



Valbridge
PROPERTY ADVISORS

Blight Study

Ellis Glen
102 – 110 Southwest Market Street
Lee's Summit, Jackson County, Missouri 64063



Ellis Glen, LLC
Ryan Neighbors
Vice President | Project Manager
1708 East 123rd Street
Olathe, Kansas 66061

Effective Date:
November 23, 2022

Valbridge Property Advisors /
Kansas City

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Valbridge File Number:
KS01-22-0833



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December 5, 2022

Ryan Neighbors
Vice President | Project Manager
Ellis Glen, LLC
1708 East 123rd Street
Olathe, Kansas 66061

RE: Blight Study
Proposed Ellis Glen
102 – 110 Southwest Market Street
Lee's Summit, Jackson County, Missouri 64063

Dear Mr. Neighbors:

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 November 23, 2022. The attached report sets forth the data, research, investigations, analyses, and conclusions for this report.

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.

The client is Ellis Glen, LLC. The intended user in this assignment is Ellis Glen, LLC. 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:

- ✦ Insanitary or unsafe conditions
- ✦ Deterioration of site improvements

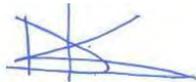
It is our opinion that the predominance of these above stated factors within the Study Area constitutes an economic liability as well as a menace to the public health, safety, and welfare in its present condition and use. We have concluded these facts based on the deterioration of site improvements, potential environmental contamination, aging improvements that are nearing the end of their economic life, and the potential development opportunities for the site.

The Study Area consists of undeveloped land and vacant single-family homes that are not used to their highest and best use. 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 that 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



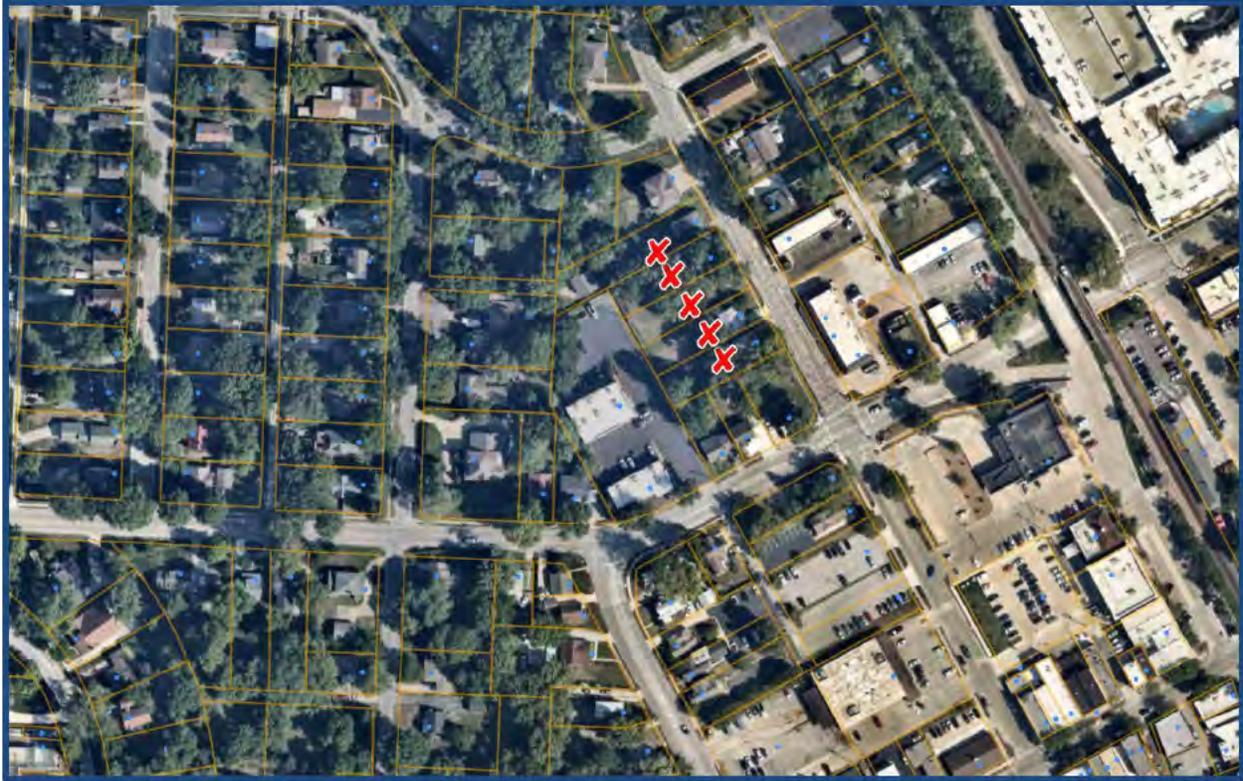
Daniel Kann, MAI MSRE
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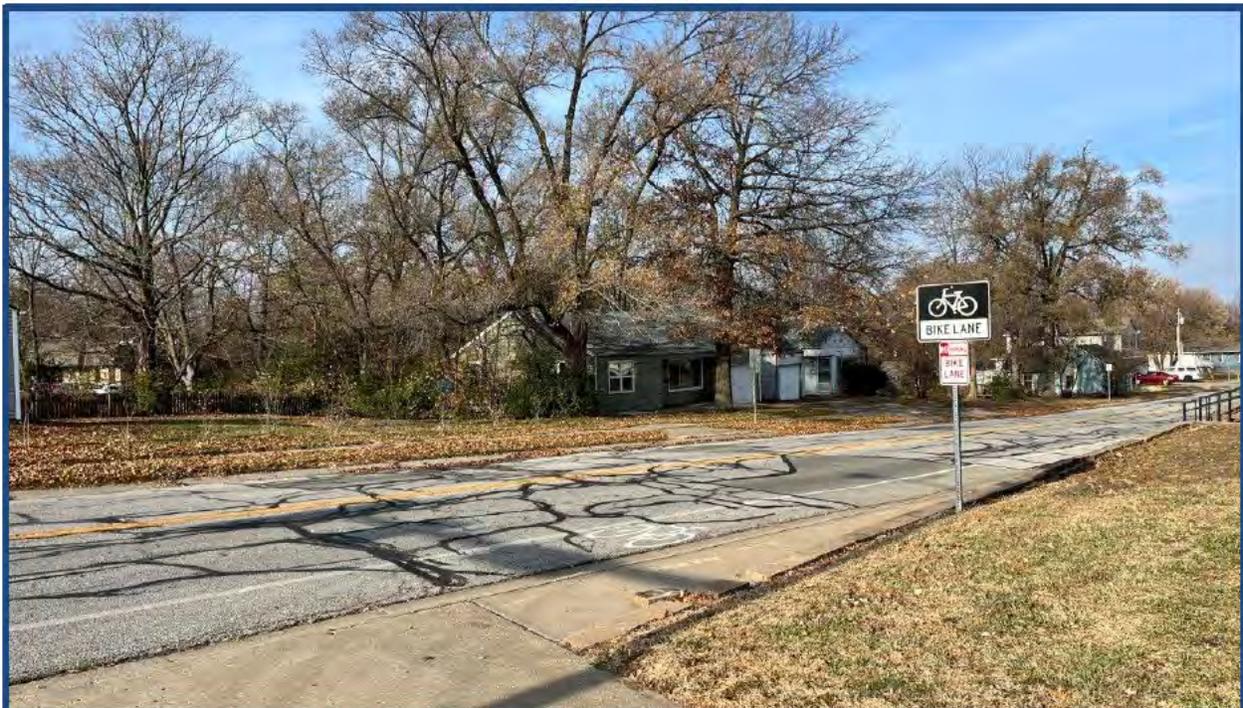
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Aerial and Front Views

