-291 Highway Urban Renewal Area.

2. Proposed Amendment to the Blight Finding

On March 20, 2023, Valbridge Property Advisors completed a blight study of the site of the Reinhart Foodservice, LLC facility located at 290 SE Thompson Drive in Lee's Summit (known as the "Study Area"). The study concluded that the Study Area represents a blighted area under Missouri law based upon a finding of deterioration of site improvements. Additionally, there are 2.11 acres of surplus property at the site not at its full economic utilization, and case law has found that economic underutilization is also a criteria in establishing a blighted area determination. A copy of the Valbridge Property Advisors report is attached hereto as Exhibit 2.

3. Purpose of this Redevelopment Plan

This Redevelopment Plan has been prepared in accordance with the Land Clearance for Redevelopment Authority Act which is set forth in Sections 99.300 through 99.660 of the Revised Statutes of Missouri (the "LCRA Act") for the redevelopment of the property (the "Property") which is legally described on Exhibit 3 attached hereto and depicted on Exhibit 4 attached hereto. The Property is to be added to the "US 50 / M-291 Highway Urban Renewal Area" upon approval of this Redevelopment Plan. The purpose of this LCRA Redevelopment Plan is to:

- carry out the policy statement of the LCRA Act, which is set forth in Section 99.310, RSMo, and more particularly to renovate, redevelop, and otherwise improve the Property to cure the blighted conditions which exist on the Property;
- provide Missouri sales and use tax exemption on construction materials;
- provide real property tax abatement on incremental property added as part of an expansion project.

The mechanism to achieve these purposes is to establish public ownership during the construction of improvements on the Property and for ten (10) years after Project completion. Developer will receive and use a sales tax exemption certificate for the purchase of construction materials that are used in the construction of the Project improvements. This LCRA Redevelopment Plan satisfies the requirements of the LCRA Act, and the items set forth below follow and discuss the requirements of a "redevelopment plan" as defined in the LCRA Act.

3. Description of the Project

This LCRA Redevelopment Plan provides for the design, development, and construction of an addition of approximately 55,000 square feet to the existing property in the Study Area which would occur on the site of the economically underutilized surplus acreage, rehabilitation of existing property within the existing building footprint, the purchase of new and replacement equipment for use within the expanded facility, and the continued rehabilitation and improvement of site conditions including exterior maintenance

existing building footprint, the purchase of new and replacement equipment for use within the expanded facility, and the continued rehabilitation and improvement of site conditions including exterior maintenance to the existing building and parking facility and the reduction in truck trailers now located on the site which are used for storage. The use of truck trailers at the site creates an unsightly condition in the Study Area and the expansion of the existing facility will allow for materials now stored in the truck trailers to be moved inside, thus enhancing site aesthetics and improving productivity of the site. The Property is legally described on Exhibit 3 attached hereto and depicted on Exhibit 4 attached hereto. An initial site plan and rendering of a portion of the Project are attached hereto as Exhibit 5. The estimated cost of the Project (exclusive of land, financing, and other soft costs) is approximately \$22,000,000.

4. Description of the Parties

The Developer and Affiliates. Reinhart Foodservice, LLC (the “Developer”) is a limited liability company organized and existing under the laws of the State of Delaware. The benefitting companies will be the Developer and other affiliated entities of Developer (each an “Affiliate”), including the Developer’s parent entity, Performance Food Group, Inc. During the period of City ownership, the Developer or an Affiliate will lease the Property from the City pursuant to a lease agreement (the “Lease Agreement”) that will be approved by the City Council.

City of Lee’s Summit, Missouri. The City is a constitutional home rule charter city and municipal corporation organized and existing under the laws of the State of Missouri. The City will lease the Property to Developer or an Affiliate during the construction period and for ten (10) years after Project completion pursuant to the Lease Agreement.

5. Power and Authority Under the LCRA Act

The LCRA and the City are authorized and empowered pursuant to Section 99.420, RSMo, and other provisions of the LCRA Act, to exercise the following powers which are relevant to this LCRA Redevelopment Plan:

- The LCRA may prepare redevelopment plans and recommend approval to City Council – “To prepare or cause to be prepared and recommend redevelopment plans and urban renewal plans to the governing body” (99.420(2))
- Acquire, buy, sell, mortgage and lease real estate and execute contracts for real estate – (4) “Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, including fee simple absolute title, together with any improvements thereon, necessary or incidental to a land clearance project or urban renewal project *** to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property and with other public agencies containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the redevelopment or urban renewal plan *** and to enter into any contracts necessary to effectuate the purposes of this law...” (99.420(4))
- Approve plans for redevelopment of existing structures – “To make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements” (99.420(6))

- Hold public hearings – “Acting through one or more commissioners or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information” (99.420(9))
- Spend public funds – “To make such expenditures as may be necessary to carry out the purposes of this law” (99.420(12))
- City Council can exercise all LCRA powers after delegation by LCRA – “To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a land clearance project or urban renewal project in the area in which the municipality or public body is authorized to act, and the municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority” (99.420(13))
- Exercise general municipal powers to implement the redevelopment plan – The LCRA has “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law” (Section 99.420, introductory clause) and may “exercise all powers or parts or combinations of powers necessary, convenient or appropriate to undertake and carry out land clearance, redevelopment and urban renewal plans and projects and all the powers herein granted.” (99.420(14))

Other grants of power and authority under the LCRA Act may become applicable to the implementation of this LCRA Redevelopment Plan. The LCRA Act defines “redevelopment plans” and “urban renewal plans” and the definition of these terms in Section 99.320, RSMo, each cross-reference the other definition. All of the procedural requirements and legal authority for each type of plan apply to LCRA redevelopment plans.

6. Requirements of the LCRA Act

Section 99.430, RSMo, requires that each LCRA redevelopment plan must contain certain data and information. This section sets forth the several statutory requirements for a redevelopment plan under the LCRA Act along with information to satisfy such requirements.

Relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements.

Appropriate land uses. The Study Area already has the appropriate zoning in place to permit the proposed Project improvements.

Improved traffic. The removal of truck trailers now used for storage could improve the traffic situation on the existing site.

Public transportation. The existing transportation infrastructure is sufficient to meet the needs of the Project improvements.

Public utilities. The existing public utilities are sufficient to meet the needs of the Project improvements. Certain on-site improvements related to drainage and stormwater retention are part of the Project improvements plan.

Recreational and community facilities and other public improvements. Not applicable.

Boundaries of the land clearance or urban renewal project area, with a map showing the existing uses and condition of the real property therein

See Exhibits 2 and 4 attached hereto.

A land use plan showing proposed uses of the area

Land uses will consist of warehouse/distribution, light manufacturing, or other industrial uses, as well as ancillary uses thereto. An aerial of the Property is attached hereto as Exhibit 4, and an initial site plan is attached hereto as Exhibit 5.

Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment or urban renewal

An aerial of the Property is attached hereto as Exhibit 4, and an initial site plan is attached hereto as Exhibit 5.

Statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances

Not applicable.

Statement as to the kind and number of additional public facilities or utilities which will be required in the area after redevelopment or urban renewal

No additional public facilities or utilities will be required in the area after redevelopment or urban renewal.

A schedule indicating the estimated length of time needed for completion of each phase of the plan

The Project improvements will start in mid-2023 and will be fully operational by spring 2025 and will all be developed or purchased simultaneously.

Submission to the City's planning agency for a determination as to whether the Redevelopment Plan is consistent with the Comprehensive Plan

Because the Project improvements are in conformance with existing zoning at the Study Area, no submission to the City's planning agency is required.

The Project is consistent with the City's Comprehensive Plan identification of the Property as "industrial."

A statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment or urban renewal of the land clearance or urban renewal project area

Developer will cover the costs of the project through private financing. Developer will base this funding on discussions with engineers and contractors.

The estimated proceeds or revenues from its disposal to redevelopers

The portion of the Property representing the Project improvements is owned by the Developer and it, along with the Project improvements, will be transferred for nominal consideration to the City for the Lease Agreement period. As a result, the LCRA and the City will not be disposing of the Property to other redevelopers.

A statement of the proposed method of financing the project

The Project is anticipated to be initially financed with the Company's revolving line of credit and operating cash flow.

A statement of a feasible method proposed for the relocation of families to be displaced from the land clearance or urban renewal project area

Not applicable to this Project.

7. Statement of Financial Benefit/Estimated Costs and Benefits to City

Sales/Use Tax Exemption

The total cost of the Project is estimated to be approximately \$22,000,000 (exclusive of land, financing, and other soft costs). Building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062, RSMo. The estimated sales tax exemption benefit that would be the result of this LCRA Redevelopment Plan is set forth below:

Est. Building Costs	\$17,405,000
Est. Materials Portion	\$6,962,000
Est. Sales/Use Tax Savings	\$444,447

This financial benefit is approximately **2.02%** of the total estimated Project costs (exclusive of land, financing, and other soft costs).

The estimated cost to the City of the sales/use tax exemption is \$137,851, the details of which are outlined below:

Project Possible					
Estimated Taxpayer Benefit from Sales and Use Tax Exemption on Construction Materials					
Sales & Use Tax Exemption					
Total Building Cost	\$	17,405,390			
Materials Percentage		40%			
Materials Amount	\$	6,962,156			
		Percentage	Amount		
Materials to be Purchased within the state of MO (Outside Jackson County)		20%	\$ 1,392,431		
Materials to be Purchased within Jackson County (Outside Lee's Summit)		8%	\$ 556,972		
Materials to be Purchased within Lee's Summit		5%	\$ 348,108		
Materials to be Purchased out of state		67%	\$ 4,664,645		
		100%	\$ 6,962,156		
		Sales Tax Rate	Estimated Sales Tax Revenues Subject to Exemption	Use Tax Rate	Estimated Use Tax Revenues Subject to Exemption
State of Missouri		4.225%	\$ 97,070	4.225%	\$ 197,081
Jackson County		1.375%	12,445	0.000%	-
City of Lee's Summit		2.750%	\$ 9,573	2.750%	\$ 128,278
Total Exemption All Taxing Jurisdictions		8.350%	\$ 119,088	6.975%	\$ 325,359
Total Exemption City of Lee's Summit		2.750%	\$ 9,573	2.750%	\$ 128,278
Total Estimated City of Lee's Summit Sales and Use Tax Exemption			\$ 137,851		

Real Property Tax Abatement / Payments in Lieu of Taxes; Public Improvements Assessments

Real Property Tax Abatement / Payments in Lieu of Taxes.

The City will own the Project improvements and lease such phases to Developer and/or an Affiliate for ten (10) years after completion, during which time the Property will be 84% exempt from real property taxes.

BILL NO. 14-66**ORDINANCE NO. 7472**

AN ORDINANCE DECLARING CERTAIN PROPERTY WITHIN THE CITY OF LEE'S SUMMIT, MISSOURI, TO BE BLIGHTED AND DESIGNATED AS A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY URBAN RENEWAL AREA, TO BE KNOWN AS THE US 50 / M-291 HIGHWAY URBAN RENEWAL AREA, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW.

WHEREAS, in 1961, City of Lee's Summit held a special election where the qualified voters voted in favor of accepting the provisions of §99.300 through §99.660 RSMo as amended, known and cited as the "Land Clearance for Redevelopment Authority Law" of the State of Missouri ("Law"); and,

WHEREAS, on September 1, 2009, the Mayor of Lee's Summit appointed members to reactivate the Land Clearance for Redevelopment Authority within Lee's Summit; and,

WHEREAS, after mailing invitations to all property owners within the area shown in Exhibit A as attached to this ordinance (the "Area") on November 13, 2013, the Land Clearance for Redevelopment Authority held a public information meeting to obtain feedback from affected property owners, and received positive feedback and interest from those in attendance; and,

WHEREAS, on April 23, 2014, the Land Clearance for Redevelopment Authority held a public meeting to consider the proposal to designate the Area as blighted and designate same as the US 50 / M-291 Highway Urban Renewal Area, and recommended the City Council find the Area blighted in accordance with the Law and approve said Urban Renewal Area; and,

WHEREAS, on May 1, 2014, the City Council held a public hearing at which all interested persons were afforded an opportunity to make comments, file written objections, and be heard orally; and,

WHEREAS, on May 1, 2014, the City Council having heard and considered the objections, protests, comments, and other evidence adduced at the public hearing, closed the public hearing and voted to direct City Staff to present an ordinance approving the designation of the Area as blighted and designating it as the US 50 / M-291 Highway Urban Renewal Area.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council hereby finds that the Area described in Exhibit A, which is attached hereto and incorporated herein be referenced, is a blighted area under the provisions of the Law and has not been subject to growth and development due to the following factors:

- A. Predominance of defective or inadequate street layout
- B. Insanitary or unsafe conditions
- C. Deterioration of site improvements
- D. Improper subdivision or obsolete platting; and

BILL NO. 14-66

ORDINANCE NO. 7472

- E. 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.

SECTION 2. That the Area described in Exhibit A shall be known as the "US 50 / M-291 Highway Urban Renewal Area".

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this 5th day of June, 2014.



 Mayor Randall L. Rhoads

ATTEST:



 City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this 12th day of June, 2014.




 Mayor Randall L. Rhoads

ATTEST:



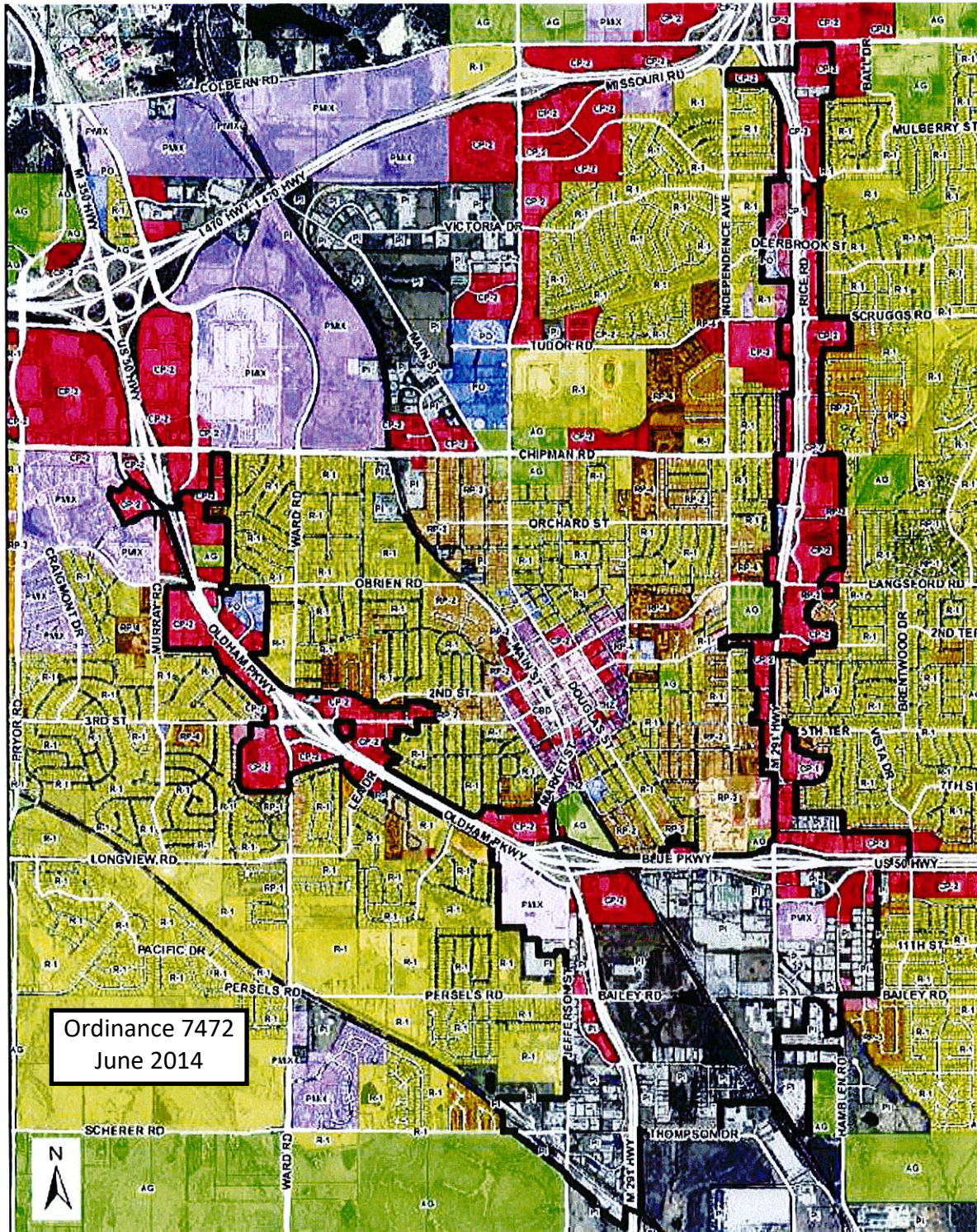
 City Clerk Denise R. Chisum

APPROVED AS TO FORM:



 Deputy City Attorney John L. Mautino

Attachment A



US 50 / M-291 Highway Urban Renewal Area



Valbridge
PROPERTY ADVISORS

Blight Study (Revised)

Performance Foodservice
290 Southeast Thompson Drive
Lee's Summit, Jackson County, Missouri 64081



Performance Food Group, Inc.
Tami Gardner
Vice President
188 Inverness Drive W. Suite 700
Englewood, CO 80112

Effective Date:
February 27, 2023

Valbridge Property Advisors /
Kansas City

10990 Quivira Road, Suite 100
Overland Park, Kansas 66210
(913) 451-1451 phone
(913) 529-4121 fax
valbridge.com

Valbridge File Number:
KS01-23-0152



10990 Quivira Road, Suite 100
Overland Park, Kansas 66210
(913) 451-1451 phone
(913) 529-4121 fax
valbridge.com

April 27, 2023

Tami Gardner
Vice President Business Incentives & Transaction Tax
Performance Food Group
188 Inverness Drive W. Suite 700
Englewood, CO 80112

RE: Blight Study
Performance Food Service – Proposed Expansion
290 Southeast Thompson Drive
Lee’s Summit, Jackson County, Missouri 64081

Dear Ms. Gardner:

We are pleased to transmit the attached Blight Study that has been prepared for the above-referenced Study Area. The purpose of the report is to determine whether the Study Area is blighted, as defined in Section 99.805 Revised Statutes of Missouri and Section 67.1401.1 Revised Statutes of Missouri. This analysis represents an accumulation of our findings based on research and investigations performed on the effective date of February 27, 2023. The attached report sets forth the data, research, investigations, analyses, and conclusions for this report.

The client is Performance Food Group, Inc. The intended user in this assignment is Performance Food Group, Inc. The purpose of the report is to investigate and determine if blight conditions exist in the Study Area according to Section 99.805 Revised Statutes of Missouri and Section 67.1401.1 Revised Statutes of Missouri. The property was toured and the report was prepared by Daniel Kann, MAI MSRE.

Neither Valbridge Property Advisors nor the appraisers herein have any present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. The client herein and the appraisers have no relationship that would interfere with a fair reporting herein.