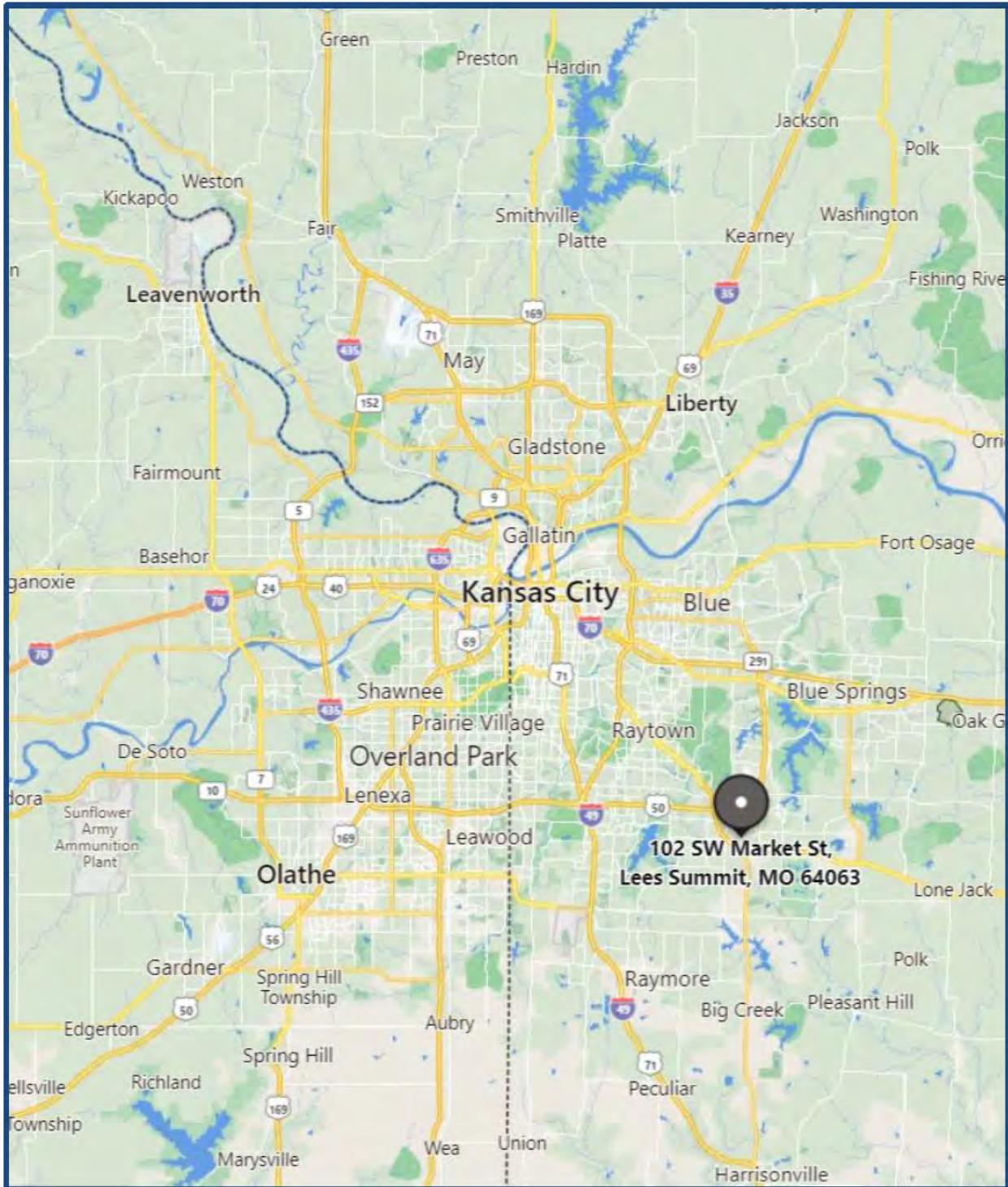
AERIAL PARCEL MAP



REPRESENTATIVE VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client is Ellis Glen, LLC. The intended user in this assignment is Ellis Glen, LLC.

Intended Use of the Appraisal

This study was prepared for the sole and exclusive use of Ellis Glen, LLC 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 northwest corner of Southwest 2nd Street and Southwest Market Street in Lee's Summit, Jackson County, Missouri. The area consist of five contiguous parcels in the downtown submarket totaling 1.23 acres. The existing improvements total three single-family homes containing 2,860 square feet in poor, uninhabitable condition and not built to modern standards. The improvements were built in 1940 and are currently vacant. The following table summarizes the Study Area in the *as is* condition.

Parcel ID Number	Address	Square Feet*	Acres*	Improvements	GBA*	Year Built*	Status
61-340-16-17-00-0-00-000	102 SW Market Street	14,051	0.32	Single Family Home	893	1940	Vacant
61-340-16-16-00-0-00-000	104 SW Market Street	10,014	0.23	Vacant Lot	-	-	Vacant
61-340-16-15-00-0-00-000	106 SW Market Street	9,555	0.22	Vacant Lot	-	-	Vacant
61-340-16-27-00-0-00-000	108 SW Market Street	9,538	0.22	Single Family Home	920	1940	Vacant
61-340-16-28-00-0-00-000	110 SW Market Street	10,328	0.24	Single Family Home	1,047	1940	Vacant
Total / Average	102 - 110 SW Market	53,486	1.23		2,860	1940	Vacant

*Size reported from Jackson County GIS

Planned Improvements Within Study Area

The Study Area is planned to be improved with a four-story, mixed-use development consisting of three first-floor commercial suites totaling 7,885 square feet, 26 residential units totaling 25,627 square feet, and surface parking. Total estimated development costs are approximately \$6.57 million excluding entrepreneurial incentive and market oriented soft costs.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject is largely vacant land improved with three single family homes in uninhabitable condition.

Use of Real Estate as Reflected in this Study

As of the report date, the subject is largely vacant land improved with three single family homes in uninhabitable condition that is planned to be redeveloped with a mixed-use project at a reported cost of approximately \$6.57 million.

Abbreviated Legal Description (Jackson County Assessor)

Please see the Addenda due to multiple parcels.

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	November 23, 2022

We completed an appraisal inspection of the subject property on November 23, 2022. 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 December 5, 2022, 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, preliminary plans, 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 November 23, 2022. In addition, we have relied on a physical tour, aerial pictures, GIS mapping, preliminary plans, 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 November 23, 2022. The subject is largely vacant land that is improved with three vacant single-family homes. The existing improvements are low-cost quality construction and in poor condition. The configuration, finish, and amenities of the space is dated when compared to modern design and is inadequate for the site and location resulting in functional inutility.

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:	102 – 110 Southwest Market Street, Lee’s Summit, Jackson County, Missouri 64063
Parcel Number:	Please see the Addenda due to numerous parcels
Gross Land Area:	1.23 acres, or 53,486 square feet (per GIS)
Excess Land:	0.00 acres, or 0 square feet (per GIS)
Surplus Land:	0.00 acres, or 0 square feet (per GIS)
Shape:	Slightly irregular
Topography:	Gently sloping
Drainage:	Adequate at the time of tour
Grade:	At grade with the fronting street (SW Market Street)
Utilities:	Standard utilities including water, sewer, electricity, and gas are available for future development

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	SW Market Street	SW 2 nd Street
Type / Condition:	City street – Average	City street – Good
Traffic:	2,500 vehicles per day	7,100 vehicles per day
Number of Lanes / Direction of Traffic:	Two – North and south	Two – East and west

Flood Zone Data

Flood Map Panel/Number:	29095C0417G
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 largely vacant land use and limited improvements consisting of three single-family homes, environmental contamination is unlikely. However, lead based paint and asbestos could be present due to the age of the improvements.

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 home (occupied)
South: Single-family home (occupied)
East: Single-family homes (occupied) and commercial
West: Single-family homes (occupied) and commercial

Site Ratings

Access: Average
Visibility: Average

Zoning Designation

Zoning Classification: CBD – Planned Central Business District

Statement of Intent:

The zoning of a property as CBD – Planned Central Business District is established to permit the most intensive use of land that combines a variety of commercial, office, residential, and public uses. The district is designed to have uses that are centrally located and compact so that maximum convenience is afforded the users and occupants of the district. It is the intent of the CBD District to be pedestrian friendly.

Future Land Use Plan:

Downtown Lee's Summit is the traditional core and heart of the community and is characterized by its many small, local businesses. Access to downtown is walkable to residents in nearby residential neighborhoods, with parking available to those that drive. Downtown will continue to serve as the center of Lee's Summit with a mobility hub that serves multiple means of transportation. Additional housing options will increase the ability for additional residents to live and work Downtown, as well as increase patronage of local businesses, parks, and events.

Zoning Conformity:

The subject will be constructed at a density of 21.17 units per acre, which is allowed in the Downtown Activity Center (DAC). The project will be constructed at a height of four-stories, which is allowed in the DAC. The property will feature one parking space per unit, which is allowed pending city approval. Overall, the subject will be a legal, conforming use and design pending city approval.