As determined in the following study, it is our opinion that the Study Area represents a “blighted area” which is defined in Missouri Statute Section 99.805 and Section 67.1401.1.

Primary blighting factors for the Study Area include:

- ✚ Deterioration of site improvements

It is our opinion that the predominance of these above-stated factors within the Study Area constitutes an economic liability in its present condition and use. We have concluded these facts based on the deterioration of site improvements, the feasibility of the planned expansion, and the

limited demand for industrial development land in the immediate area.

The Study Area consists of 2.11 acres of surplus land that is not used to its maximum potential. The surplus land is landlocked with access provided through the existing surface parking lot. The interior location and lack of public access results in limited marketability of the surplus land to a market buyer.

According to CoStar Analytics, there are six active industrial land listings within the immediate area. The properties have been listed for an extended period of time indicating below average demand for industrial development land. In addition, there are 48 industrial buildings located in the immediate vicinity that have a weighted average year built of 1990. Three of the 48 buildings were built post 2020 with the remaining building stock built from 1950 to 2013, which is similar to the subject's age of 1998. In addition, several of the existing industrial buildings could pose an environmental concern due to their current use as a concrete plant, automotive repair facility, and scrap metal use. The age of the existing building stock, potential environmental concerns, and extended marketing effort of vacant industrial land indicates below average demand for industrial development in the subject area.

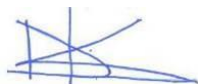
According to the client, total estimated development costs are approximately \$22 million. The reported expansion costs are significantly more than developments of similar light industrial facilities, which range in cost from \$100 to \$200 per square foot. A comparison of the planned costs to the market value of recently built industrial space indicates the development is not financially feasible. The cost to develop is greater than the value once built and will likely require economic incentives.

The existence of the previous blighting factor(s) indicates that the Study Area constitutes an economic liability in its present condition and use. Because of this and the other blighting factors, it is unlikely the remainder of the Study Area will be redeveloped without financial assistance.

Valbridge Property Advisors | Kansas City has not performed valuation services pertaining to the Study Area within the three-year period immediately preceding acceptance of the assignment. Valbridge Property Advisors | Kansas City is a disinterested third party and there is no identity of interest between our firm and the client and intended user for whom the report is prepared.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results.

Respectfully submitted,
Valbridge Property Advisors | Kansas City



Daniel Kann, MAI MSRE
Senior Managing Director
Missouri License # 2013034806
DKann@Valbridge.com

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents	1
Aerial and Front Views.....	2
Location Map	3
Introduction.....	4
Scope of Work	7
Site Description	8
Improvement Description	14
Subject Photos.....	16
Market Segmentation.....	19
Market Area Analysis	20
Employment Analysis.....	25
Demographic Analysis.....	31
Blight Analysis.....	35
General Assumptions and Limiting Conditions	41
Certification – Daniel Kann, MAI MSRE.....	47
Addenda	48

Aerial and Front Views

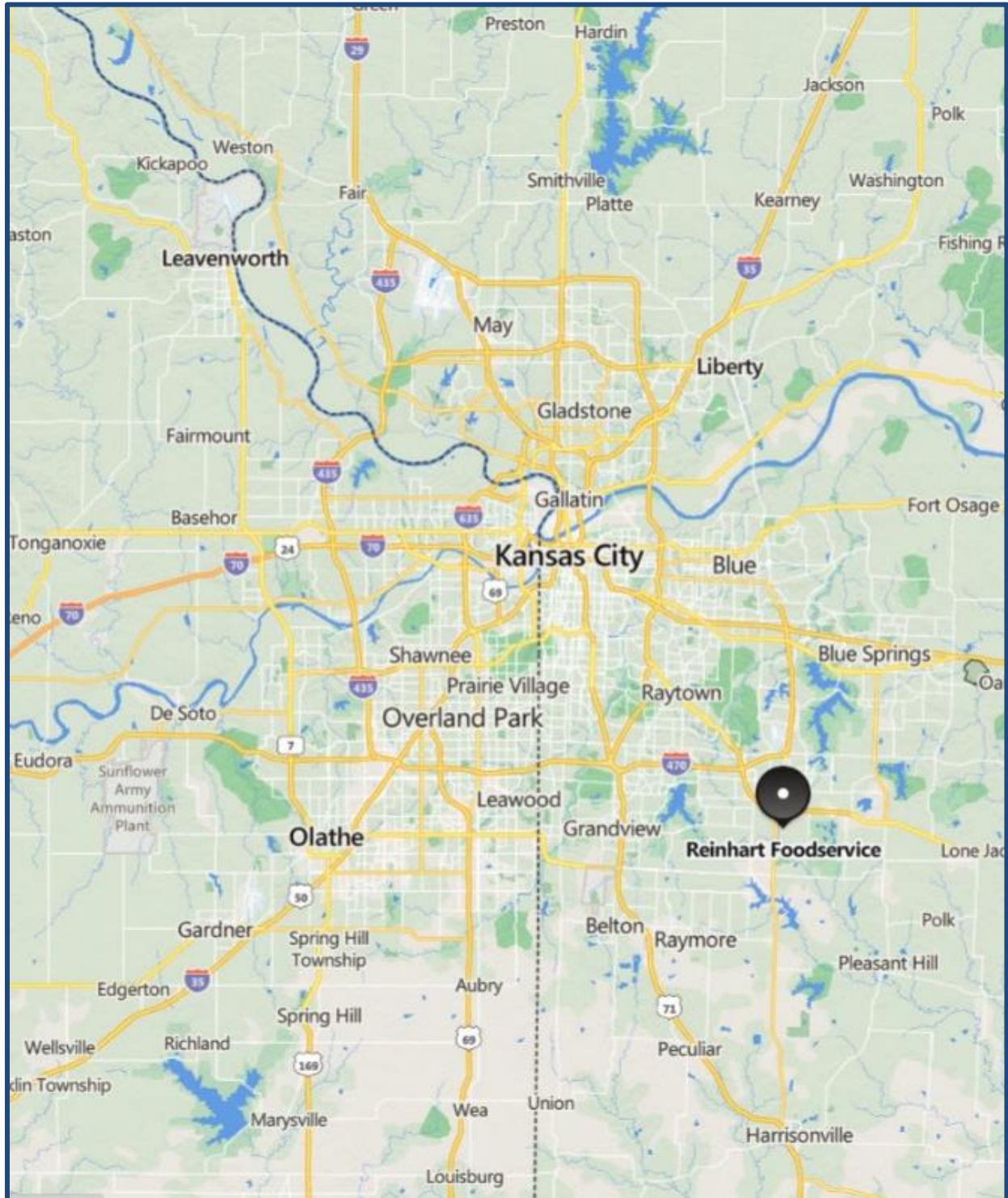
AERIAL PARCEL MAP



REPRESENTATIVE VIEW OF THE EXISTING FACILITY



Location Map



Introduction

Client and Intended Users of the Appraisal

The client and intended user is Performance Food Group, Inc.

Intended Use of the Appraisal

This study was prepared for the sole and exclusive use of Performance Food Group, Inc. to assist in determining if the Study Area is blighted. It is not to be relied upon by third parties for any purposes. We understand that this report may be submitted by the client to a government entity or agency for the purpose of making a recommendation of a finding that the Study Area is blighted or a legislative determination and/or finding that the Study Area is blighted.

Real Estate Identification

The Study Area is located in the northeast corner of 291 Highway and Southeast Scherer Road in the southern portion of Lee's Summit, Jackson County, Missouri. The area consists of 11.42 acres and is improved with a light industrial building, surface parking, and vacant land. The existing improvements were built in 1998 and are in average condition. The following table summarizes the Study Area in the *as is* condition.

Parcel ID	Built	Buildings	GBA	NRA	Site (Acres)	Parking	Zoning
61-800-01-66-00-0-00-000	1998	1	108,260	108,260	11.42	100	PI

Planned Improvements Within Study Area

The Study Area is planned to be expanded with an additional 50,000 square feet of light industrial space. The expansion will occur within the vacant land located along the northern and eastern portions of the existing site and improvements. Total estimated development costs are reported to be approximately \$22 million. The reported expansion costs are significantly higher than developments of similar light industrial facilities, which range in cost from \$100 to \$200 per square foot. A comparison of the planned costs to the market value of recently built industrial space indicates the development is not financially feasible. The cost to develop is greater than the value once built and will require economic incentives.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject is a light industrial building, surface parking, and vacant land. The vertical improvements are in average condition with some parking lot deterioration.

Use of Real Estate as Reflected in this Study

As of the report date, the subject is a light industrial building, surface parking, and vacant land that is planned to be expanded with an additional 50,000 square feet of space at a reported cost of approximately \$5,000,000 to \$10,000,000.

Abbreviated Legal Description (Jackson County Assessor)

LEMONE-SMITH BUSINESS AND RAIL CENTER PLAT 6---LOT 7D

Type and Definition of Value

According to *The Appraisal of Real Estate 15th Edition*, market value is the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Valuation Scenarios, Property Rights, and Effective Date(s)

The purpose of the study is to determine if the Study Area is blighted. Our conclusions are based on the fee simple estate of the subject property. According to *The Dictionary of Real Estate Appraisal*, the fee simple estate interest is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Valuation Scenarios

Value	Interest	Rents	Scenario	Effective Date of Value
Market Value	Fee Simple	Market	As Is	February 27, 2023

We completed an appraisal tour of the subject property on February 27, 2023. A comparison of the date of the report to the effective date of the appraisal indicates that our conclusions are reflective of current market conditions. The extent of the inspection is further detailed in the Scope of Work Section of this report.

Date of Report

The date of this report is April 27, 2023, which is the same as the date of the letter of transmittal.

Definitions

According to the Missouri Revised Statutes, the following definition pertains to Chapter 67 and Chapter 99 incentives.

- ✚ "Blighted area" an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, 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, or welfare in its present condition and use.

According to the *Dictionary of Real Estate Appraisal, 6th Edition*, functional inutility is:

- ✚ Impairment of the functional capacity of a property or building according to market tastes and standards; equivalent to functional obsolescence when ongoing change makes layouts and features obsolete and impairs value.

According to the *Dictionary of Real Estate Appraisal, 6th Edition*, external obsolescence is:

- ✚ A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may

be either temporary or permanent.

Extraordinary Assumptions:

- ✦ We were provided with preliminary data regarding the Study Area and the existing and proposed improvements. We have relied on a physical tour, aerial pictures, GIS mapping, and various online sources to determine the physical characteristics and salient data points of the existing and planned improvements. If this information is found to be false our conclusions could require revision.
- ✦ Various sources have been used to determine employment and labor data in the Study Area (U.S. Census Bureau, Bureau of Labor Statistics, ESRI, OnTheMap, Economic Development Corporation, IRS tax statistics, etc.). Some of the various sources use overlapping data and other sources use historical data trended to a current year. Additionally, some sources report data for residents of an area and others report data for employees of a given geographic location. Due to the use of multiple sources with various methods of reporting labor statistics, we have used the best available information in our analysis. If this information is found to be false our conclusions could require revision.

Hypothetical Conditions:

- ✦ There are no hypothetical conditions utilized in our analysis.

Competency

No steps were necessary to meet the competency provisions established by USPAP. We have completed numerous blight studies in the past several years. We certify that we have adequate experience and qualifications to prepare this study. In addition, we have prior experience and geographic competency within Lee's Summit, Jackson County, and the surrounding submarkets within the MSA. Please refer to the qualifications in the Addenda of the report.

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- ✦ [Legal Characteristics](#) - The subject was legally identified via Jackson County records and information provided by the property contact.
- ✦ [Economic Characteristics](#) - Economic characteristics of the Study Area were identified by the Site-To-Do-Business, a subscription service for demographic data, Lee's Summit, Missouri online databases, the Jackson County Assessor's office and online databases, the United States Department of Labor, the U.S Census Bureau, CoStar, Multiple Listing Service (MLS), in-house database, and market participants familiar with the subject and surrounding submarket.
- ✦ [Physical Characteristics](#) - The subject was physically identified by an exterior tour on February 27, 2023. In addition, we have relied on a physical tour, aerial pictures, GIS mapping, and various online sources to determine the physical characteristics and salient data points of the Study Area.

Extent to Which the Property Was Inspected

We toured the Study Area on February 27, 2023. The subject site is improved with a light industrial building, surface parking, and undeveloped land. The existing improvements are average quality construction and in average condition. The configuration, finish, and amenities of the existing space is consistent with surrounding uses and is adequate for the site and location. However, the surplus land is landlocked and its irregular configuration makes future development less feasible.

Type and Extent of Data Researched

We researched and analyzed: 1) market area data, 2) property-specific market data, 3) zoning and land-use data, and 4) information on local market conditions and trends including population, income, employment levels, crime rates, linkages, support services, etc.

Appraisal Conformity and Report Type

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Revised Missouri Statutes.

Site Description

Our description of the subject site is based on our physical tour and a review of various third-party data. The characteristics of the site are summarized as follows:

Site Characteristics

Location:	290 Southeast Thompson Drive, Lee's Summit, Jackson County, Missouri 64082
Parcel Number:	61-800-01-66-00-0-00-000
Gross Land Area:	11.42 acres, or 497,459 square feet (per GIS)
Excess Land:	0.00 acres, or 0 square feet (per GIS)
Surplus Land:	2.11 acres, or 91,867 square feet (per GIS)
Shape:	Irregular
Topography:	Level
Drainage:	Adequate at the time of tour
Grade:	At grade with the fronting street (SE Thompson Drive)
Utilities:	Standard utilities including water, sewer, electricity, and gas are available and in place for future development

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	SE Thompson Drive	MO Route 291
Type / Condition:	City street – Average	State highway – Average
Traffic:	1,300 vehicles per day	29,000 vehicles per day
Number of Lanes / Direction of Traffic:	Two – East and west	Four – North and south

Flood Zone Data

Flood Map Panel/Number:	29095C0438G
Flood Map Date:	January 20, 2017
Flood Zone:	The Study Area is located in Zone X, "areas of minimal flood hazard, usually depicted on FIRMs above the 500-year level."

Other Site Conditions

Soil Type:	We were not provided a soil report to review. We assume that the soil's load bearing capacity is sufficient to support future development.
Environmental Issues:	We were not provided with a Phase I report to review. Based on the surrounding industrial uses environmental contamination could be present. It is recommended a competent third-party prepare a Phase I confirm no environmental contamination is present.

Easements/Encroachments: We were not provided with a Site Survey of Title Report to review. Our inspection did not reveal any easements or encroachments that would adversely impact the marketability of the project.

Adjacent Land Uses

North: Single-family and light industrial
South: Vacant land and light industrial
East: Light industrial
West: Light industrial

Site Ratings

Access: Average
Visibility: Average

Zoning Designation

Zoning Classification: PI – Planned Industrial District

Statement of Intent:

The PI Planned Industrial District is established to provide for industrial uses that are fully indoor operations with outside storage only permitted within fully screened enclosures to the rear or side lot areas. The PI District is intended to provide areas for light manufacturing uses that primarily involve finishing or assembly of previously manufactured goods. The district is also intended to provide for the location of wholesaling, distribution, or warehousing uses.

Future Land Use Plan:

The future land use plan designates the subject area as industrial development. According to the plan, the current allocation of industrial land use is 3% or 1,006 properties with residential development comprising 32% of the developed land. The future land use plan allocates 3% of land use or 1,208 properties as industrial with the residential category increasing to 44% or 15,978 properties.

Zoning Conformity:

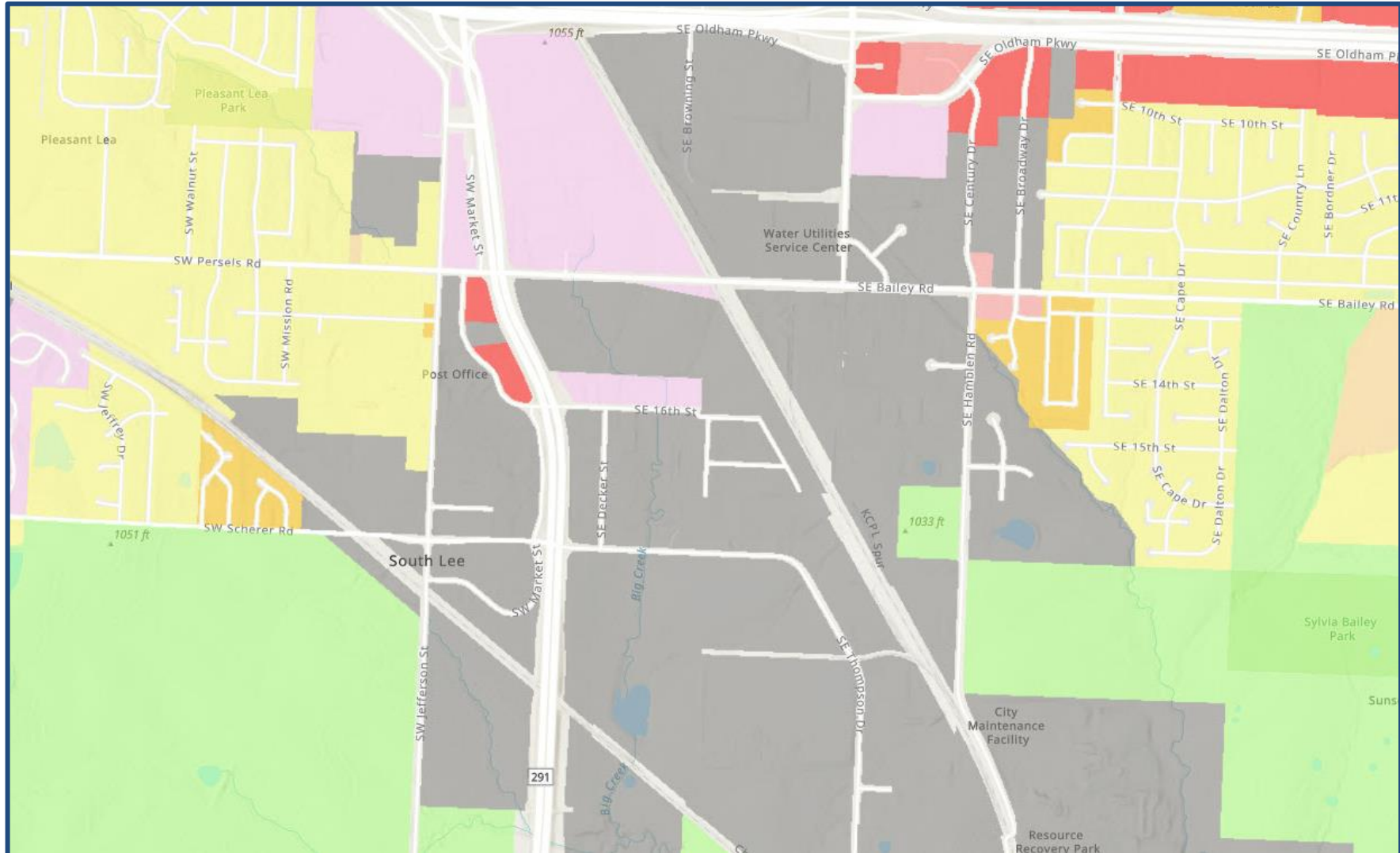
The subject will be constructed at a height of one story, which is allowed in the PI District and will reportedly meet parking and FAR requirements. Due to preliminary nature of the project, it is assumed the subject will be a legal, conforming use and design pending city approval.

Analysis/Comments:

The planned expansion will be functional for its intended use. The use of the property will be complimentary with the surrounding development and existing improvements. To our knowledge there are no adverse conditions known to negatively impact the marketability of the site.

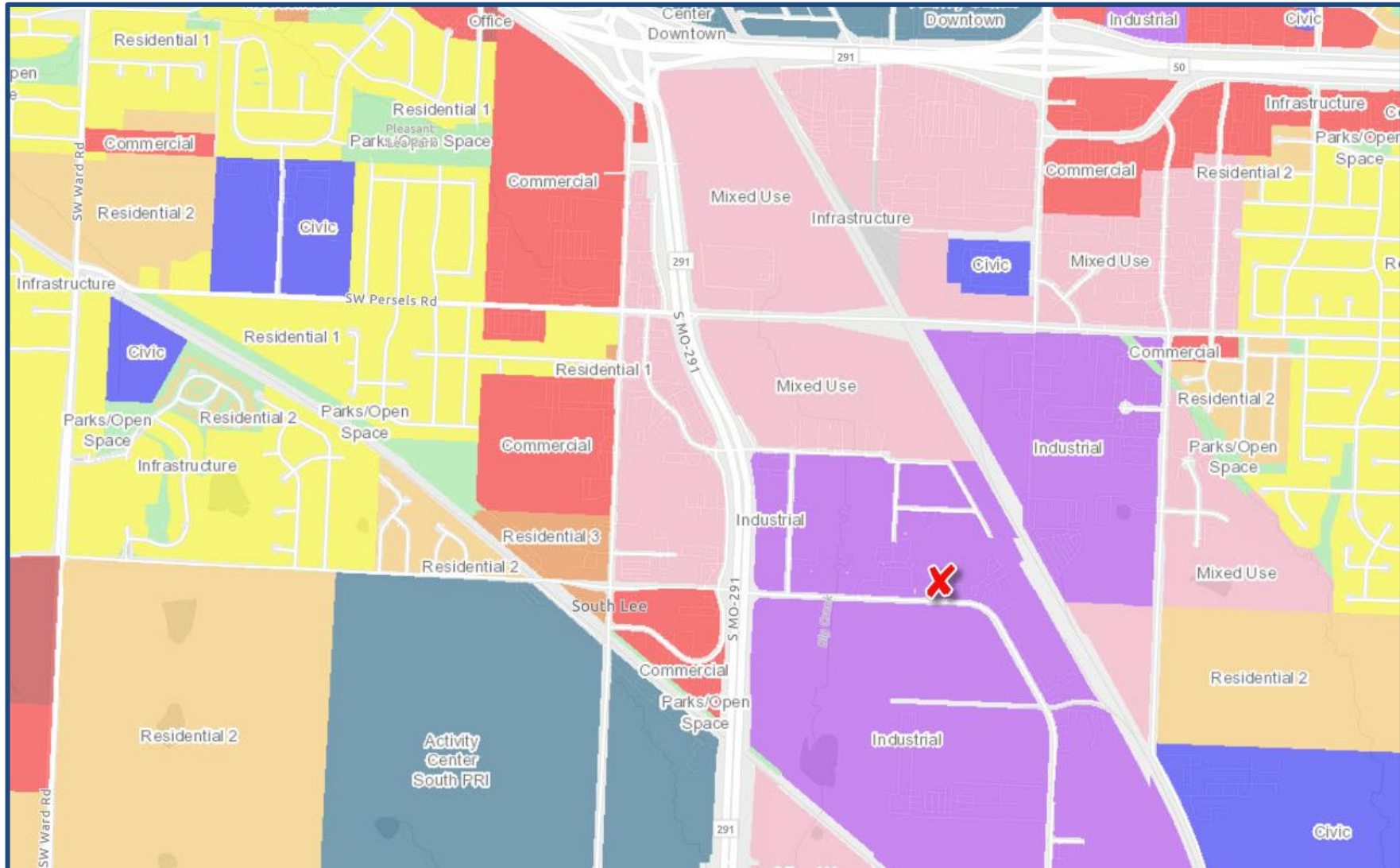
ZONING MAP

The subject site is zoned for a variety of light to medium industrial uses, which is appropriate for the intended use.



FUTURE LAND USE MAP (INDUSTRIAL)

The subject site is designated for future industrial development, which is consistent with the current and intended use.



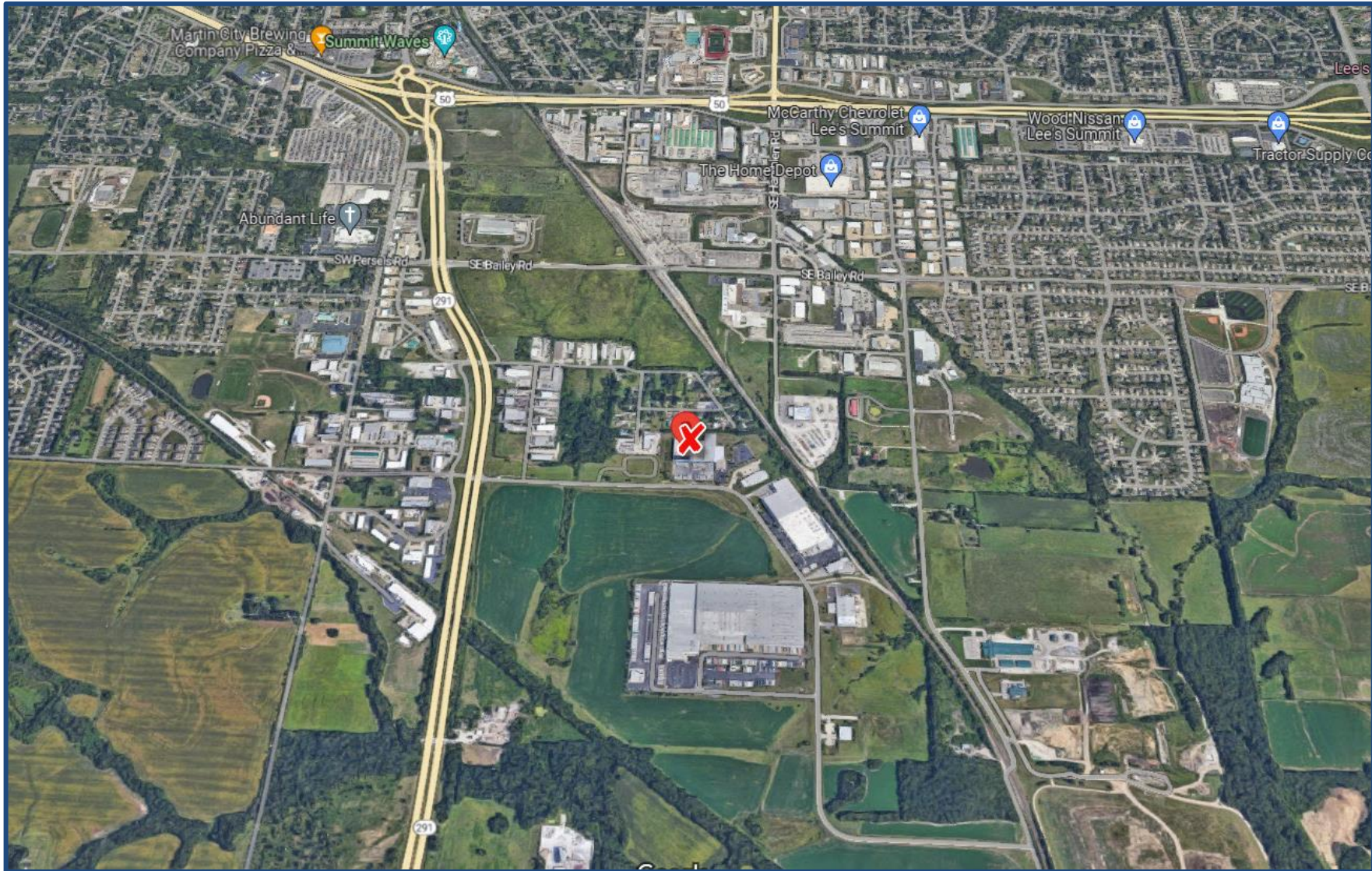
FLOOD MAP – FEMA

The subject is located in Zone X, an area outside of the 500-year flood zone.



AERIAL VIEW

The subject consists of a single parcel with surplus land.



Improvement Description

The Study Area consists of a single parcel totaling 11.42 acres including 2.11 acres of surplus land. The existing improvements are Class S construction and contain 108,260 square feet of light industrial space. The following table summarizes the Study Area and the existing improvements.

Parcel ID	Built	Buildings	GBA	NRA	Site (Acres)	Parking	Zoning
61-800-01-66-00-0-00-000	1998	1	108,260	108,260	11.42	100	PI

Class S Construction

According to *Marshall Valuation Service*, a cost provider, Class S construction buildings are characterized by incombustible construction and prefabricated structural members. The exterior walls may be steel studs or an open-steel-skeleton frame with exterior single or sandwich wall coverings consisting of prefabricated panels or sheet siding. Floors and roofs are supported on steel joists or beams, or the floor may be concrete slab on grade. Upper floors or roofs may consist of metal deck, prefabricated panels, or sheathing.

- ✦ The existing improvements are Class S construction, which is common for light industrial buildings.

Economic Life

The economic life of a property is the time an asset will provide benefits to an owner, which results in the highest and best use of the property and an improvement value greater than the land value. According to *Marshall Valuation Service*, the economic life of Class S building ranges from 35 to 45 years depending on the construction quality. Once an asset reaches the end of its economic life significant capital improvements are required to continue the use of the property.

- ✦ The existing improvements were built in 1998 and are in average condition with some parking lot deterioration. Based on the age of the existing improvements and the current condition, the existing facility is nearing the midpoint of its economic life. However, the site improvements are in fair condition and will require significant capital improvements in the near term to support the continued use of the vertical improvements.

Property Condition Rating

According to *Marshall Valuation Service*, there are six property condition ratings. Based on a limited exterior view and Jackson County data, the subject building is in "average" condition and the site improvements are in fair condition.

- ✦ Average - Some evidence of deferred maintenance and normal obsolescence with age in that a few minor repairs are needed, along with some refinishing. But with all major component still functional and contributing toward an extended life expectancy, effective age and utility are standard for like properties of its class and usage.
- ✦ Fair (Badly Worn) - Much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and services all shortening the life

expectancy and increasing the effective age.

Qualities of Construction

According to *Marshall Valuation Service*, there are four qualities of construction. The subject is considered "average" quality construction for the Kansas City MSA.

- ✚ **Average** - Average-quality buildings constitute the largest group of buildings constructed, approximately fifty percent of all buildings. These are generally buildings designed for maximum economic potential without some of the pride of ownership or prestige amenities of higher-quality construction. They are of good standard code construction with simple ornamentation and finishes.

Planned Improvements Within Study Area

The Study Area is planned to be expanded with an additional 50,000 square feet of light industrial space. The expansion will occur within the vacant land located along the northern and eastern portions of the existing site and improvements. Total estimated development costs are approximately \$22 million. The reported expansion costs are significantly higher than developments of similar light industrial facilities, which range in cost from \$100 to \$200 per square foot. A comparison of the planned costs to the market value of recently built industrial space indicates the development is not financially feasible. The cost to develop is greater than the value once built and will require economic incentives.

Subject Photos



Representative exterior view of the existing property



Representative site view of the existing facility



Representative site view of the existing facility with parking deterioration



Representative site view of the existing facility with parking deterioration



Representative view of surplus land for building expansion



Representative view of surplus land for building expansion

Market Segmentation

Tapestry Segmentation classifies US neighborhoods into 65 distinct market segments. Tapestry Segmentation combines the “who” of lifestyle demography with the “where” of local neighborhood geography to create a model of various lifestyle classifications, or segments, of actual neighborhoods with addresses—distinct behavioral market segments. The following paragraphs discuss the top three lifestyle segments in the subject Study Area.

1. [Workday Drive \(37.7% of Households\)](#)

Workday Drive is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

2. [Midlife Constants \(28.3% of Households\)](#)

Midlife Constants residents are seniors, at or approaching retirement, with below-average labor force participation and below-average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous but not spendthrifts.

3. [Rustbelt Traditions \(20.4% of Households\)](#)

The backbone of older industrial cities in states surrounding the Great Lakes, Rustbelt Traditions residents are a mix of married-couple families and singles living in older developments of single-family homes. While varied, the work force is primarily white collar, with a higher concentration of skilled workers in manufacturing, retail trade, and health care. Rustbelt Traditions represents a large market of stable, hard-working consumers with modest incomes but an average net worth of nearly \$400,000. Family oriented, they value time spent at home. Most have lived, worked, and played in the same area for years.

Summary Conclusions

Based on the market segmentation of the area, the primary users and employees of the Study Area will be families and workforce employment, which are discussed below.

✚ [Families](#) – According to the U.S. Census Bureau, “a family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption.”

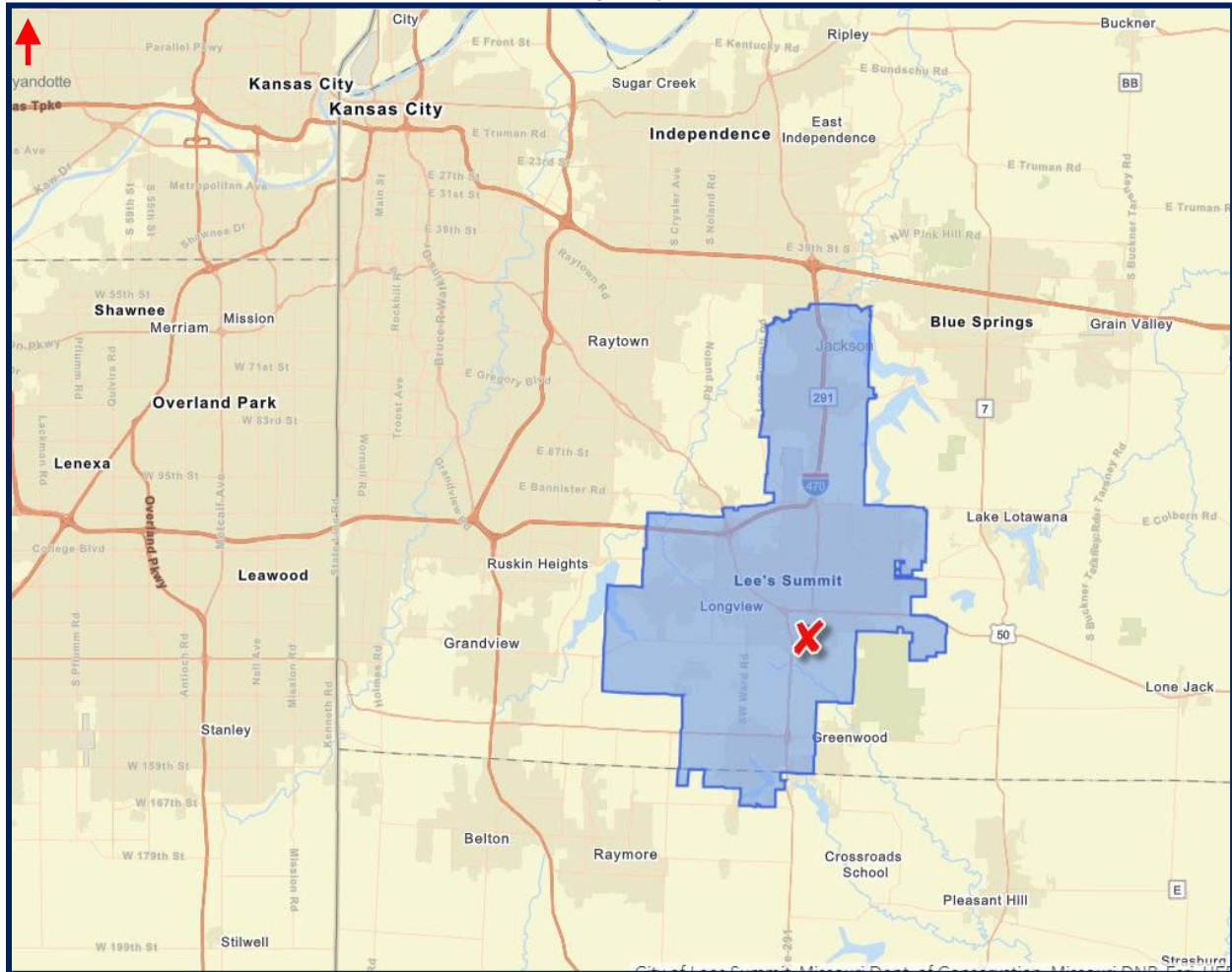
✚ [Workforce Employment](#) – The term “workforce” is meant to connote those who are gainfully employed, a group of people who are not typically understood to be the target of affordable housing programs. Workforce employment is commonly targeted at “essential workers” in a community i.e. police officers, firemen, teachers, nurses, medical personnel. Many housing authorities define workforce employment aimed at households earning from 60 percent to 120 percent of the area’s median income (AMI).

Market Area Analysis

Area Overview

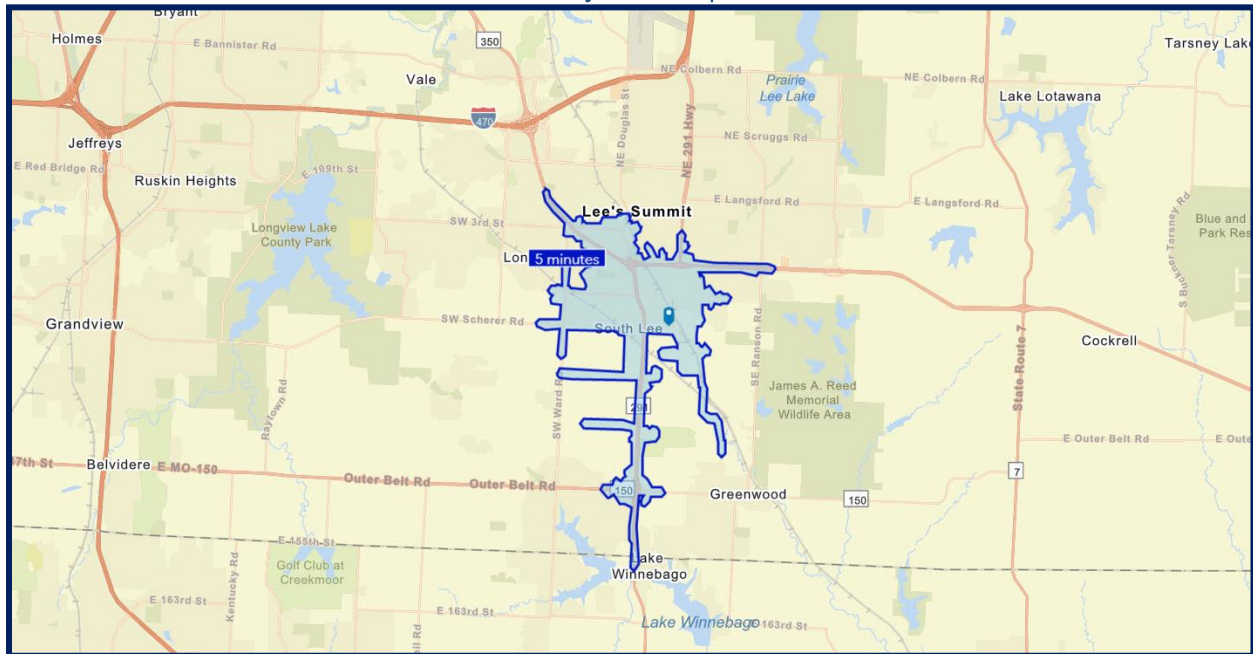
The subject is located in the southeastern portion of the Kansas City MSA within Lee's Summit, Missouri. The following analysis focuses on the social, economic, government, and environmental forces that form the elements of supply and demand and impact local real estate values.