Analysis/Comments:

The subject property is functional for planned use. The use of the property will be complimentary with the surrounding development. To our knowledge there are no adverse conditions known to negatively impact the marketability of the site.

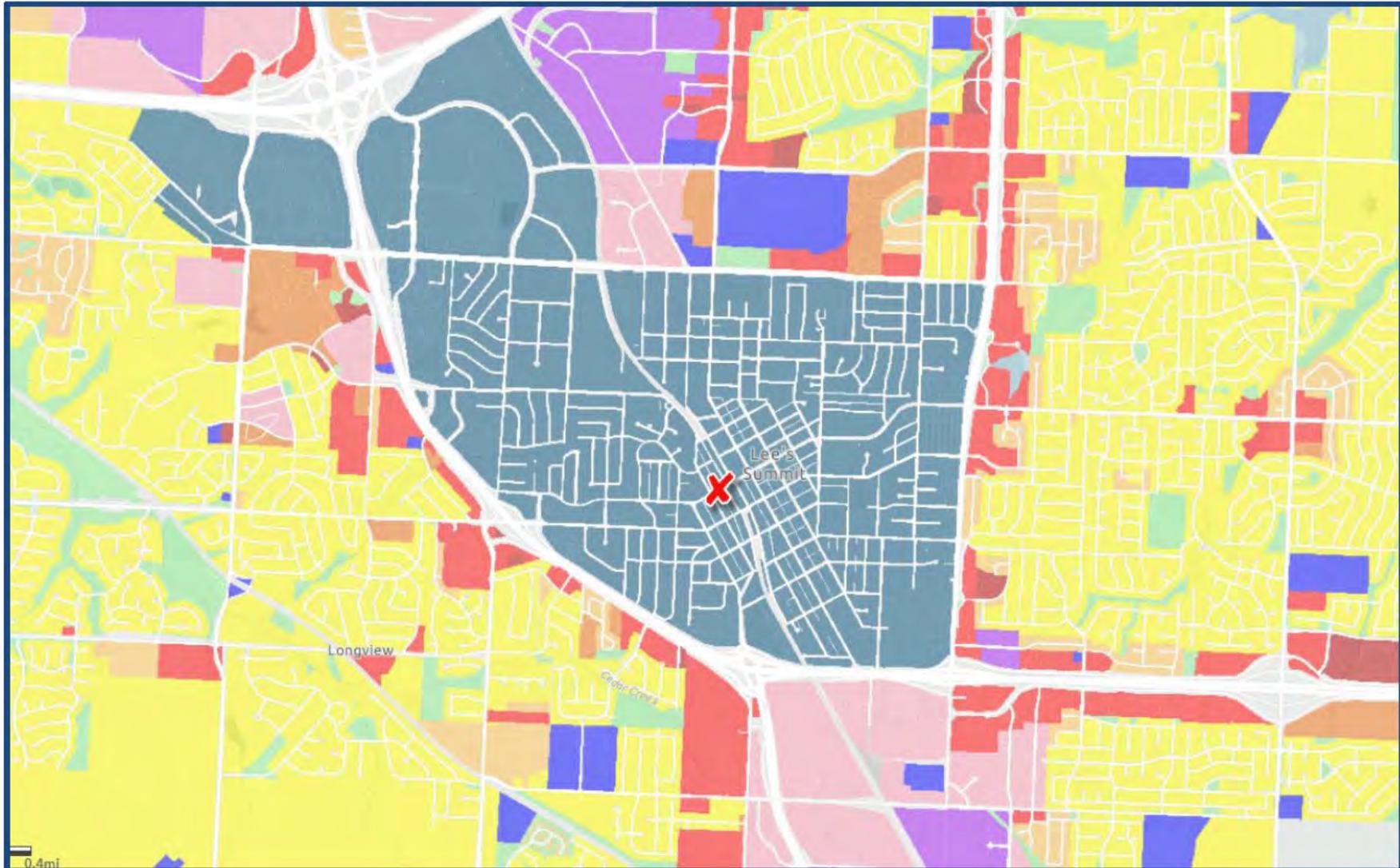
ZONING MAP

The subject site is zoned for a variety of residential and commercial uses, which is appropriate for the intended use.



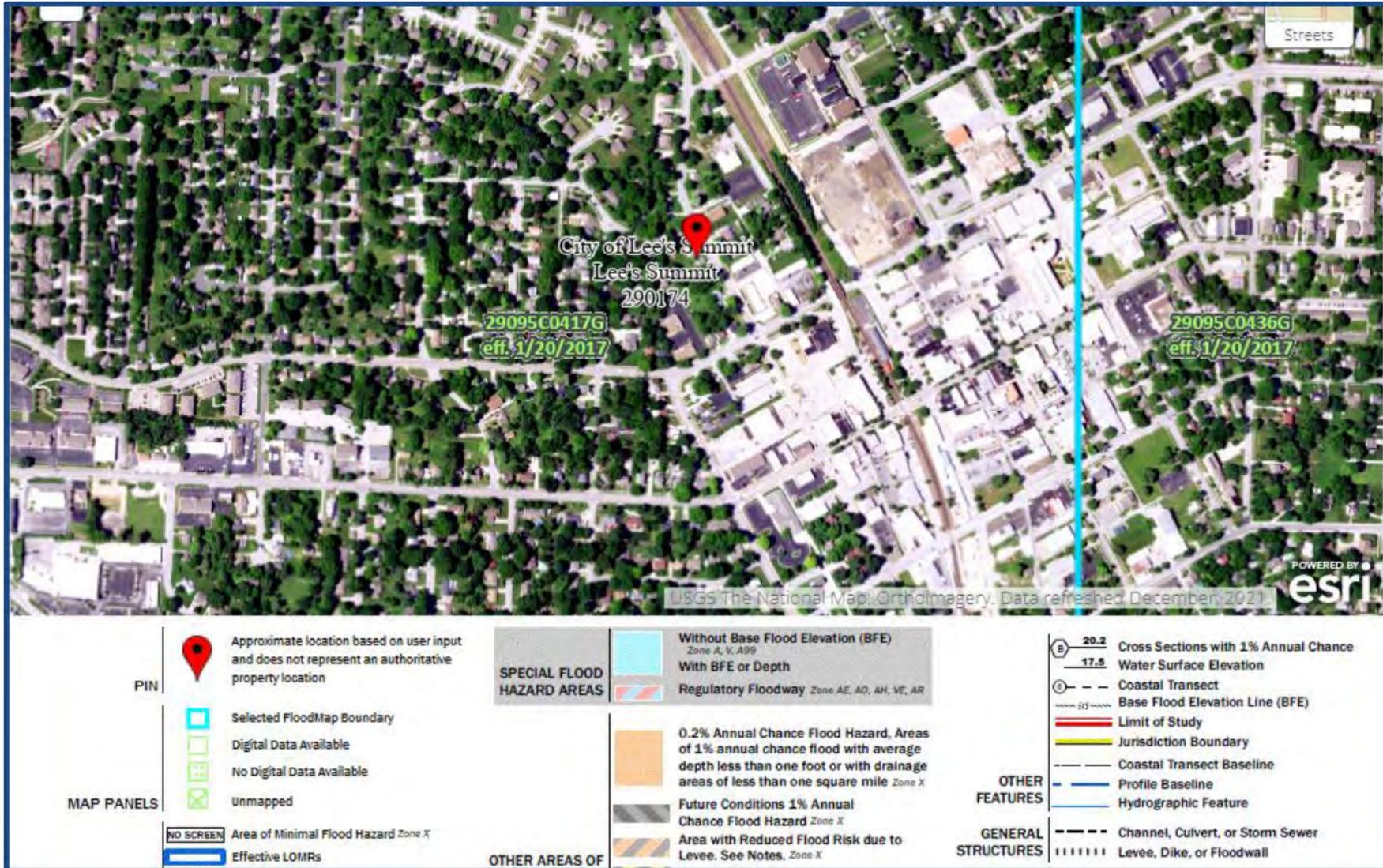
FUTURE LAND USE MAP (ACTIVITY CENTER DOWNTOWN)

The subject site is designated for future mixed-use development, which is consistent with the intended use.