City Map



According to *Market Analysis for Real Estate*, published by the Appraisal Institute, the trade/market area is delineated by physical, political, and socioeconomic boundaries or by the time-distance relationship represented by travel times to and from common destinations. A market area is an area in which alternative, similar properties effectively compete with the subject in the minds of probable, potential users. Based on the suburban location within Lee's Summit and the planned industrial development, the Study Area boundaries are considered a five-minute drive time from the subject. The northern boundary is approximately downtown Lee's Summit, the southern boundary is approximately Lake Winnebago, the eastern boundary is approximately Southeast Ranson Road, and the western boundary is approximately Southwest Ward Road. The Study Area is shown on the following map.

Study Area Map



Land Use

The subject is located in the southern portion of Lee’s Summit with average visibility and access from 291 Highway, which is a main access point in Lee’s Summit. The Study Area is located south of downtown Lee’s Summit at the periphery of growth and development. Most recent large-scale development is located north near the Streets of West Pryor, Summit Fair, and Summit Woods, which total over 1 million square feet of vertical development. All three developments contain regional and national tenants and are a destination shopping area for local and nearby residents.

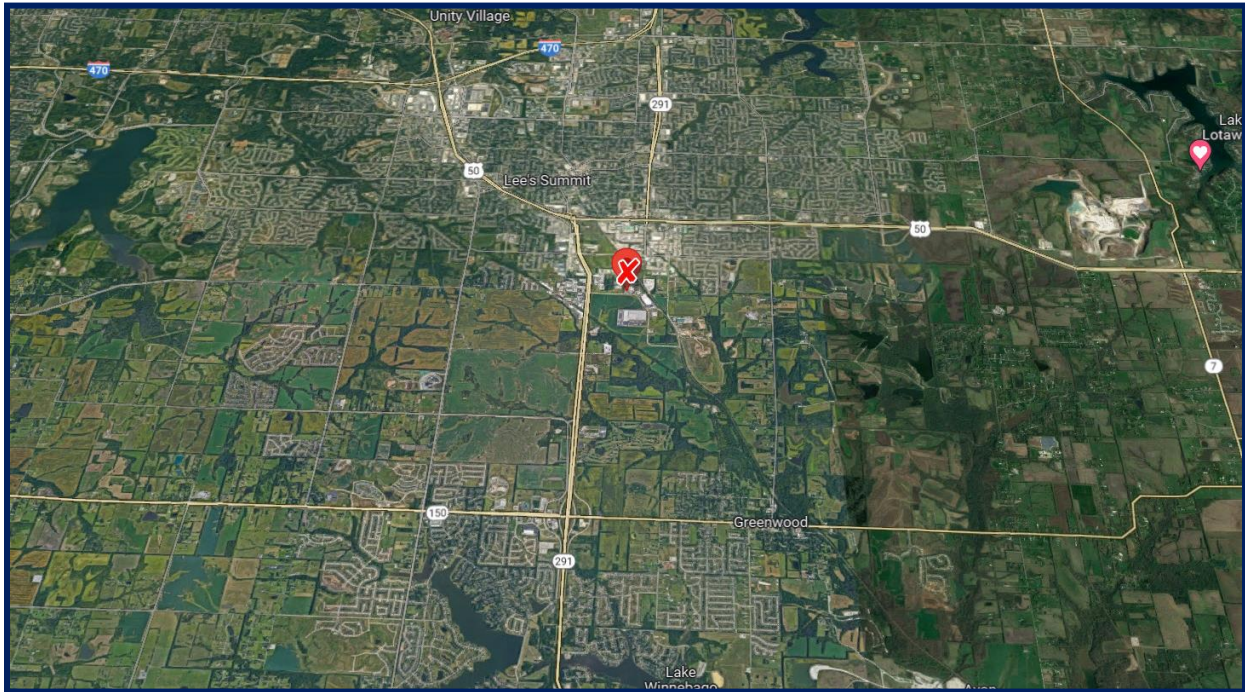
The following briefly discusses demographic and land use data that influences the supply and demand of real estate. Demographic gravitation is a social concept that large numbers of people with similar demographics and social preferences behave as an attractive force for other people to migrate causing demographic gravitation.

Area	Population	Household Growth Rate (2010 - 2022)	Median Income	Median Home Value	Renter Households	Quality & Condition	Life Cycle Stage	Overall Rating
Subject Market Area	4,328	-0.26%	\$78,377	\$212,692	23.75%	Average	Slow Growth	Average
Kansas City MSA	2,188,599	0.87%	\$70,082	\$218,071	34.25%	Baseline	Baseline	Baseline
Jackson County, MO	711,205	0.59%	\$58,413	\$174,428	40.61%	Average	Stability	Neutral
Overland Park, KS	197,358	1.22%	\$89,506	\$308,343	37.10%	Good	Growth	Above Average
Johnson County, KS	611,110	1.11%	\$91,291	\$294,527	30.75%	Good	Growth	Above Average
Kansas City, MO	508,664	1.08%	\$55,954	\$179,137	46.29%	Average	Revitalization	Neutral
Subject to MSA	↓	↓	↑	→	↓	→	↓	→

Source: ESRI

The Study Area features similar demographics when compared to the overall MSA and slightly inferior trends when compared to the City of Lee’s Summit. The Study Area is located at the south periphery of development to the north along 50 Highway and is north of new development located south along 150 Highway. The area between 50 Highway and 150 Highway features an abundance of vacant land not yet development.

LAND USE AERIAL MAP



According to www.areavibes.com, the City of Lee's Summit has an 88-livability factor, which is considered excellent. The following table summarizes each grading based on livability index including amenities, cost of living, crime, education, employment, housing, and weather.

Area	Livability Score*	Amenities	Cost of Living	Crime	Employment	Housing	Education	Ranking**
Overland Park, KS	82	A+	D	B	B	B	B	95%
Lee's Summit, MO	88	A+	C	B+	B-	B	A-	98%
Independence, MO	71	A+	B+	F	D	B-	D-	61%
Grandview, MO	73	A+	B+	F	D-	A	F	69%
Kansas City, MO	57	A+	B	F	D+	F	F	16%

*100 is max (www.areavibes.com)

The subject is in an area where amenities are easily accessible, the cost of living is less affordable, crime incidents are below average, employment is above average, housing is above average, and education is excellent. Overall, the subject location is considered excellent when compared to other areas in the United States and favorable within the Kansas City MSA.

Education

The subject is in the Lee's Summit R-VII School District. According to Niche.com, the District is ranked A+. Niche is a company that analyzes public data sets and over 100 million reviews and survey responses to analyze U.S. schools and neighborhoods.

The school system is in a suburban area and has experienced above average enrollment growth as Lee's Summit continues to grow at a favorable pace. Total enrollment from 2000 through 2021 was 25.74%, or a gain of 3,583 students. The following chart summarizes the rankings by Niche.com for the local school district.

Lee's Summit R-VII School District

#3 in Best School Districts in Kansas City Area

LEE'S SUMMIT, MO • ★★★★★ 119 reviews

● Report Card


About

Rankings

Map

Schools

Academics



Overall Niche Grade

How are grades calculated?
Data Sources

A

Academics

B

Diversity

A+

Teachers

A

College Prep

A+

Clubs & Activities

B+

Health & Safety

Educational Attainment

The Study Area has a similar percentage of the population with college education accounting for 39.6% of the population compared to 39.8% in the MSA and 35.1% in the nation. The educated workforce is favorable for future growth and employment staffing.

Educational Attainment	United States	Kansas City MSA	Market Area
High School Diploma	23.1%	22.6%	18.2%
GED	4.0%	3.6%	5.5%
Some College	18.3%	19.2%	24.0%
Associate's	9.4%	8.4%	9.0%
Bachelor's	21.7%	25.3%	26.9%
Graduate, Professional, and Doctorate	13.4%	14.5%	12.7%
Bachelor's Degree and Above	35.1%	39.8%	39.6%

Demand Drivers in the Local Area

Lee's Summit has experienced several new developments over the last several years with most new development occurring within the northwest and western portion of the city along Interstate 470 near New Longview. The following are some of the more prominent developments in the local area with the Study Area located south of most major developments.

- 🚧 Summit Orchards
- 🚧 Innovation Center
- 🚧 Village at View High
- 🚧 Cerner Corporation
- 🚧 Paragon Star
- 🚧 Summit Woods
- 🚧 Summit Fair
- 🚧 Streets of West Pryor
- 🚧 Unity Village
- 🚧 Saint Luke's East Hospital

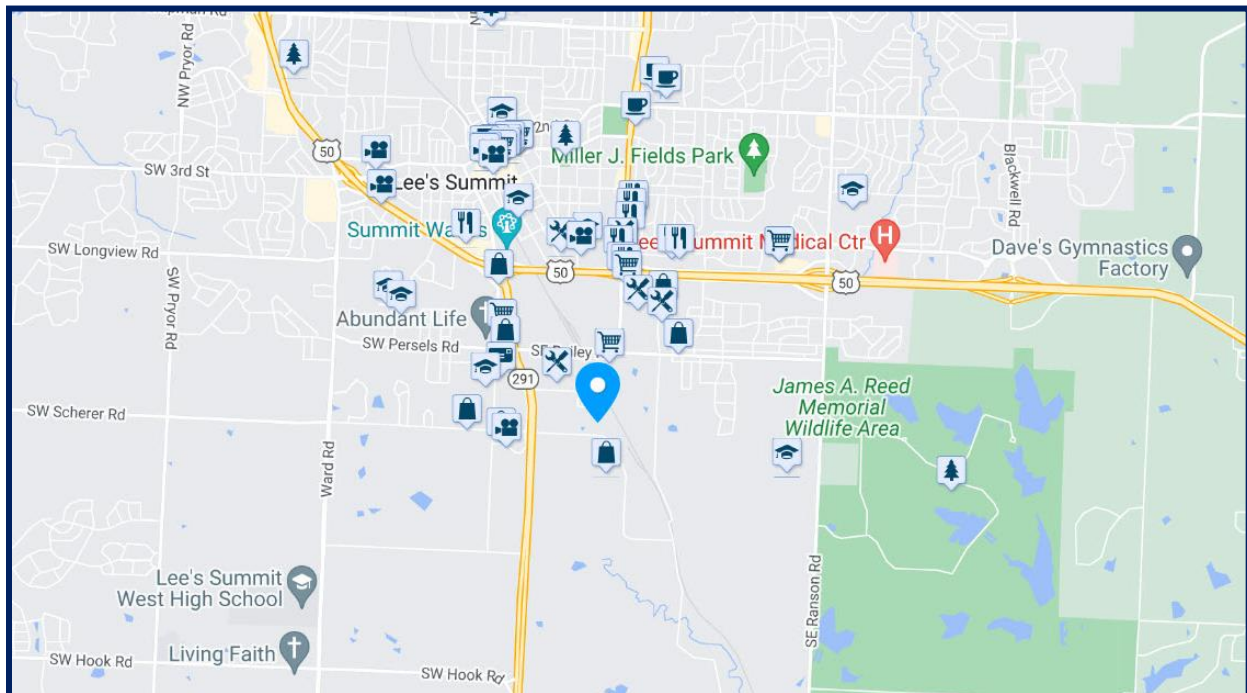
Support Services

Walk Score rates locations based on the walkability of the address with ratings ranging from 0 to 100

with 100 the most walkable. The Walk Score algorithm awards points based on the distance to amenities in each category. Amenities within 0.25 miles receive maximum points and no points are awarded for amenities further than one mile. The following table summarizes the Walk Score ratings.

Walk Score®	Description
90-100	Walker's Paradise — Daily errands do not require a car.
70-89	Very Walkable — Most errands can be accomplished on foot.
50-69	Somewhat Walkable — Some amenities within walking distance.
25-49	Car-Dependent — A few amenities within walking distance.
0-24	Car-Dependent — Almost all errands require a car.

The subject has a Walk Score of 12, making it “car dependent.” The subject is in a less walkable area of Lee’s Summit, which is less favorable for space demand. Areas with a higher Walk Score tend to have greater housing demand, longer term tenants, and higher rental rates. The following map highlights local area support services.



Outlook and Conclusions

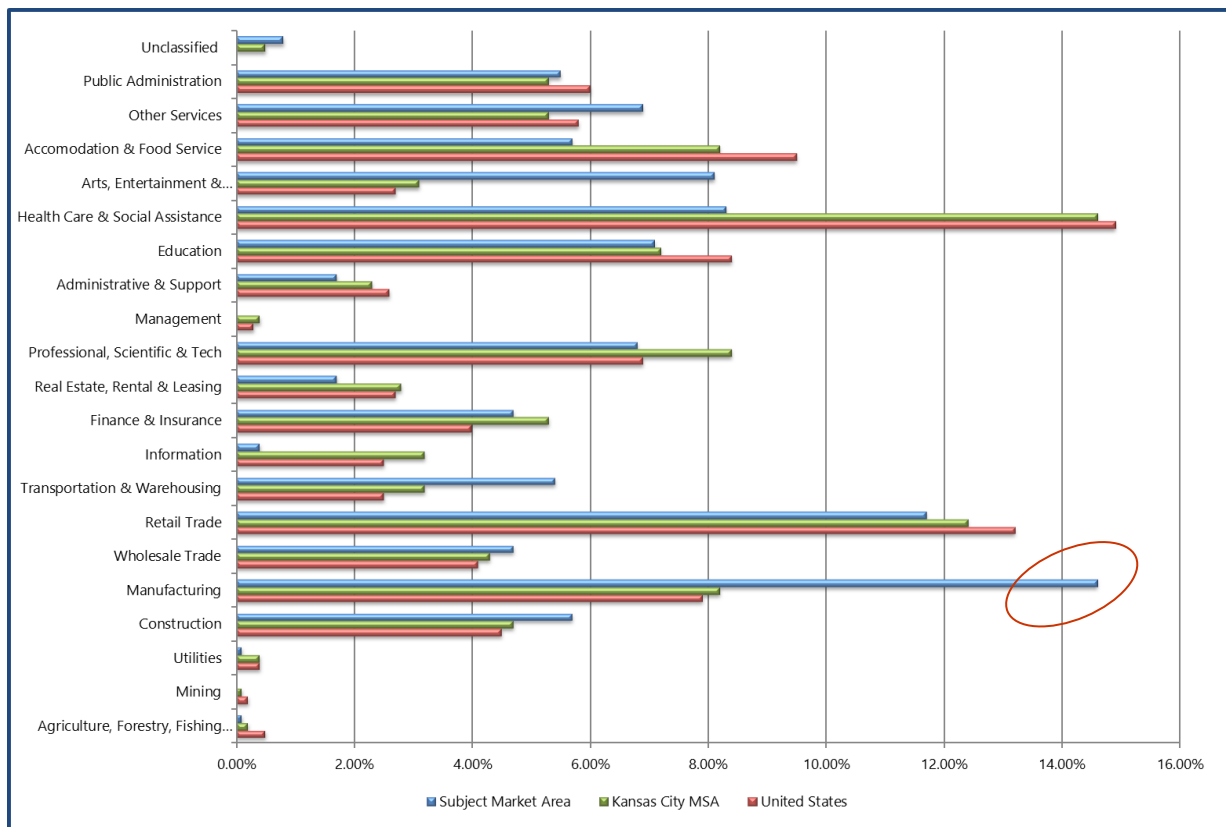
Based on our analysis of the preceding factors, the market area appears to be in its second life cycle state, a period of stability. Recent development activity north of the subject has been above the historical average with several large-scale projects to capitalize on a growing market and favorable demographics. Based on the history of the area and growth trends noted in the area analysis, it is our opinion the outlook for the market area is below average for Lee’s Summit and average compared to the overall MSA.

Employment Analysis

There are several economic indicators that drive real estate supply and demand and influence value. The major indicators are gross domestic product (GDP), population growth, inflation (CPI), interest rates (short-term and long-term), and employment growth. Space demand is traditionally generated by employment growth, which is a sustainable and long-term demand driver. Since real estate is a cyclical industry that generally follows the broader economic environment, the following data discusses employment by industry, unemployment, and major employers, which have a direct influence on space demand and the type of development in an area.

Employment by Industry

According to the American Community Survey, at place employment is estimated at 8,207 people in the Study Area. The following chart compares employment by industry for the Study Area, MSA, nation as a point of comparison.

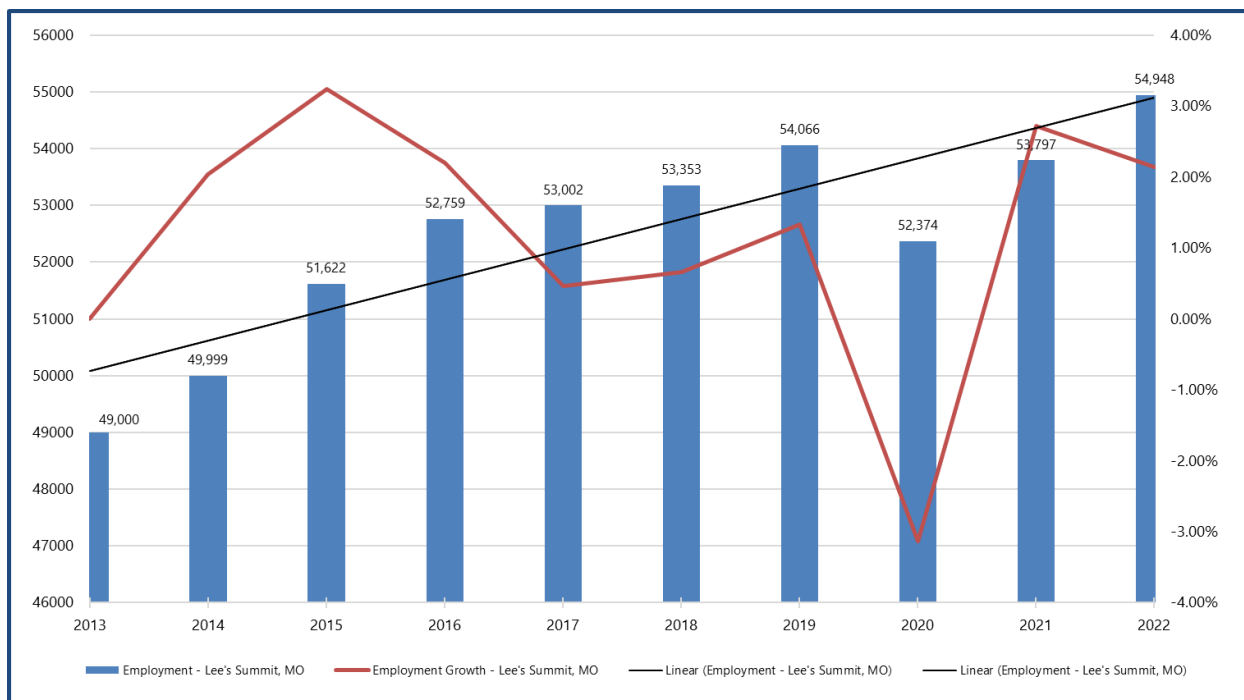


The manufacturing sector is the largest employment category (14.6%) in the Study Area with retail trade (11.7%) the second largest employment industry. Other major industries are healthcare (8.3%), arts and entertainment (8.1%), and education (7.1%). In comparison to the MSA, the largest positive employment gap is manufacturing (6.4%) with the largest negative employment gap in healthcare (negative 6.3%). The Study Area has a less diversified employment base with a high concentration of manufacturing and workforce employment due to its periphery location. The following table compares employment by industry in the Study Area, MSA, and the United States.

Employment by Industry							
Industry	Subject Market Area		Kansas City MSA		United States		Market Area vs. MSA
	Percentage	Jobs	Percentage	Jobs	Percentage	Jobs	Percentage
Agriculture, Forestry, Fishing & Hunting	0.1%	8	0.2%	2,248	0.5%	730,604	→ -0.1%
Mining	0.0%	0	0.1%	1,124	0.2%	292,242	→ -0.1%
Utilities	0.1%	8	0.4%	4,495	0.4%	584,483	→ -0.3%
Construction	5.7%	468	4.7%	52,820	4.5%	6,575,437	→ 1.0%
Manufacturing	14.6%	1,198	8.2%	92,153	7.9%	11,543,545	↑ 6.4%
Wholesale Trade	4.7%	386	4.3%	48,324	4.1%	5,990,954	→ 0.4%
Retail Trade	11.7%	960	12.4%	139,354	13.2%	19,287,949	→ -0.7%
Transportation & Warehousing	5.4%	443	3.2%	35,962	2.5%	3,653,021	→ 2.2%
Information	0.4%	33	3.2%	35,962	2.5%	3,653,021	↓ -2.8%
Finance & Insurance	4.7%	386	5.3%	59,562	4.0%	5,844,833	→ -0.6%
Real Estate, Rental & Leasing	1.7%	140	2.8%	31,467	2.7%	3,945,262	→ -1.1%
Professional, Scientific & Tech	6.8%	558	8.4%	94,401	6.9%	10,082,337	→ -1.6%
Management	0.0%	0	0.4%	4,495	0.3%	438,362	→ -0.4%
Administrative & Support	1.7%	140	2.3%	25,848	2.6%	3,799,141	→ -0.6%
Education	7.1%	583	7.2%	80,915	8.4%	12,274,149	→ -0.1%
Health Care & Social Assistance	8.3%	681	14.6%	164,078	14.9%	21,772,003	↓ -6.3%
Arts, Entertainment & Recreation	8.1%	665	3.1%	34,838	2.7%	3,945,262	↑ 5.0%
Accommodation & Food Service	5.7%	468	8.2%	92,153	9.5%	13,881,478	↓ -2.5%
Other Services	6.9%	566	5.3%	59,562	5.8%	8,475,008	→ 1.6%
Public Administration	5.5%	451	5.3%	59,562	6.0%	8,767,249	→ 0.2%
Unclassified	0.8%	66	0.5%	5,619	0.5%	730,604	→ 0.3%

Employment – Bureau of Labor Statistics

Employment growth in Lee’s Summit (smallest geographic area covering the market area) has averaged 1.30% from 2013 through 2022 with the national average reporting 0.80% annual growth and the MSA reporting 1.17% annual growth during the same period. The long-term employment growth rate in Lee’s Summit is above the MSA and nation. Employment growth in the city has been increasing at a consistent rate, excluding COVID, which is favorable for future space demand. The following chart reports employment data for Lee’s Summit from 2013 through 2022.

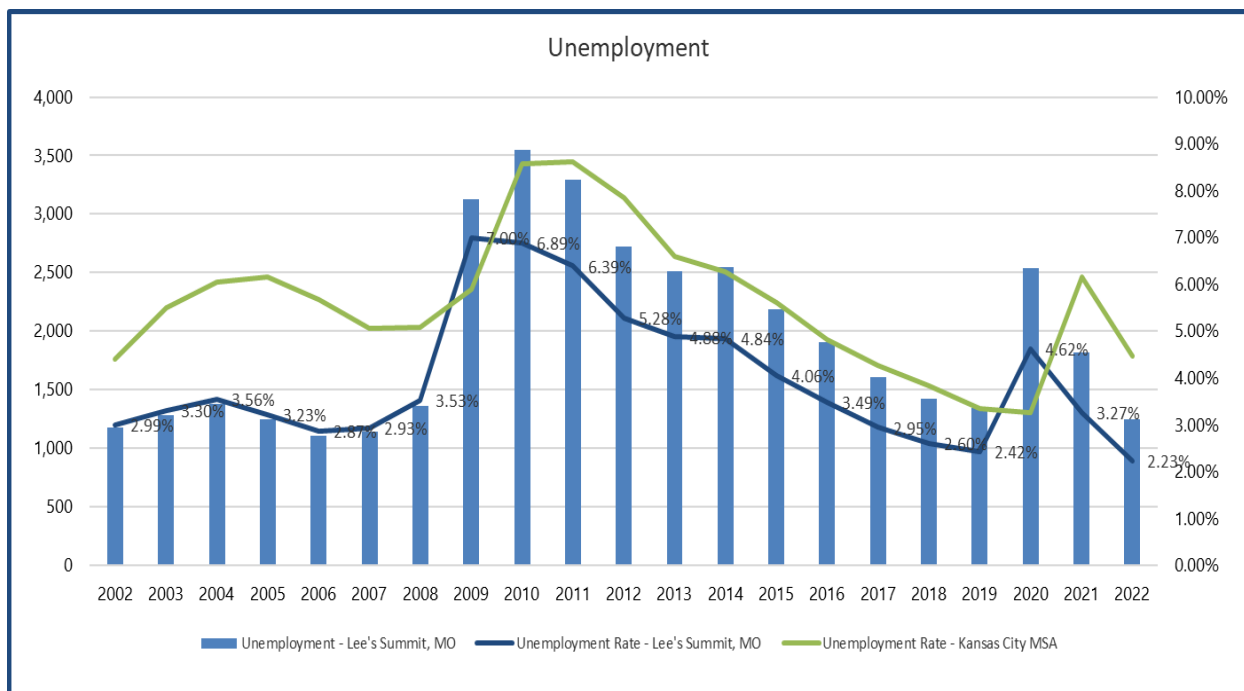


Unemployment - Bureau of Labor Statistics (February 2023)

Lee's Summit has an unemployment rate that is less than the Kansas City MSA, county, and nation, which is favorable for all types of space demand and future employment growth. The unemployment rate in the city post COVID-19 is lower than the national and MSA average indicating the local market has been less impacted from the economic downturn.

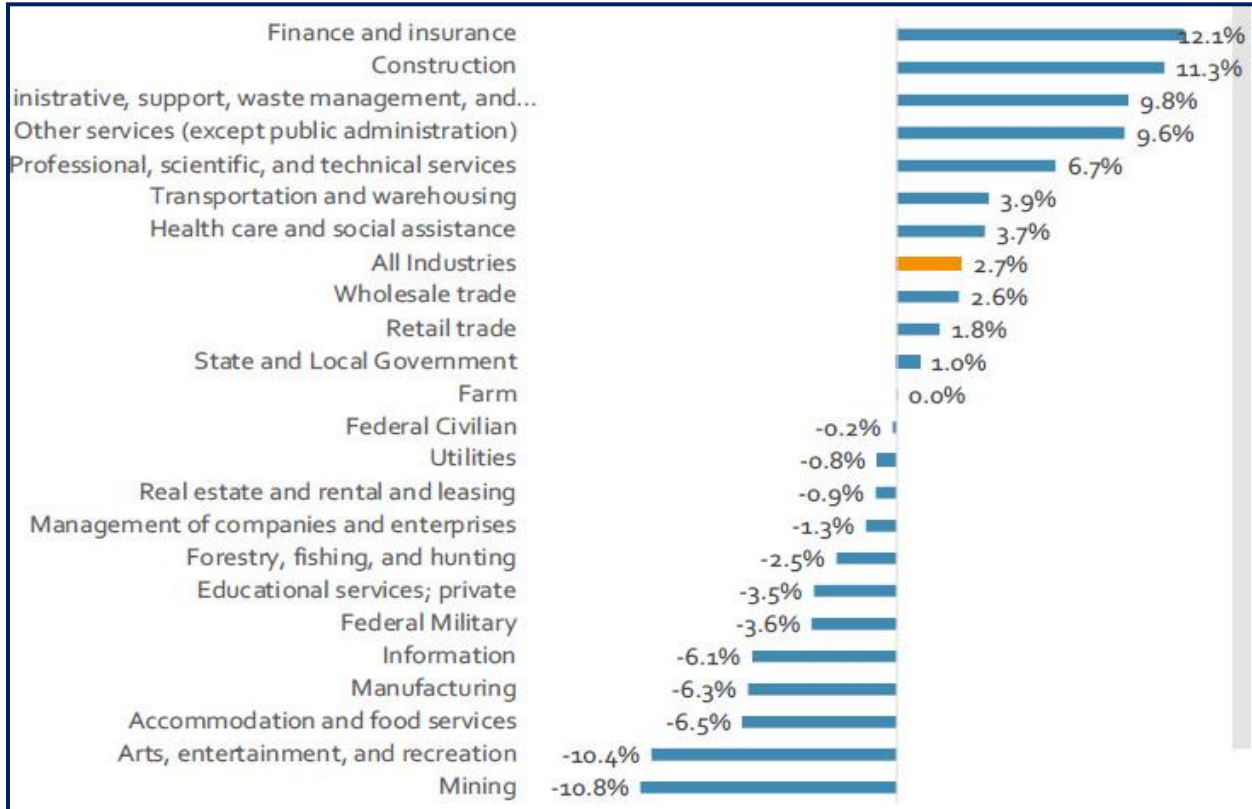
Category	United States	Missouri	Kansas	Kansas City MSA	Jackson County, MO	Lee's Summit
Feb-23	3.6%	2.7%	2.9%	2.7%	2.9%	2.3%

The following charts reports historical unemployment in the city and MSA for various periods. As shown below, the city has a lower unemployment rate than the MSA and has experienced a downward trend since 2010 with the exception of COVID in 2020 and 2021.



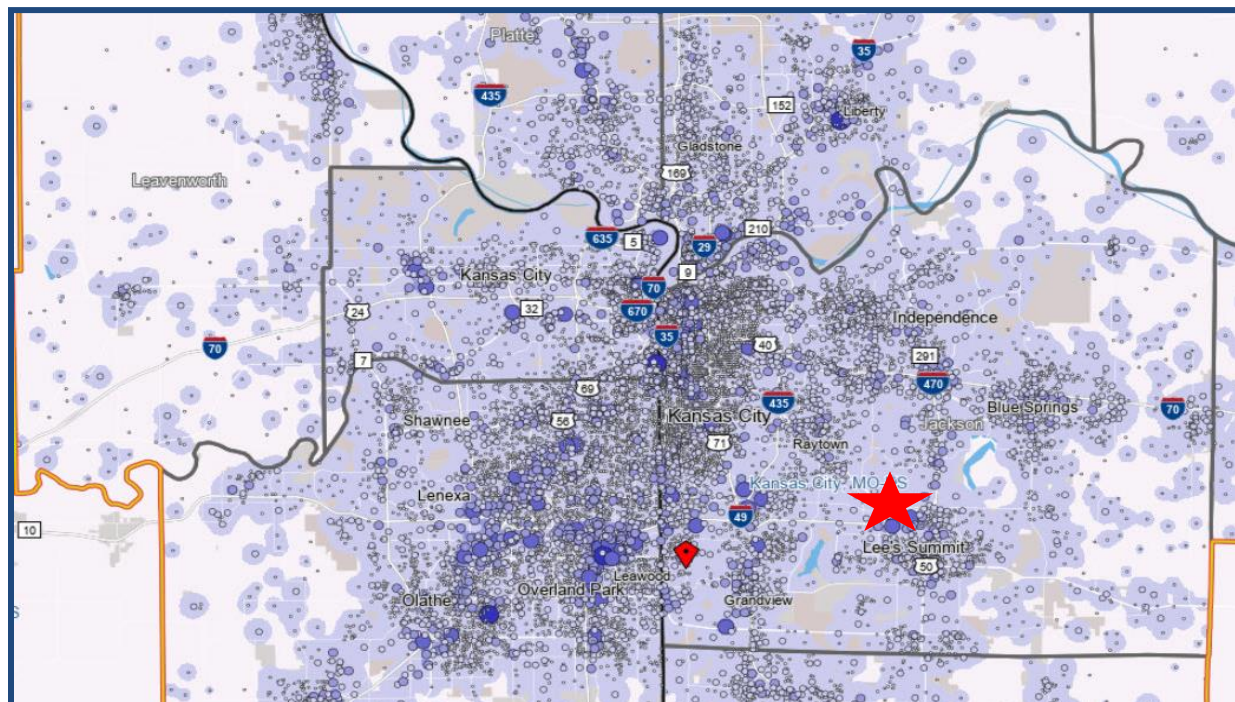
Kansas City Metropolitan COVID-19 Impact

The Kansas City MSA has fared well in comparison to peer metros in terms of employment loss during the coronavirus pandemic. Out of the 14 peer metros analyzed, Kansas City ranks the second best with the Minneapolis MSA ranking last at a loss of negative 9.1%. The minimal loss of employment is a result of Kansas City's diversified workforce and strong industrial influence. The industrial industry is one of the few sectors that has been minimally impacted by the coronavirus pandemic. The Kansas City MSA is considered a low-beta market, meaning there is low volatility when compared to the United States as a whole. Low-beta markets are less impacted by economic shocks but also experience less economic growth during times of expansion. According to the Mid-America Regional Council (MARC), finance, construction, administrative, professional, and transportation employment is more resilient and recovers faster than arts and entertainment, accommodation and food service, and manufacturing employment. The following graph reports projected employment recovery through 2025.



Map of Employment Concentration – Kansas City MSA

Most employment concentration and growth in the Kansas City MSA is occurring in the urban core, south Johnson County, and along Interstate 35. The subject is within a ten-minute drive time of several employers. The following map shows MSA employment concentration.



Major Employers – Kansas City MSA

The largest employer in the Kansas City MSA is the Federal Government with approximately 29,000 employees. Other major employers include information, health care, military, manufacturing, and telecommunications contributing significantly to the workforce. The following table reports the largest employers in the MSA.

Rank	Company	Industry		Employees
1	Federal Government	Government	Other	29,100
2	University of Kansas Health System	Health services	Bioscience	13,600
3	Cerner Corporation	Health care information systems	Bioscience	12,800
4	HCA Midwest Health	Health services	Bioscience	9,977
5	HCA Midwest Health	Health services	Bioscience	9,977
6	Saint Luke's Health System	Health services	Bioscience	9,018
7	Fort Leavenworth	Military	Other	8,937
8	Children's Mercy	Health services	Bioscience	8,513
9	Whiteman Air Force Base	Military	Other	8,249
10	University of Kansas	Higher education	Other	8,084
11	State of Kansas	State Government	Other	7,984
12	Ford Motor Company	Motor vehicle mfg.	Distribution, Manufacturing	7,256
13	State of Missouri	Government	Other	5,994
14	Amazon	Fulfillment center, bulk	Distribution	5,800
15	State of Kansas	State Government	Other	5,364
16	Olathe Public School District	Public education	Other	5,104
17	Internal Revenue Service	Government	Financial Services, Other	5,095
18	Honeywell	Electronic	Manufacturing	5,000
19	Stormont-Vail Hospital	Health services	Other	5,000
20	Garmin International Inc.	Global positioning	Distribution	4,500
21	University Health	Health services	Other	4,432
22	Hallmark Cards, Inc.	Greeting card mfg.	Distribution	4,253
23	United Parcel Service	Delivery services	Distribution	4,131
24	City of Kansas City, Missouri	Government	Other	4,063
25	T-Mobile	Telecommunications	Information Technology	4,000

Source: KCADC

Employment Typologies

According to *Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities*, cities typically have one of four different physical forms or structures of local, urban economic activity. The Kansas City MSA is considered to have decentralized employment throughout an urban area due to short commuting times and an abundance of interstates.

1. **One Dominate Node** - These generally exist in larger and older U.S. cities where the city form was cast in the pre- or early automobile era and strongly influenced by a hub-and-spokes public transit system. Often built around manufacturing and waterfront economies, many of these cities experienced moderate to severe decline in the 1960s and 1970s. Most have now re-emerged as postindustrial centers, converting older, obsolete office and warehouse buildings into hotels, condominiums, apartments, or settings for start-up firms and artists' lofts. This is the most common type with examples including Minneapolis, Seattle, and Hartford.

2. One Dominate Node Plus a Secondary Node – While colleges and universities have long been located within older cities, 1950s and 1960s urban renewal facilitated campus expansion, and large employment nodes have grown around universities and significant medical centers. Since the 1990s, many of these campuses have also been diversifying land use, removing institutional walls and barriers, adding retail and other amenities and, in many cases, directly facilitating nearby residential renovation or new development for their faculty, employees, and students. This is the second most common type with examples including Philadelphia, Baltimore, and Cleveland.
3. Multiple Strong Employment Nodes - This form typically occurs in newer, post-World War II, car-oriented cities, and places, although business and civic leaders in many of these downtowns have been actively lobbying and financing new, regional transit systems to reinforce their centrality, just as their counterparts did in the late 19th and early 20th centuries. This is the least common type with examples including Atlanta, Houston, and Los Angeles.
4. Decentralized Employment Throughout an Urban Area - These exist in auto-oriented places without strong, historic, centralized cores. Examples include Phoenix, Jacksonville, and San Jose.