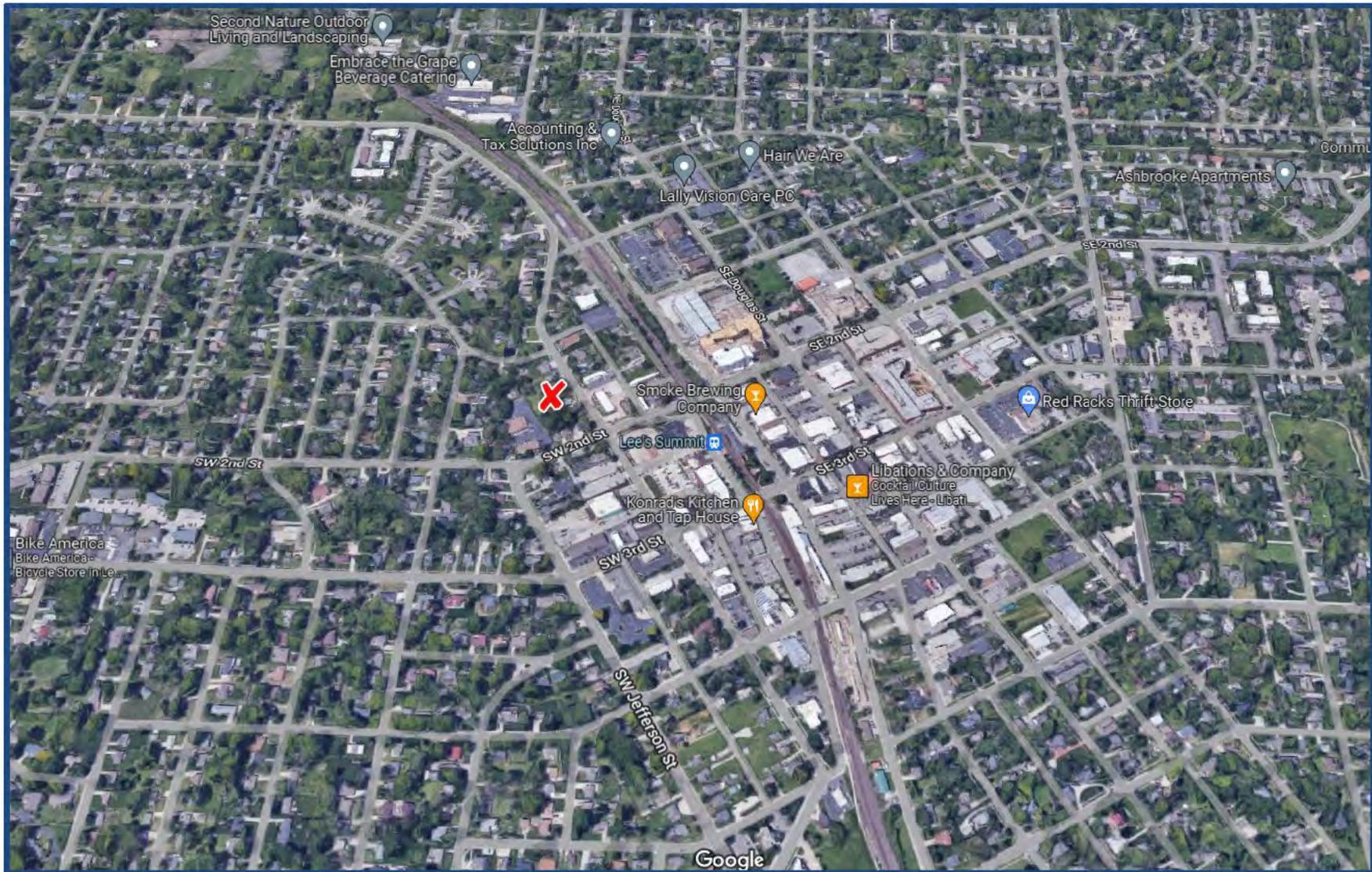
FLOOD MAP – FEMA

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



AERIAL VIEW

The subject consists of five parcels with access from Southwest Market Street.



Improvement Description

The area consist of five contiguous parcels totaling 1.23 acres of land. The existing improvements total three single-family homes containing 2,860 square feet in poor condition and not built to modern standards. The following table summarizes the Study Area and the existing improvements.

Parcel ID Number	Address	Square Feet*	Acres*	Improvements	GBA*	Year Built*	Status
61-340-16-17-00-0-00-000	102 SW Market Street	14,051	0.32	Single Family Home	893	1940	Vacant
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Total / Average	102 - 110 SW Market	53,486	1.23		2,860	1940	Vacant

*Size reported from Jackson County GIS

Class D Construction

According to *Marshall Valuation Service*, a cost provider, Class D construction buildings generally have a wood frame, floor, and roof structure. They may have a concrete floor on grade and other substitute materials, but are considered combustible construction. The exterior walls may be made up of closely spaced wood or steel studs, as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick or stone veneer, or other materials.

- ✚ The existing improved uses are Class D construction, which is common for residential 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 that is greater than the land value. According to *Marshall Valuation Service*, the economic life of a single-family home ranges from 50 to 60 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 1940 and have been vacant for an extended period of time. Based on the age of the existing improvements and the current condition, the subject improvements are at the end of their economic life and will require significant capital improvements prior to occupancy and in order to continue the current use.

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 is in "poor" condition and has not been updated to modern standards.

- ✚ Poor (Worn Out) - Repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities, etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction; reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual age.

Qualities of Construction

According to *Marshall Valuation Service*, there are four qualities of construction. The subject is considered "low cost" quality construction for the Kansas City MSA and features a dated design.

- ✦ **Low Quality** - Buildings in this category are generally constructed to minimum code requirements often with little regard for architectural appearance or other amenities. They are built with minimum investment in mind. Little ornamentation is used and interior partitioning and finish is minimal and/or of low quality.