Outlook and Conclusions

The largest employers in the Study Area consist of manufacturing, retail, and healthcare services. The Study Area has a less diversified employment base than the MSA, which is common in smaller, outlying communities. However, employment growth in Lee's Summit has outpaced the MSA rate indicating the city has a less volatile labor market when compared to the MSA. A stable and growing employment base is attractive for real estate demand as employment is a catalyst for all types of real estate development and growth. Overall, employment characteristics in the Study Area generally mirror and slightly outpace the overall MSA, which is favorable for long-term space demand.

Demographic Analysis

The following discusses demographic information that influences the supply and demand of real estate. Demographic gravitation is a social concept that large numbers of people with similar demographics and social preferences behave as an attractive force for other people to migrate causing demographic gravitation. The demographic information is analyzed and relied on to forecast the percentage of population and household growth, housing tenure, age of household, median income levels, etc., which are the primary inputs in a residual (fundamental) demand analysis.

Population

The demographic information below shows population within the study area, the Kansas City MSA, and the United States. The Study Area comprises 0.19% of the population when compared to the MSA. ESRI projects population to decline by 641 people through 2027.

Total Population	United States	Kansas City MSA	Study Area
2010 Total Population	308,745,538	2,009,342	4,196
2020 Total Population	331,449,281	2,192,035	4,378
2022 Total Population	335,707,897	2,229,421	4,328
2027 Total Population	339,902,796	2,269,147	4,264

Percentage of Population Growth

The table below reports annual population growth on a percentage basis. Population in the Study Area increased at an annual rate of 0.43% from 2010 to 2020. The 2022 to 2027 growth forecast of negative 0.30% is less than the prior growth rate due slowing economy and rising interest rate environment.

Population Growth	United States	Kansas City MSA	Study Area
2010	-	-	-
2020	0.74%	0.91%	0.43%
2022	0.64%	0.85%	-0.57%
2027	0.25%	0.36%	-0.30%

Annual Population Growth

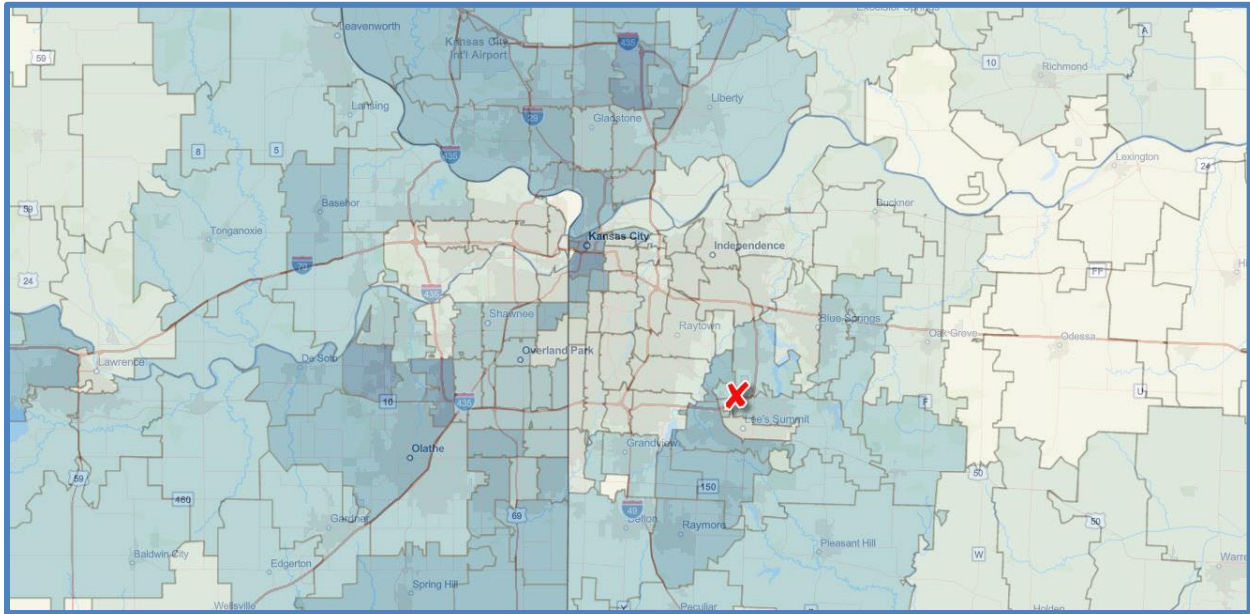
The following table reports annual population growth in terms of people.

Annual Population Growth	United States	Kansas City MSA	Study Area
2010	-	-	-
2020	2,270,374	18,269	18
2022	2,129,308	18,693	-25
2027	838,980	7,945	-13

Population from 2010 to 2020 increased by 18 people per year as single-family permitting slowed due to increased demand for rental housing and urban living. Annual population growth declined to negative 25 people per year from 2020 to 2022 due to COVID with it forecasted to slow to a normalized level through 2027. The subject is located in a periphery location of a suburban market that experienced a slowdown in single family permitting due to infill living trends, which is less favorable for future space demand.

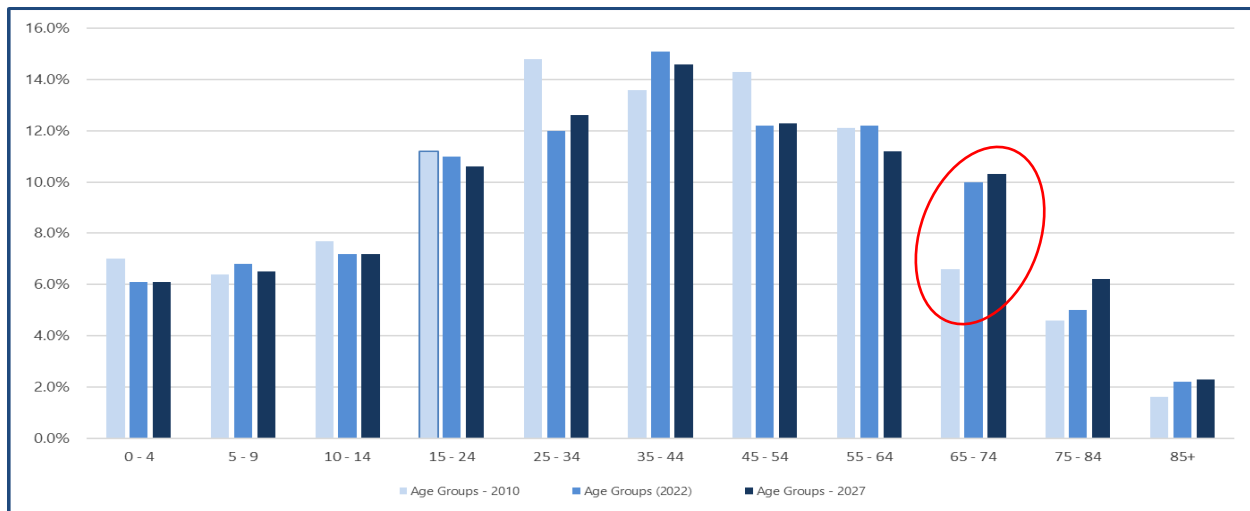
Areas of Population Growth

The following map shows areas of projected population growth and decline from 2022 to 2027 separated by zip code. Areas in blue are projected to experience increased population growth with areas in green projected to experience less population growth or even a decline. Most population growth is projected to occur in the urban core, south Johnson County, and in the northland along 152 Highway. The subject is located in an area of low to modest population growth. However, the surrounding area to the south has experienced less population growth due to the periphery location.



Population by Age

In the Study Area most age groups are relatively stable with populations increasing through age 85 plus. The greatest positive change in population is between 65 to 74 years of age with this age group increasing 3.7% through 2027. The increase is attributed to an aging population base. The Study Area has an older population base due to the suburban location and increase in family households, which is common in outlying communities.



Median Age of Population

The median age in the Study Area is 39.2 years which is slightly older than the median age in the MSA at 38.4 years and the nation at 38.9 years. The Study Area is projected to age slightly through 2027, which is typical of population trends as there is significant growth among the aging population as well as an increasing life expectancy.

Median Age	United States	Kansas City MSA	Study Area
2010 Median Age	37.1	36.5	37.0
2022 Median Age	38.9	38.4	39.2
2027 Median Age	39.6	39.1	40.3

Households

According to Census data, households in the Study Area declined at a rate of 0.37% per year between 2020 and 2022 due to the impact of COVID. Annual decline is forecasted to slow to negative 0.26% from 2022 to 2027, which is less favorable for future space demand.

Household Composition - Study Area				
	2010	2020	2022	2027
Number of Households	1,648	1,771	1,758	1,735
Annual Household Growth	-	0.75%	-0.37%	-0.26%
Percentage Renters	25.5%	26.1%	23.8%	22.4%
Number of Renter Households	420	462	418	388
Annual Renter Household Growth	-	1.00%	-0.87%	-1.42%

Housing Units

The number of housing units in the Study Area increased 0.66% from 2020 to 2022, which is less than the MSA rate of 7.63%. According to ESRI, housing units are forecasted to decline 0.22% through 2027, which is less than the historical rate due to changing lifestyle preferences.

Housing Units	United States	Kansas City MSA	Study Area
2010 Housing Units	131,704,730	757,344	1,560
2020 Housing Units	140,498,736	871,952	1,830
2022 Housing Units	142,933,286	938,503	1,842
2027 Housing Units	146,066,049	957,750	1,838

ESRI reports that 12 housing units were added to the inventory from 2020 to 2022, which is more than the total number of new households of negative 13 resulting deficit demand of 25 units. The following table compares the number of housing units built and the number of households created from 2020 to 2022 for various areas. As shown below, all three areas reported deficit demand due to increased inventory of new supply from 2020 to 2022.

New Housing Units Compared to New Households	United States	Kansas City MSA	Study Area
2020 Housing Units	140,498,736	871,952	1,830
2022 Housing Units	142,933,286	938,503	1,842
Change in Housing Units	2,434,550	66,551	12
2020 Households	126,817,580	868,375	1,771
2022 Households	128,657,669	884,847	1,758
Change in Households	1,840,089	16,472	-13
Excess Housing Demand	(594,461)	(50,079)	(25)

Income Levels in the Study Area

The Study Area has a median household income of \$78,377. In 2022, the median household income in the nation was \$72,414 with the Kansas City MSA reporting an income of \$76,500. The Study Area has a similar median household income when compared to the nation and MSA.

Median Household Income	United States	Kansas City MSA	Study Area
2022 Median Household Income	\$72,414	\$76,500	\$78,377
2027 Median Household Income	\$84,445	\$87,049	\$90,561

Conclusions

Population growth from 2000 to 2010 mirrored the MSA growth rate as most new growth was occurring on the suburban fringe. This trend was reversed from 2010 to 2020 as infill living and financing constraints reduced the demand for single family homes. The study Area has a similar median household income when compared to the MSA and less than the City of Lee's Summit (\$93,661) resulting in the use of economic incentives for most large-scale projects to achieve economic feasibility. Overall, the Study Area is projected to mirror the MSA and slightly lag the City of Lee's Summit through 2027, which creates demand for all types of space.

Blight Analysis

Blight Defined

According to the Missouri Revised Statutes, the following definition pertains to Chapter 99 and Chapter 67 incentives.

- ✚ "Blighted area" an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, 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, or welfare in its present condition and use.

The above definition serves as the basis for further discussion concerning whether the proposed Study Area is blighted.

Blighting Factor #1 – Insanitary or Unsafe Conditions

The area consists of 11.42 acres and is improved with a light industrial building, surface parking, and vacant land. The existing improvements were built in 1998 and are in average condition. The following table summarizes the Study Area in the *as is* condition.

Parcel ID	Built	Buildings	GBA	NRA	Site (Acres)	Parking	Zoning
61-800-01-66-00-0-00-000	1998	1	108,260	108,260	11.42	100	PI

The existing improvements are average quality construction and in average condition. The configuration, finish, and amenities of the existing space is consistent with surrounding uses and is adequate for the site and location. However, the surplus land is landlocked and its irregular configuration makes future development less feasible. The following picture depicts the current state of the representative improvements within the Study Area.



Based on the previous analysis we are of the opinion that unsanitary or unsafe conditions is not considered to be a significant indication of blight for the Study Area.

Blighting Factor # 2 – Deterioration of Site Improvements

Deteriorating factors that affect the economic life of site improvements consist of oxidation, temperature fluctuations, weather conditions, traffic flow, and a lack of use. According to *Marshall Valuation Service*, a cost provider, asphalt paving has a life expectancy ranging from five to ten years with concrete paving having a longer economic life. The following picture shows significant deterioration of the existing site improvements within the Study Area. The paving and curbing is in below average (fair) condition and will require updating in the near term.



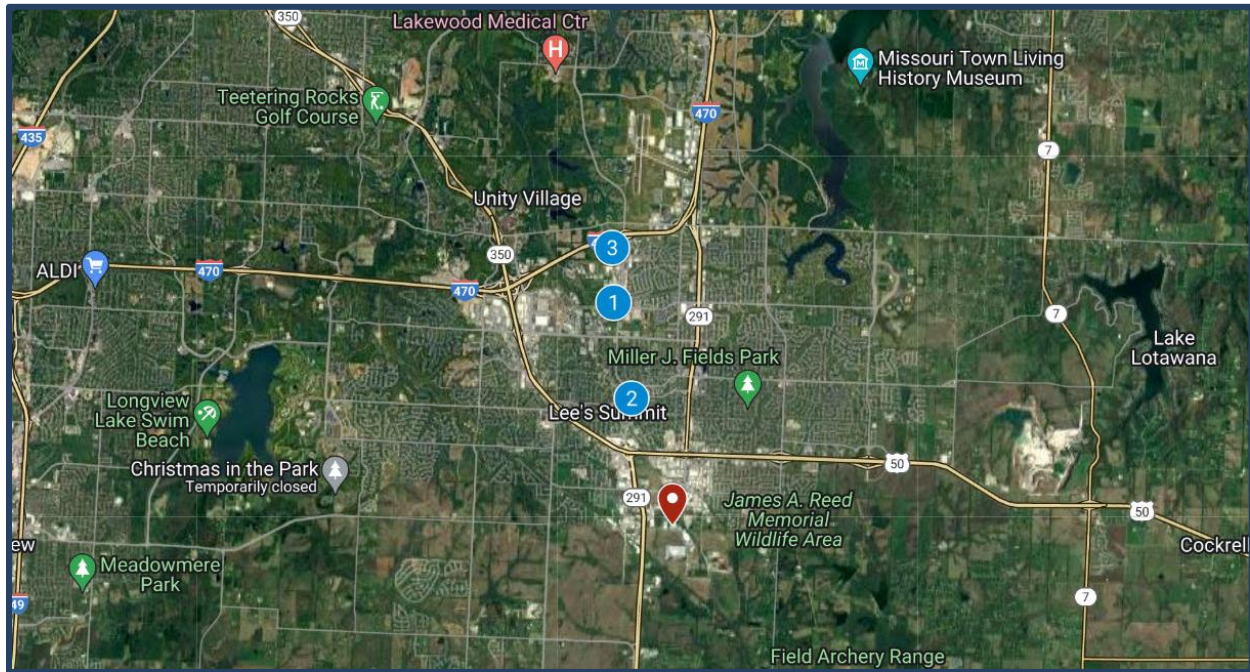
Based on the previous analysis we are of the opinion that deterioration of site improvements is considered to be a significant indication of blight for the Study Area.

Blighting Factor #3 – Existence of Conditions which Endanger Life or Property

The Study Area is conveniently located near support services. Most life, fire, and safety services are located within three to six miles north of the subject. The following table reports that location and distance from the Study Area.

	Public Service	Address	Distance from Subject	Adequately Located
1	Lee's Summit Police Department	10 Northeast Tudor Road	3.7 Miles	Yes
2	Lee's Summit Fire Department	207 Southeast Douglas	2.5 Miles	Yes
3	Saint Luke's East Hospital	100 Northeast St. Luke's	6.2 Miles	Yes

As shown in the following map, life, fire, and safety services are within a reasonable driving distance and response time from the subject.



Given the existing conditions and proximity to the life, fire, and safety services, endangerment of life or property by fire or other causes is not considered to be a significant indication of blight for the Study Area.

Economic Liability

School districts and cities are highly dependent on real property taxes, personal property taxes, utility taxes, and sales taxes generated by the tax base. The Study Area is currently taxed based on a commercial use (32%). A summary of assessed values for the Study Area is shown below.

Tax Year	2020	2021	2022
Implied Market Value	\$5,321,799	\$5,854,000	\$5,854,000
Implied Value per SF	\$49	\$54	\$54
Assessed Value	\$1,873,280	\$1,873,280	\$1,873,280
Taxable Value (economic incentives)	\$1,873,280	\$1,873,280	\$1,873,280
Percentage Change (actual value)	-	0.00%	0.00%
Real Estate Taxes	\$141,700	\$173,812	\$180,176
Special Assessments	\$24,472	\$26,919	\$26,919
Total Taxes	\$166,171	\$200,731	\$207,095

The amount of real estate tax levied against a property is a function of the operating budget of the taxing jurisdiction, the mill levy, and the appraised value. Properties that are more valuable are taxed at a higher amount compared to less valuable properties. Due to the subject consisting of 2.11 acres of surplus land, a portion of the Study Area is valued for tax purposes significantly less than the main

improvements. Total estimated development costs are approximately \$22 million. The reported expansion costs are significantly higher than developments of similar light industrial facilities, which range in cost from \$100 to \$200 per square foot. A comparison of the planned costs to the market value of recently built industrial space indicates the development is not financially feasible. The cost to develop is greater than the value once built and will require economic incentives. The following table summarizes the potential increase in real estate taxes based on the existing tax value as reported by Jackson County and the midpoint of preliminary development costs at full build-out.

	Effective Tax Rate	Preliminary Costs	Total Taxes (Existing + New)*	Existing Taxes	Increase in Tax Base	
96.1823	32.0%	3.0778%	\$22,000,000	\$884,219	\$207,095	\$677,123

*Assumes the property will be assessed at 100% of the actual development costs

The Study Area consists of a light industrial building in average condition and 2.11 acres of surplus land. The surplus land is located at the northern and eastern portions of the site and is landlocked with access provided through the existing surface parking lot. The interior location and lack of public access results in limited marketability of the surplus land to a market buyer.



The existence of the previous blighting factors indicates that the Study Area constitutes an economic liability in its present condition and use. Because of this and the other blighting factors, it is unlikely the Study Area will be redeveloped without economic assistance as the only user of the site is the existing property owner.

The concept of an economic liability or the economic underutilization of a property as a basis for blight has been upheld by the Missouri Supreme Court. The Court has determined that "the concept of urban redevelopment has gone beyond *slum clearance* and the concept of economic

underutilization is a valid one.” Blight exists to the extent an area is operating at less than its potential. The community is harmed by the foregone tangible and intangible benefits resulting from underperformance. The following are references to the Missouri Supreme Court Cases.