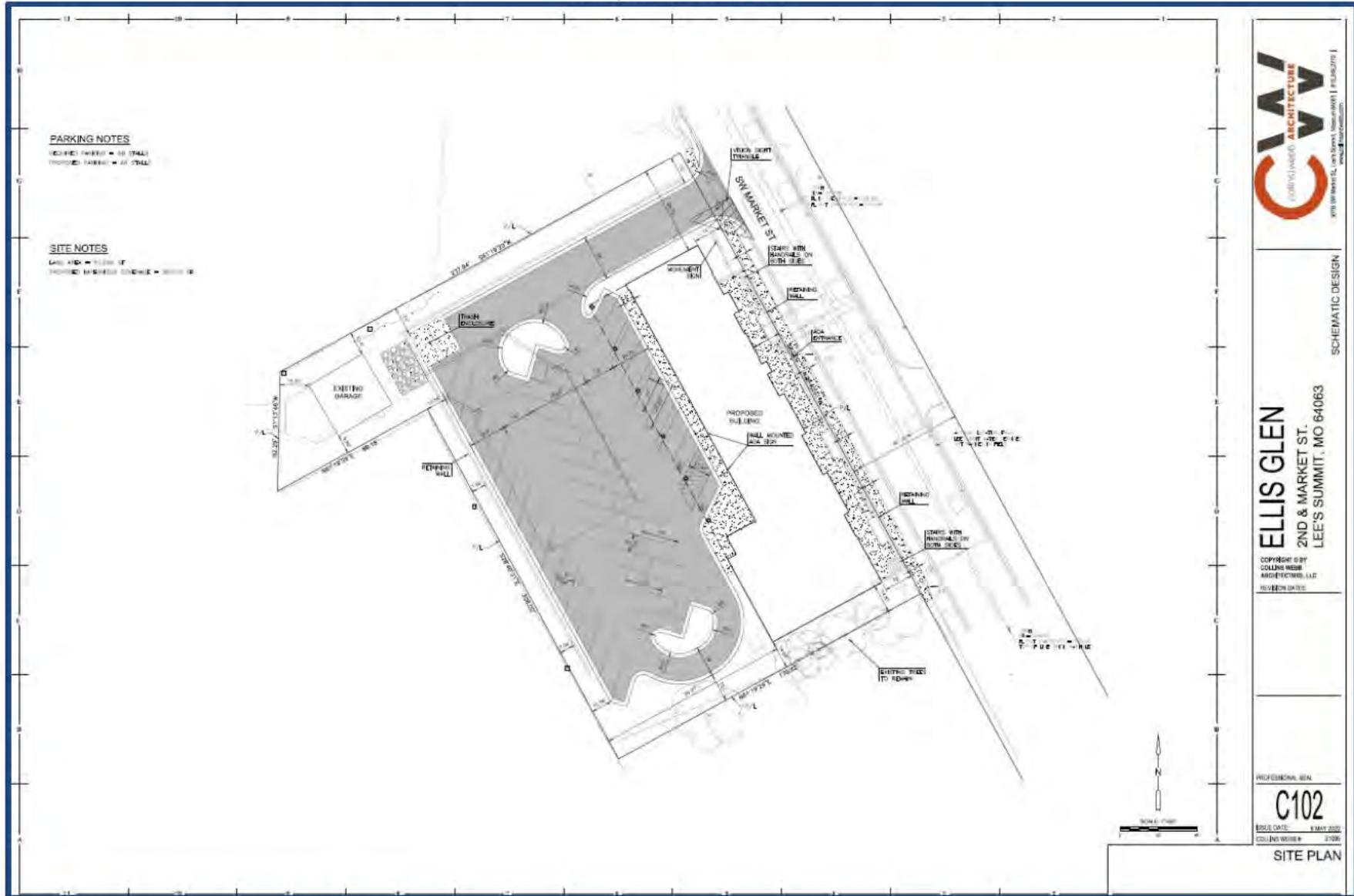
Planned Improvements Within Study Area

The Study Area is planned to be improved with a four-story, mixed-use development consisting of three first-floor commercial suites totaling 7,885 square feet, 26 residential units totaling 25,627 square feet, and surface parking. Total estimated development costs are approximately \$6.57 million excluding entrepreneurial incentive and market oriented soft costs.