- ✦ [Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corporation](#) - The courts determined that it is not necessary for an area to be what commonly would be considered a “slum” in order to be blighted.
- ✦ [Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc.](#) - The courts determined that an otherwise viable use of a property may be considered blighted if it is an economic underutilization of the property.
- ✦ [State ex. Rel Atkinson v. Planned Industrial Expansion Authority](#) - The courts determined that blight may also be found if the redevelopment of an area “could promote a higher level of economic activity, increased employment, and greater services to the public.”
- ✦ [Maryland Plaza Redevelopment Corporation v. Greenberg](#) - The courts found that real property may be property found to be blighted even though it contains improvements, which by themselves do not constitute blight.

Economic incentives are used in cases where prevailing market forces are inadequate to generate the necessary return on cost to undertake a project of similar size and risk. “But-for” the use of economic incentives, the development would not be built. This is shown by other large-scale projects in Lee’s Summit utilizing economic incentives to achieve project feasibility. “But-for” the use of economic incentives, the Study Area will continue to deteriorate and remain partially undeveloped.

Based on the economic underutilization of the Study Area, it is our opinion that the Study Area is an economic liability. The lack of adequate tax revenue results from the underutilization of the properties due to a combination of blighting factors, which endanger life or property by fire and other causes, and thus by these factors the Study Area is an economic liability in its present condition and use.

Social Liability

To our knowledge the term social liability has not been defined in Missouri’s statutes or in Missouri cases. According to the Merriam-Webster dictionary, social and liability are defined as:

- ✦ Social is defined as “of, or relating to human society, the interaction of the individual and the group, or the welfare of human beings as members of society.” Liability is defined as “the state of being legally responsible for something”

Based on the definitions, “social liability” are factors that work to the disadvantage of the welfare of members of a given community or of interaction among such members. The welfare of the community is substantially based on job opportunities and adequate amenities such as shopping and community services provided by various taxing jurisdictions from its tax base. As the Study Area is fully built out the tax base is projected to grow due to increased real estate taxes, payroll taxes, and ancillary services that will benefit from the concentration of jobs and consumers.

The lack of payroll taxes, real estate taxes, and employment that the Study Area is generating negatively impacts the educational and community services that could be provided to community. Taken together these factors lead to the conclusion that the Study Area by reason of the blighting factors constitutes a social liability in its present condition and use.

Based on the data and information contained in this report, we have determined that as of February 27, 2023, the Study Area constitutes both a "social liability" and an "economic liability" and meets the definition of a "blighted area" according to the definition provided in Missouri Statute Section 99.805.1 and Section 67.1401.1.

Conclusions

The following blight factors are present in the Study Area.

Study Area		
Blighting Factors - Chapter 67 and 99	Yes	No
Insanitary or Unsafe Conditions		X
Deterioration of Site Improvements	X	
Conditions which Endanger Life or Property by Fire and Other Causes		X

The surplus land is located at the northern and eastern portions of the site and is landlocked with access provided through the exiting surface parking lot. The interior location and lack of public access results in limited marketability of the surplus land to a market buyer. Because of this and the other blighting factors, it is unlikely the Study Area will be developed without economic assistance as the only user of the site is the existing property owner.

"But-for" the use of economic incentives, the Study Area will most likely remain underdeveloped causing a social liability due to decreased tax revenue and future development. According to the Missouri Revised Statutes, the following definition pertain to Chapter 99 and Chapter 67 incentives.

- ✚ "Blighted area" an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, 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, or welfare in its present condition and use.

By reason of the previously stated blighting factors, the Study Area in its present condition and use constitutes both an economic and social liability, as defined in Missouri Statute Section 99.805 and Section 67.1401.1.

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Kansas City will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Kansas City is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Kansas City and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Kansas City
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at

- additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
 26. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
 27. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
 28. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
 29. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
 30. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
 31. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
 32. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of

the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

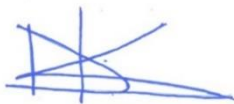
33. You and Valbridge Property Advisors | Kansas City both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Kansas City and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Kansas City or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Kansas City for this assignment, and under no circumstances shall any claim for consequential damages be made.
34. Valbridge Property Advisors | Kansas City shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Kansas City "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Kansas City and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Kansas City harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Kansas City in such action, regardless of its outcome.
35. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Kansas City Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
36. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

37. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
38. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Daniel Kann, MAI MSRE

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed valuation services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Daniel Kann, MAI MSRE personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Daniel Kann, MAI MSRE
Managing Director
Missouri License # 2013034806
DKann@Valbridge.com

Addenda

Engagement Letter
Qualifications
Jackson County and Tax Data
Demographics



February 17, 2023

Tami Gardner
Performance Food Group, Inc.
188 Inverness Drive W, Suite 700
Englewood, CO 80112

Re: Reinhart Foodservice – 290 SE Thompson Drive, Lee’s Summit, MO 64082

Thank you for your inquiry regarding a blight study of the above-referenced property. The study will assist in securing tax incentives through the City of Lee’s Summit in connection with a potential expansion of the existing facility.

Our work will meet all requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics of the Appraisal Institute. The nature of the proposed assignment includes a blight study of the undeveloped land following State of Missouri statutes for tax incentives. The effective date of the study will be the date of inspection.

Our client and the intended user will be Performance Food Group, Inc. The cost of the study will be [REDACTED], with payment due upon delivery of the report. If additional consulting or expert testimony is required, the hourly rate is [REDACTED] for associates. Additional consulting or expert testimony fees will be not incurred without prior written approval from the client. We will complete the assignment within 30 days of engagement and receipt of the requested materials.

Valbridge Property Advisors | Kansas City has yet to provide services pertaining to the subject property within the three years immediately preceding acceptance of this assignment. In addition, we have no present or prospective interest in the property that is the subject of this report and no personal interest concerning the parties involved.

This letter will serve as our engagement to complete the work based on the above terms. Thank you for considering Valbridge Property Advisors | Kansas City in this matter.

Sincerely,

A blue ink handwritten signature, appearing to read 'Daniel Kann', with a stylized flourish at the end.

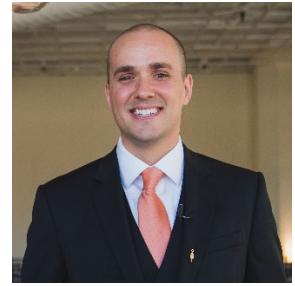
Daniel Kann, MAI MSRE
Senior Managing Director

A blue ink handwritten signature, appearing to read 'Tami Gardner', in a cursive style.

Approved and Authorized by: Tami Gardner

Date: 2/20/2023

Qualifications of Daniel Kann, MAI MSRE
Senior Managing Director / Partner
Valbridge Property Advisors | Kansas City



Independent Valuations for a Variable World

State Certifications

State of Kansas
State of Missouri
State of Iowa
State of Nebraska
State of Arizona

Education

Bachelor of Arts (2005)
University of Northern Iowa
Real Estate Finance | Marketing

Master's (2016)
University of Denver
Real Estate Finance | Construction

Contact Details

913-451-1451 (O)
913-647-4094 (D)
913-529-4121 (F)

Valbridge Property Advisors
10990 Quivira Road, Suite 100
Overland Park, Kansas 66210

www.valbridge.com
DKann@Valbridge.com

Membership/Affiliations

Appraisal Institute (MAI Designation)
CCIM Candidate (CCIM Institute)
Licensed Real Estate Agent (State of Iowa)
International Right of Way Association (prior Chapter Secretary)
Adjunct Professor – Real Estate Valuation (University of Missouri Kansas City)

Appraisal Institute & Related Courses (Sample)

Real Estate Finance and Investments (University of Denver)
Real Estate Tax (University of Denver)
Residential Construction Systems (University of Denver)
Real Estate Securities and Syndications (University of Denver)
Real Estate Investments and Appraisal (University of Northern Iowa)
Apartment Appraisal and Concepts (Appraisal Institute)
Finance, Statistics and Valuation Modeling (Appraisal Institute)
Argus, Excel, and Computer Modeling (University of Denver)
Understanding Commercial Capitalization Rates (ULI)
General Market Analysis and Highest & Best Use (Appraisal Institute)
Discounted Cash Flow Model: Concepts & Issues (Appraisal Institute)
Advanced Income Capitalization (Appraisal Institute)
Forecasting Revenue (Appraisal Institute)
Advanced Sales Comparison and Cost Approaches (Appraisal Institute)
Analyzing Operating Expenses (Appraisal Institute)

Experience

Managing Director / Partner
Valbridge Property Advisors | Kansas City (2007 - Present)

Real Estate Analyst / General Certified Appraiser
Shaner Appraisals, Inc. (2007 - 2012)

I perform review, valuation, and due diligence for investors/developers, life insurance companies, lenders, REITS, and public entities. The analysis consists of property valuation (FHA, Fannie Mae, Freddie Mac, and conventional financing), market studies, feasibility studies, real estate tax analysis, right of way and easement acquisitions, and before and after analysis.

Publications

Cap Rate Variations – Valuation 2014 and CCIM March/April 2015
Assessing Market Value – CCIM Summer 2020

State of Missouri

**Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Real Estate Appraiser**



VALID THROUGH JUNE 30, 2024
ORIGINAL CERTIFICATE/LICENSE NO. 2013034806

DANIEL KANN
10990 QUIVIRA ROAD, #100
OVERLAND PARK KS 66210
USA


EXECUTIVE DIRECTOR


DIVISION DIRECTOR

Basic Information

Parcel # 61-800-01-66-00-0-00-000
Address: 290 SE THOMPSON DR
LEES SUMMIT, MO 64081
Lot Size: 497,459 Sq. Ft.
Bldg sq ft: 0 Sq. Ft.
#Beds: 0 **#Baths:** 0
Year Built: N/A
Tax Code Area: 49
Land Use Code: WHOLESALE-TRADE
Exemption:
Legal Description:
LEMONE-SMITH BUSINESS AND RAIL CENTER PLAT 6---LOT 7D

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$1,370,300	\$1,370,300	\$1,370,300	\$1,370,300
Residential:	\$0	\$0	\$0	\$0
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$4,483,700	\$4,483,700	\$3,951,499	\$3,951,499
Residential:	\$0	\$0	\$0	\$0
<u>New Construction Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$0	\$0	\$0	\$0
Total Market Value:	\$5,854,000	\$5,854,000	\$5,321,799	\$5,321,799
Total Assessed Value:	\$1,873,280	\$1,873,280	\$1,702,976	\$1,702,976
Total Taxable Value:	\$1,873,280	\$1,873,280	\$1,702,976	\$1,702,976

Primary Owner

REINHART FOODSERVICE LLC
100 HARBORVIEW PLZ STE 200 LACROSSE, WI 54601







61-800-01-66-00-0-00-000 07/12/2005

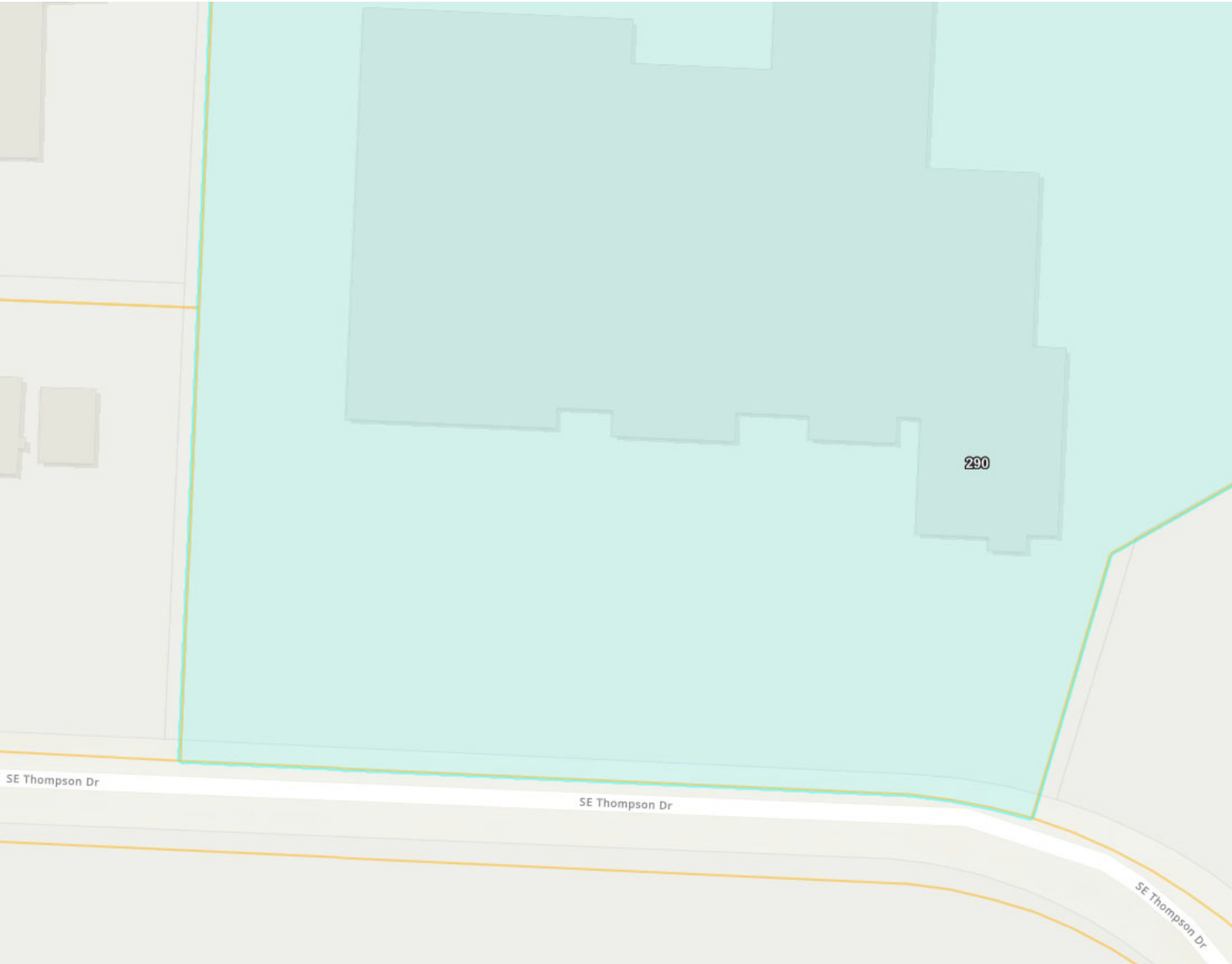


61-800-01-66-00-0-00-000 07/12/2005



61-800-01-66-00-0-00-000 07/12/2005

Map





Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
290 SE Thompson Dr, Lees Summit, Missouri, 64082
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 38.88951
Longitude: -94.36626

5 minutes

Population Summary	
2010 Total Population	4,196
2020 Total Population	4,378
2020 Group Quarters	43
2022 Total Population	4,328
2022 Group Quarters	43
2027 Total Population	4,264
2022-2027 Annual Rate	-0.30%
2022 Total Daytime Population	10,465
Workers	8,375
Residents	2,090
Household Summary	
2010 Households	1,648
2010 Average Household Size	2.50
2020 Total Households	1,771
2020 Average Household Size	2.45
2022 Households	1,758
2022 Average Household Size	2.44
2027 Households	1,735
2027 Average Household Size	2.43
2022-2027 Annual Rate	-0.26%
2010 Families	1,119
2010 Average Family Size	3.05
2022 Families	1,176
2022 Average Family Size	2.99
2027 Families	1,162
2027 Average Family Size	2.97
2022-2027 Annual Rate	-0.24%
Housing Unit Summary	
2000 Housing Units	1,560
Owner Occupied Housing Units	72.2%
Renter Occupied Housing Units	24.7%
Vacant Housing Units	3.1%
2010 Housing Units	1,830
Owner Occupied Housing Units	66.6%
Renter Occupied Housing Units	23.5%
Vacant Housing Units	9.9%
2020 Housing Units	1,842
Vacant Housing Units	3.9%
2022 Housing Units	1,832
Owner Occupied Housing Units	73.2%
Renter Occupied Housing Units	22.8%
Vacant Housing Units	4.0%
2027 Housing Units	1,838
Owner Occupied Housing Units	73.2%
Renter Occupied Housing Units	21.2%
Vacant Housing Units	5.6%
Median Household Income	
2022	\$78,377
2027	\$90,561
Median Home Value	
2022	\$212,692
2027	\$303,226
Per Capita Income	
2022	\$41,068
2027	\$48,071
Median Age	
2010	37.0
2022	39.2
2027	40.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
290 SE Thompson Dr, Lees Summit, Missouri, 64082
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 38.88951
Longitude: -94.36626

5 minutes

2022 Households by Income	
Household Income Base	1,758
<\$15,000	4.7%
\$15,000 - \$24,999	7.1%
\$25,000 - \$34,999	4.2%
\$35,000 - \$49,999	14.2%
\$50,000 - \$74,999	17.0%
\$75,000 - \$99,999	16.4%
\$100,000 - \$149,999	23.9%
\$150,000 - \$199,999	5.0%
\$200,000+	7.6%
Average Household Income	\$99,633

2027 Households by Income	
Household Income Base	1,735
<\$15,000	3.5%
\$15,000 - \$24,999	5.3%
\$25,000 - \$34,999	4.1%
\$35,000 - \$49,999	14.8%
\$50,000 - \$74,999	13.1%
\$75,000 - \$99,999	13.6%
\$100,000 - \$149,999	28.6%
\$150,000 - \$199,999	7.0%
\$200,000+	10.1%
Average Household Income	\$116,432

2022 Owner Occupied Housing Units by Value	
Total	1,341
<\$50,000	0.6%
\$50,000 - \$99,999	7.6%
\$100,000 - \$149,999	15.5%
\$150,000 - \$199,999	21.3%
\$200,000 - \$249,999	19.4%
\$250,000 - \$299,999	4.0%
\$300,000 - \$399,999	19.0%
\$400,000 - \$499,999	6.0%
\$500,000 - \$749,999	6.3%
\$750,000 - \$999,999	0.1%
\$1,000,000 - \$1,499,999	0.0%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$251,642

2027 Owner Occupied Housing Units by Value	
Total	1,345
<\$50,000	0.1%
\$50,000 - \$99,999	3.7%
\$100,000 - \$149,999	10.4%
\$150,000 - \$199,999	14.6%
\$200,000 - \$249,999	15.9%
\$250,000 - \$299,999	4.2%
\$300,000 - \$399,999	30.0%
\$400,000 - \$499,999	11.0%
\$500,000 - \$749,999	10.0%
\$750,000 - \$999,999	0.0%
\$1,000,000 - \$1,499,999	0.0%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$305,673

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

March 19, 2023



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
290 SE Thompson Dr, Lees Summit, Missouri, 64082
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 38.88951
Longitude: -94.36626

5 minutes

2010 Population by Age	
Total	4,196
0 - 4	7.0%
5 - 9	6.4%
10 - 14	7.7%
15 - 24	11.2%
25 - 34	14.8%
35 - 44	13.6%
45 - 54	14.3%
55 - 64	12.1%
65 - 74	6.6%
75 - 84	4.6%
85 +	1.6%
18 +	74.5%
2022 Population by Age	
Total	4,330
0 - 4	6.1%
5 - 9	6.8%
10 - 14	7.2%
15 - 24	11.0%
25 - 34	12.0%
35 - 44	15.1%
45 - 54	12.2%
55 - 64	12.2%
65 - 74	10.0%
75 - 84	5.0%
85 +	2.2%
18 +	76.2%
2027 Population by Age	
Total	4,263
0 - 4	6.1%
5 - 9	6.5%
10 - 14	7.2%
15 - 24	10.6%
25 - 34	12.6%
35 - 44	14.6%
45 - 54	12.3%
55 - 64	11.2%
65 - 74	10.3%
75 - 84	6.2%
85 +	2.3%
18 +	76.1%
2010 Population by Sex	
Males	1,975
Females	2,221
2022 Population by Sex	
Males	2,080
Females	2,248
2027 Population by Sex	
Males	2,056
Females	2,208

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
 290 SE Thompson Dr, Lees Summit, Missouri, 64082
 Drive Time: 5 minute radii

Prepared by Esri
 Latitude: 38.88951
 Longitude: -94.36626

5 minutes

2010 Population by Race/Ethnicity	
Total	4,197
White Alone	88.0%
Black Alone	6.6%
American Indian Alone	0.4%
Asian Alone	1.1%
Pacific Islander Alone	0.1%
Some Other Race Alone	1.4%
Two or More Races	2.3%
Hispanic Origin	4.2%
Diversity Index	28.2
2020 Population by Race/Ethnicity	
Total	4,378
White Alone	77.9%
Black Alone	8.2%
American Indian Alone	0.5%
Asian Alone	1.9%
Pacific Islander Alone	0.5%
Some Other Race Alone	2.3%
Two or More Races	8.8%
Hispanic Origin	5.9%
Diversity Index	44.8
2022 Population by Race/Ethnicity	
Total	4,329
White Alone	77.2%
Black Alone	8.2%
American Indian Alone	0.5%
Asian Alone	1.9%
Pacific Islander Alone	0.5%
Some Other Race Alone	2.4%
Two or More Races	9.3%
Hispanic Origin	6.0%
Diversity Index	45.6
2027 Population by Race/Ethnicity	
Total	4,264
White Alone	76.0%
Black Alone	8.3%
American Indian Alone	0.6%
Asian Alone	2.0%
Pacific Islander Alone	0.5%
Some Other Race Alone	2.6%
Two or More Races	10.1%
Hispanic Origin	6.2%
Diversity Index	47.4
2010 Population by Relationship and Household Type	
Total	4,195
In Households	98.1%
In Family Households	83.3%
Householder	27.1%
Spouse	20.0%
Child	31.2%
Other relative	2.9%
Nonrelative	2.1%
In Nonfamily Households	14.8%
In Group Quarters	1.9%
Institutionalized Population	1.5%
Noninstitutionalized Population	0.5%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
290 SE Thompson Dr, Lees Summit, Missouri, 64082
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 38.88951
Longitude: -94.36626

5 minutes

2022 Population 25+ by Educational Attainment

Total	2,981
Less than 9th Grade	1.8%
9th - 12th Grade, No Diploma	1.7%
High School Graduate	18.2%
GED/Alternative Credential	5.5%
Some College, No Degree	24.0%
Associate Degree	9.0%
Bachelor's Degree	26.9%
Graduate/Professional Degree	12.7%

2022 Population 15+ by Marital Status

Total	3,457
Never Married	25.9%
Married	54.3%
Widowed	6.0%
Divorced	13.7%

2022 Civilian Population 16+ in Labor Force

Civilian Population 16+	2,315
Population 16+ Employed	97.6%
Population 16+ Unemployment rate	2.4%
Population 16-24 Employed	10.9%
Population 16-24 Unemployment rate	8.2%
Population 25-54 Employed	69.1%
Population 25-54 Unemployment rate	0.8%
Population 55-64 Employed	15.8%
Population 55-64 Unemployment rate	5.0%
Population 65+ Employed	4.2%
Population 65+ Unemployment rate	0.0%

2022 Employed Population 16+ by Industry

Total	2,260
Agriculture/Mining	0.1%
Construction	4.8%
Manufacturing	9.5%
Wholesale Trade	3.6%
Retail Trade	10.8%
Transportation/Utilities	7.2%
Information	2.7%
Finance/Insurance/Real Estate	8.6%
Services	48.0%
Public Administration	4.6%

2022 Employed Population 16+ by Occupation

Total	2,257
White Collar	72.4%
Management/Business/Financial	20.1%
Professional	25.5%
Sales	12.6%
Administrative Support	14.2%
Services	9.9%
Blue Collar	17.5%
Farming/Forestry/Fishing	0.4%
Construction/Extraction	2.7%
Installation/Maintenance/Repair	2.3%
Production	5.0%
Transportation/Material Moving	7.1%

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

March 19, 2023



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082
290 SE Thompson Dr, Lees Summit, Missouri, 64082
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 38.88951
Longitude: -94.36626

5 minutes

2010 Households by Type	
Total	1,648
Households with 1 Person	27.7%
Households with 2+ People	72.3%
Family Households	67.9%
Husband-wife Families	50.1%
With Related Children	22.1%
Other Family (No Spouse Present)	17.8%
Other Family with Male Householder	5.0%
With Related Children	3.3%
Other Family with Female Householder	12.8%
With Related Children	8.4%
Nonfamily Households	4.4%
All Households with Children	34.0%
Multigenerational Households	3.2%
Unmarried Partner Households	5.6%
Male-female	5.0%
Same-sex	0.6%
2010 Households by Size	
Total	1,647
1 Person Household	27.7%
2 Person Household	34.1%
3 Person Household	16.9%
4 Person Household	12.3%
5 Person Household	5.7%
6 Person Household	2.6%
7 + Person Household	0.7%
2010 Households by Tenure and Mortgage Status	
Total	1,648
Owner Occupied	73.9%
Owned with a Mortgage/Loan	58.7%
Owned Free and Clear	15.2%
Renter Occupied	26.1%
2022 Affordability, Mortgage and Wealth	
Housing Affordability Index	156
Percent of Income for Mortgage	14.3%
Wealth Index	92
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	1,830
Housing Units Inside Urbanized Area	98.2%
Housing Units Inside Urbanized Cluster	0.0%
Rural Housing Units	1.7%
2010 Population By Urban/ Rural Status	
Total Population	4,196
Population Inside Urbanized Area	97.8%
Population Inside Urbanized Cluster	0.0%
Rural Population	2.2%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.



Market Profile

290 SE Thompson Dr, Lees Summit, Missouri, 64082 2
 290 SE Thompson Dr, Lees Summit, Missouri, 64082
 Drive Time: 5 minute radii

Prepared by Esri
 Latitude: 38.88951
 Longitude: -94.36626

5 minutes

Top 3 Tapestry Segments

1. Workday Drive (4A)
2. Midlife Constants (5E)
3. Rustbelt Traditions (5D)

2022 Consumer Spending

Apparel & Services: Total \$	\$4,006,224
Average Spent	\$2,278.85
Spending Potential Index	95
Education: Total \$	\$3,012,666
Average Spent	\$1,713.69
Spending Potential Index	87
Entertainment/Recreation: Total \$	\$6,224,423
Average Spent	\$3,540.63
Spending Potential Index	96
Food at Home: Total \$	\$10,200,454
Average Spent	\$5,802.31
Spending Potential Index	94
Food Away from Home: Total \$	\$7,087,596
Average Spent	\$4,031.62
Spending Potential Index	93
Health Care: Total \$	\$12,298,578
Average Spent	\$6,995.78
Spending Potential Index	99
HH Furnishings & Equipment: Total \$	\$4,384,534
Average Spent	\$2,494.05
Spending Potential Index	97
Personal Care Products & Services: Total \$	\$1,718,881
Average Spent	\$977.75
Spending Potential Index	96
Shelter: Total \$	\$37,015,179
Average Spent	\$21,055.28
Spending Potential Index	92
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$4,731,980
Average Spent	\$2,691.68
Spending Potential Index	99
Travel: Total \$	\$4,868,980
Average Spent	\$2,769.61
Spending Potential Index	96
Vehicle Maintenance & Repairs: Total \$	\$2,152,153
Average Spent	\$1,224.21
Spending Potential Index	97

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2018 and 2019 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

EXHIBIT 3

LEGAL DESCRIPTION

All of that certain lot or parcel of land located in Jackson County, Missouri and more particularly described as follows:

LOT 7D, LEMONE-SMITH BUSINESS AND RAIL CENTER PLAT 6, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

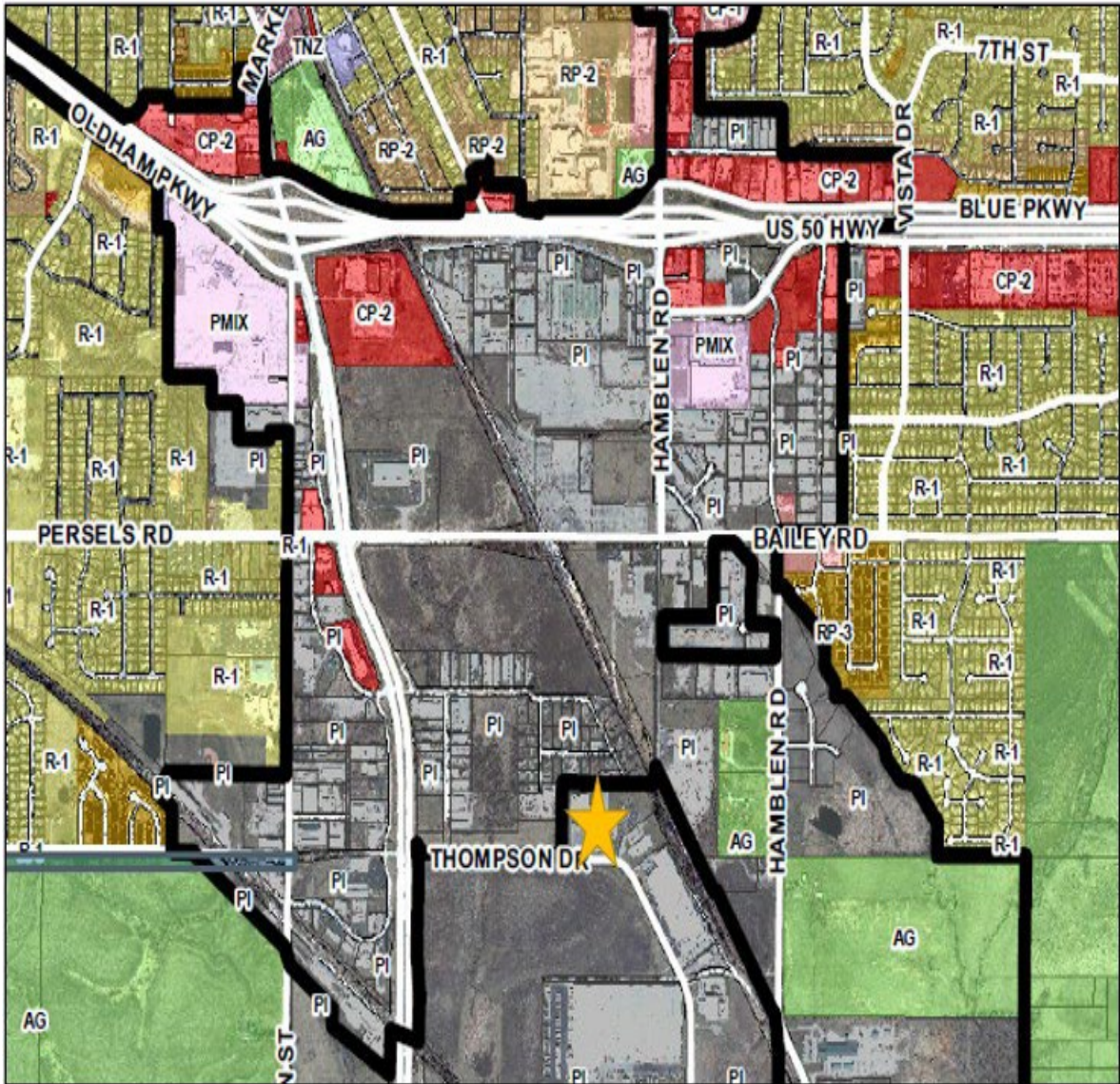
PARCEL NO. 61-800-01-66-00-0-00-000

When Recorded Return to:
Amrock Inc. -
Commercial Team
250 W. Huron Road, Suite 204
Cleveland, OH 44113
Amrock Inc.## _____

EXHIBIT 4 (1 OF 2)



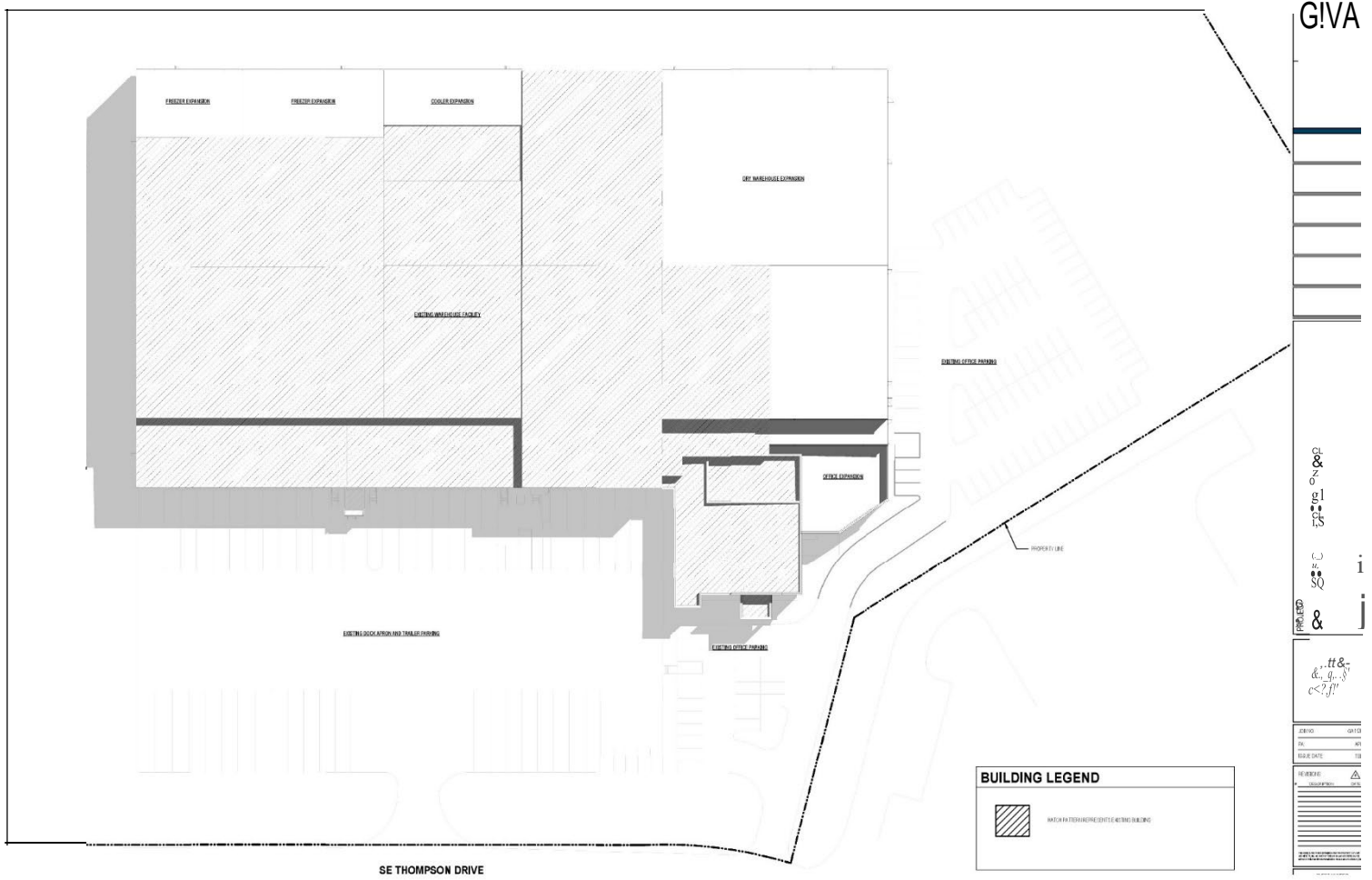
EXHIBIT 4 (2 OF 2)



LCRA Boundary



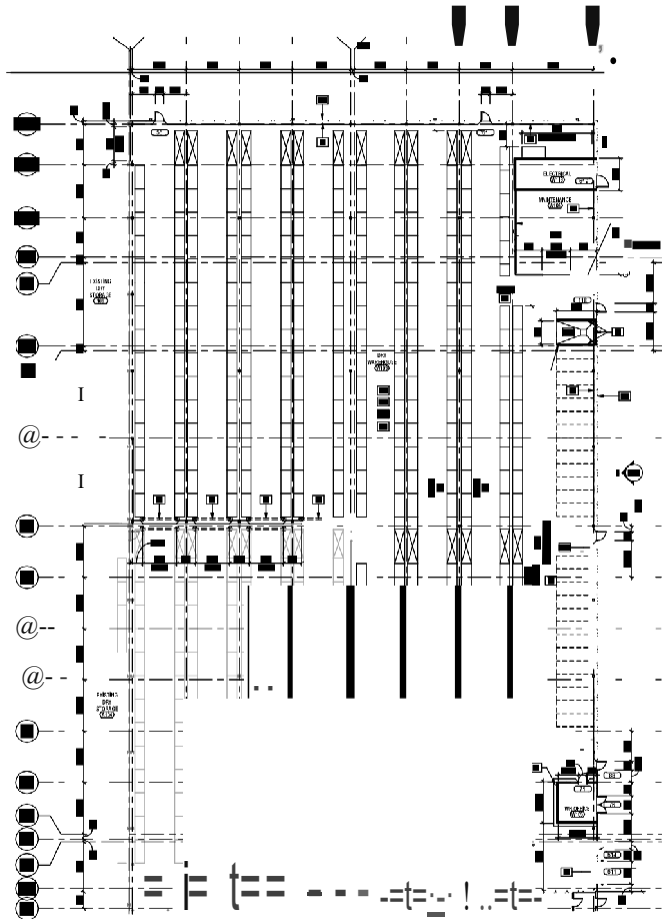
Our Facility



G/VA

PROJECT NO. 2024-0001
 DATE 09/11/2024
 SCALE 1/8" = 1'-0"

REVISED
 01
 02
 03
 04
 05
 06
 07
 08
 09
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50



KEY NOTES

1. SEE ARCHITECTURAL DRAWINGS FOR GENERAL NOTES.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
3. ALL MATERIALS SHALL BE APPROVED BY THE ARCHITECT.
4. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
5. ALL WORK SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.



PROJECT
PFG KANSAS CITY EXPANSION RFF
 2303 S. Highway 130
 Lees Summit, MO 64082

[Symbol]	COPY
[Symbol]	REV
[Symbol]	ISS
[Symbol]	DATE

RGED FLOOR PLAN - WAREHOUSE