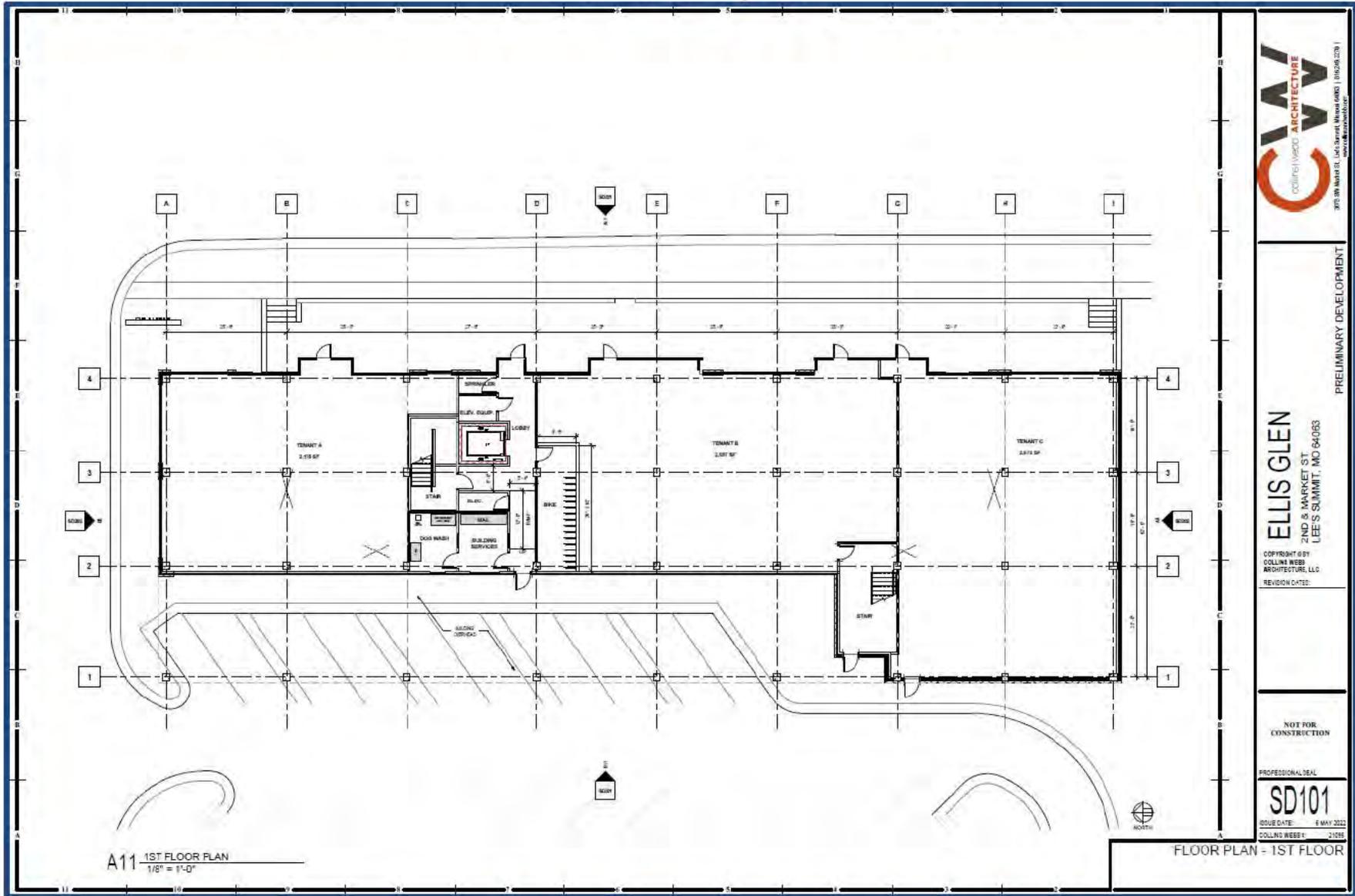
Representative Elevations



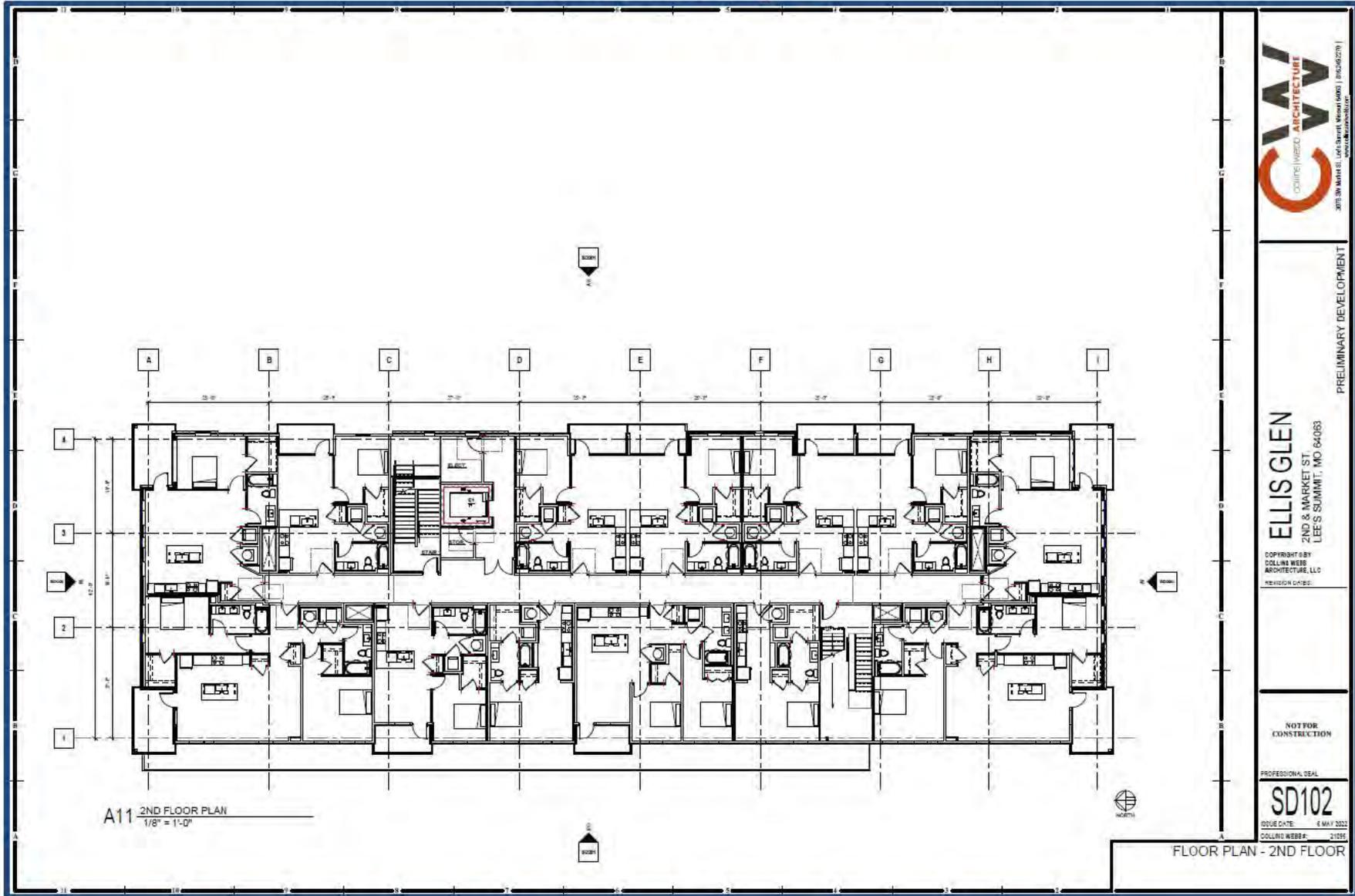
Proposed Site Plan



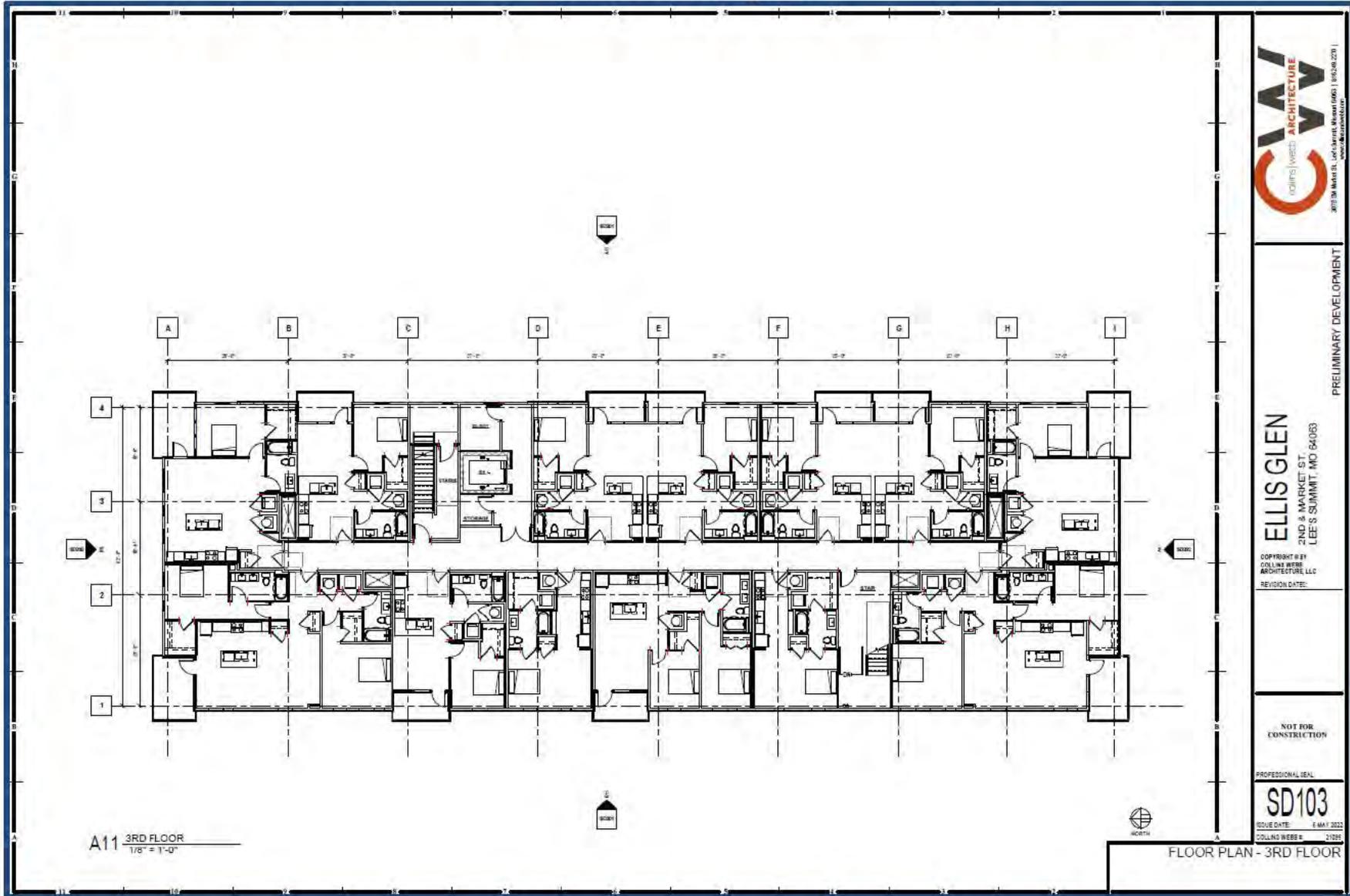
First Floor Building Plan



Second Floor Building Plan



Third Floor Building Plan



A11 3RD FLOOR
1/8" = 1'-0"



PRELIMINARY DEVELOPMENT

ELLIS GLEN
2ND & MARKET ST.
LEE'S SUMMIT, MO 64063

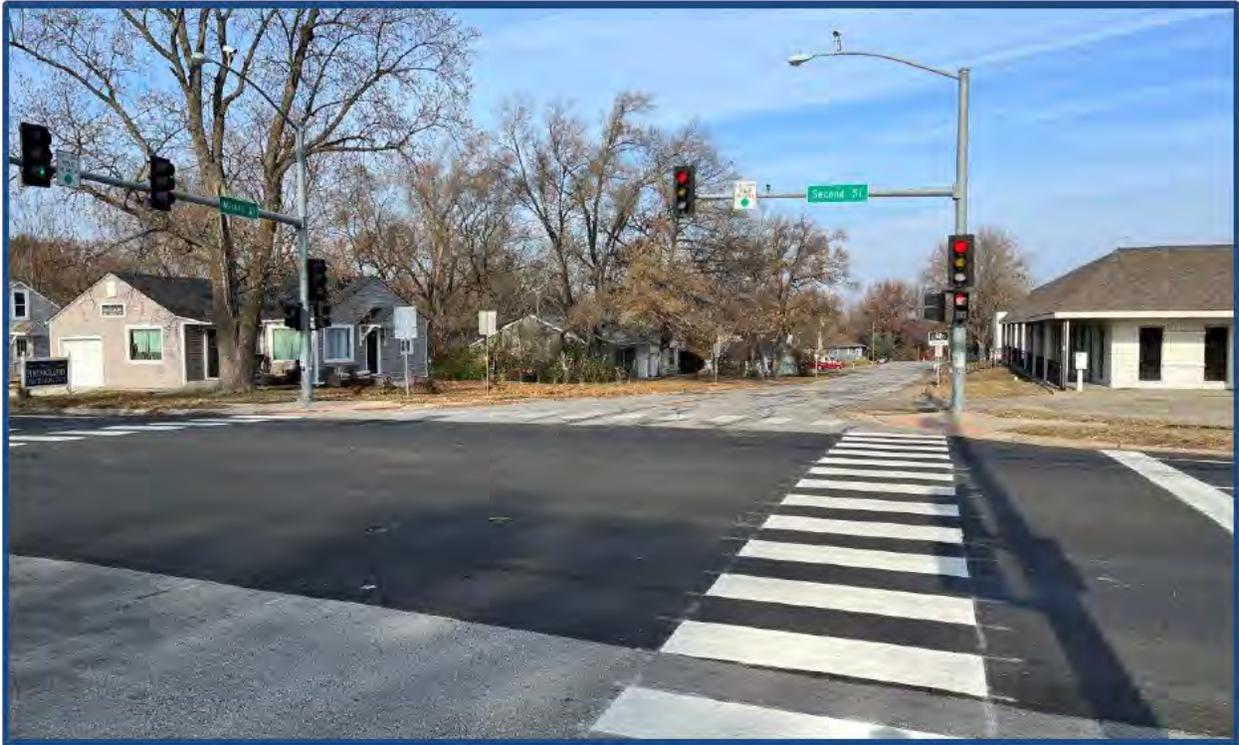
COPYRIGHT © BY
COLLINS WEST
ARCHITECTURE, LLC
REVISION DATE:

NOT FOR
CONSTRUCTION

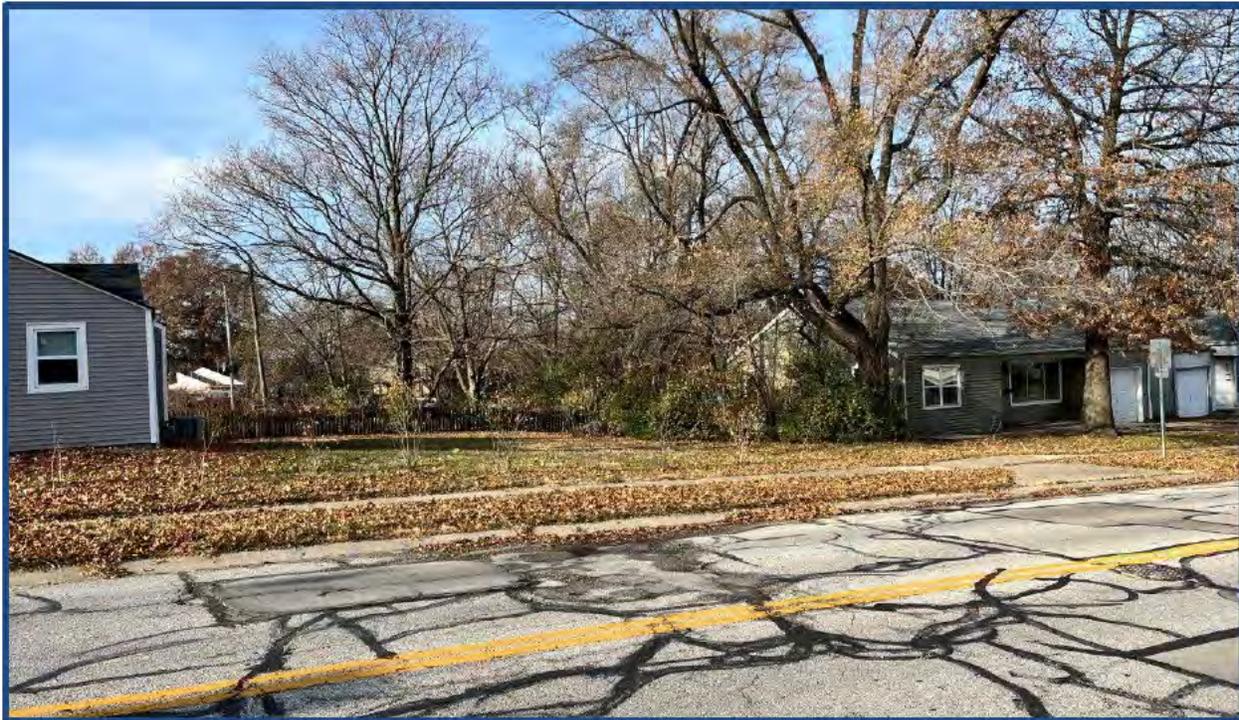
PROFESSIONAL SEAL
SD103
ISSUE DATE: 6 MAY 2022
COLLINS WEST # 21026

FLOOR PLAN - 3RD FLOOR

Subject Photos



Representative street view looking north (study area on the left)



Representative site view from Southwest Market Street



Representative single-family home in poor condition



Representative single-family home in poor condition



Representative single-family home and overgrown landscaping in poor condition



Representative single-family home in poor condition

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. [Old and Newcomers \(41.1% of Households\)](#)

This market features singles’ lifestyles, on a budget. The focus is more on convenience than consumerism, economy over acquisition. Old and Newcomers is composed of neighborhoods in transition, populated by renters who are just beginning their careers or retiring. Some are still in college; some are taking adult education classes. They support charity causes and are environmentally conscious.

2. [Rustbelt Traditions \(15.6% of Households\)](#)

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.

3. [Midlife Constants \(12.0% of Households\)](#)

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.

Summary Conclusions

Based on the market segmentation of the area, the primary users of the Study Area will be young professionals, which is discussed below.

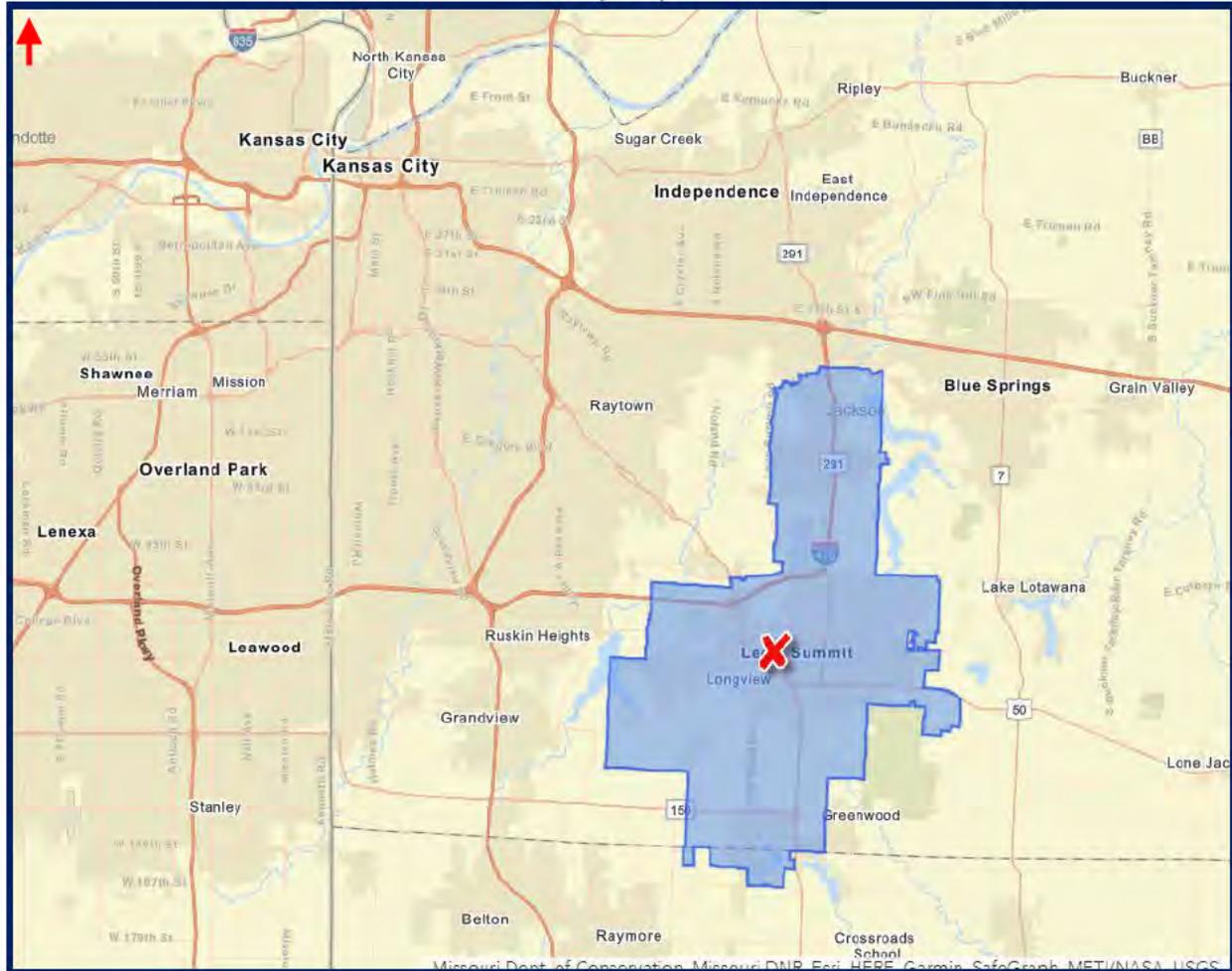
- ✚ [Young Professional](#) - The term young professional generally refers to a young person not in school who is employed in a profession or a white-collar occupation. Young professionals tend to be career oriented thus delaying marriage, educated, technology savvy, and have a higher median income. Generation Y, the largest cohort in history with approximately 80 million people and recently surpassing the baby boomer generation in terms of population, are people who were born between 1980 and 2000, with many of them being in their twenties. According to The Wall Street Journal, 88% of this demographic group wants to be in an urban setting with shopping, dining, and transit being in close proximity. Young professionals are typically in the 20 to 34 years of age cohort.

Market Area Analysis

Area Overview

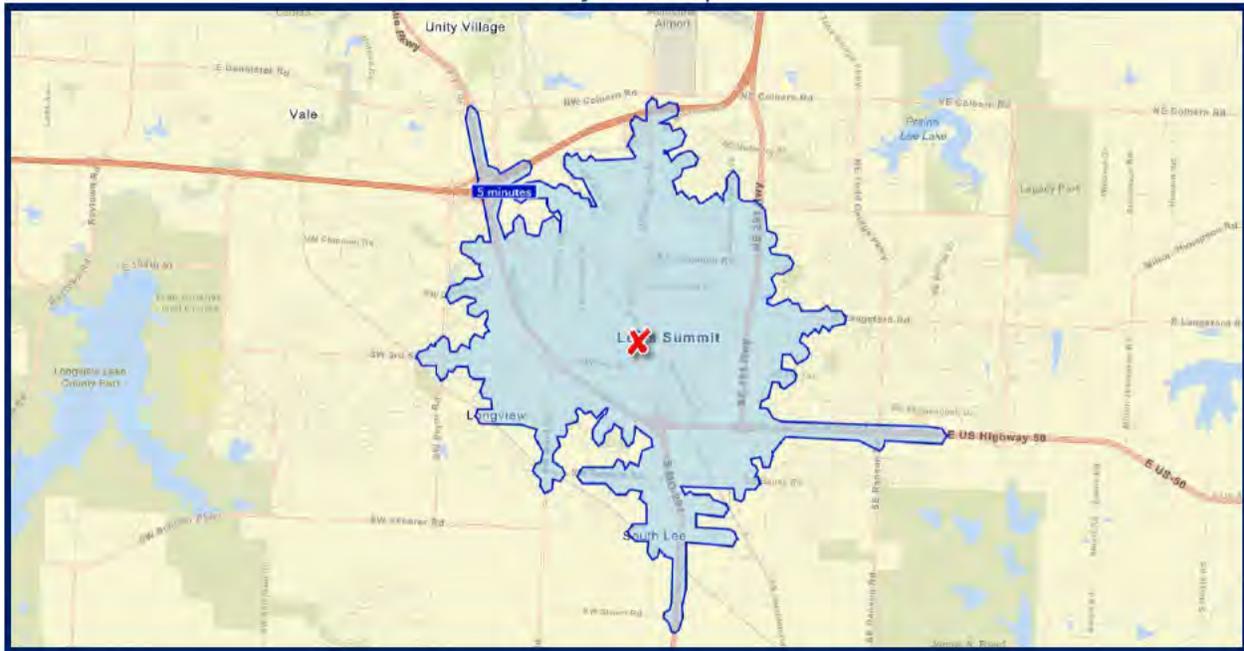
The subject is located in the southeastern portion of the Kansas City MSA within Lee's Summit, Missouri. The following analysis focuses on the social, economic, government, and environmental forces that form the elements of supply and demand and impact local real estate values.

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 infill location within Lee's Summit and the planned mixed-use development, the Study Area boundaries are considered a five-minute drive time from the subject. The northern boundary is approximately Interstate 470, the southern boundary is approximately SW Scherer Road, the eastern boundary is approximately NE Todd George Parkway, and the western boundary is approximately SW Pryor Road. The Study Area is shown on the following map.

Study Area Map



Land Use

The subject is located in the central portion of Lee's Summit with average visibility and access from SW Market Street and SW 2nd Street, which are a main access points in downtown Lee's Summit. The Study Area is located in downtown Lee's Summit, which is an attractive area in proximity to 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.

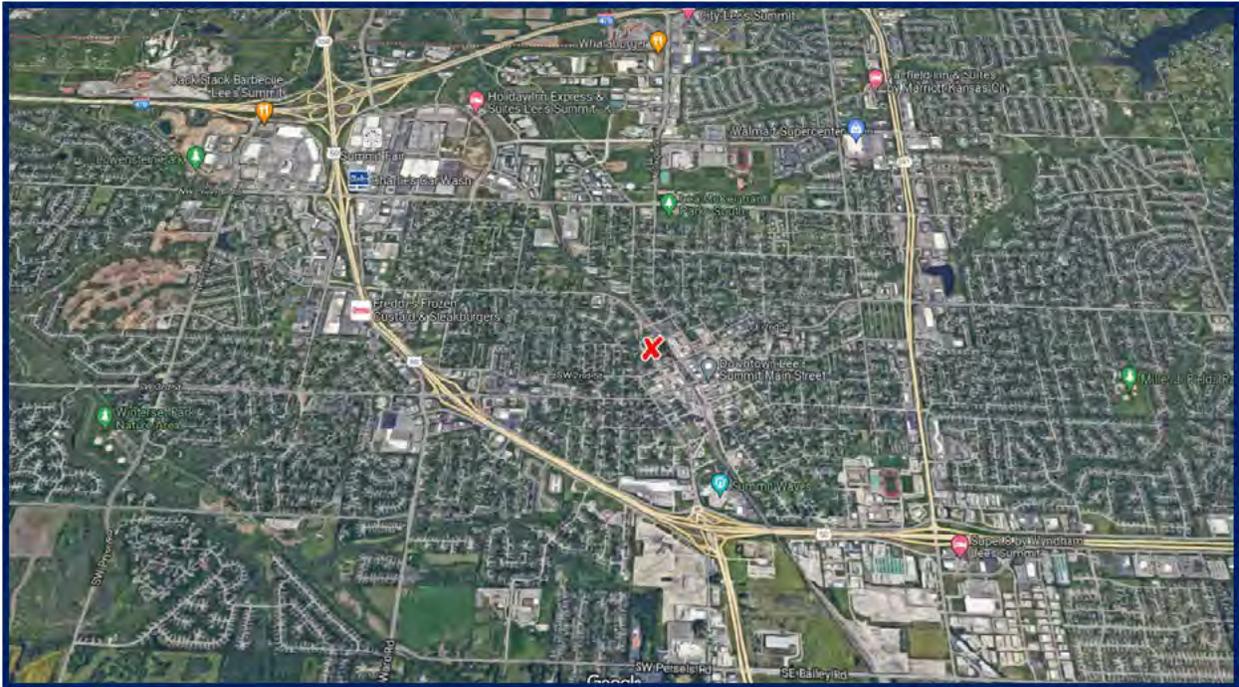
The following briefly discusses demographic and land use data that influences the supply and demand of real estate. Demographic gravitation is a social concept that large numbers of people with similar demographics and social preferences behave as an attractive force for other people to migrate causing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

Area	Population	Household Growth Rate (2010 - 2021)	Median Income	Median Home Value	Renter Households	Quality & Condition	Life Cycle Stage	Overall Rating
Subject Market Area	18,878	0.33%	\$59,878	\$192,814	50.70%	Avg to Good	Growth	Above Average
Kansas City MSA	2,188,599	0.87%	\$70,082	\$218,071	34.25%	Baseline	Baseline	Base ine
Overland Park, KS	197,358	1.22%	\$89,506	\$308,343	37.10%	Good	Growth	Above Average
Johnson County, KS	645,546	1.11%	\$91,291	\$294,527	30.75%	Good	Growth	Above Average
Kansas City, MO	533,722	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 comprises an older but desirable part of Lee's Summit that is fully built-out with limited land available for development. However, the proximity to several major shopping centers, Unity Village, Saint Luke's East Hospital, and Interstate 470 is favorable for future space demand and redevelopment potential.

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 to slightly lower percentage of the population with college education accounting for 34.8% 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 a mixed-use project.

Educational Attainment	United States	Kansas City MSA	Study Area
High School Diploma	23.1%	22.6%	24.9%
GED	4.0%	3.6%	4.2%
Some College	18.3%	19.2%	22.4%
Associate's	9.4%	8.4%	9.0%
Bachelor's	21.7%	25.3%	23.3%
Graduate, Professional, and Doctorate	13.4%	14.5%	11.5%
Bachelor's Degree and Above	35.1%	39.8%	34.8%

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 in proximity to several 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

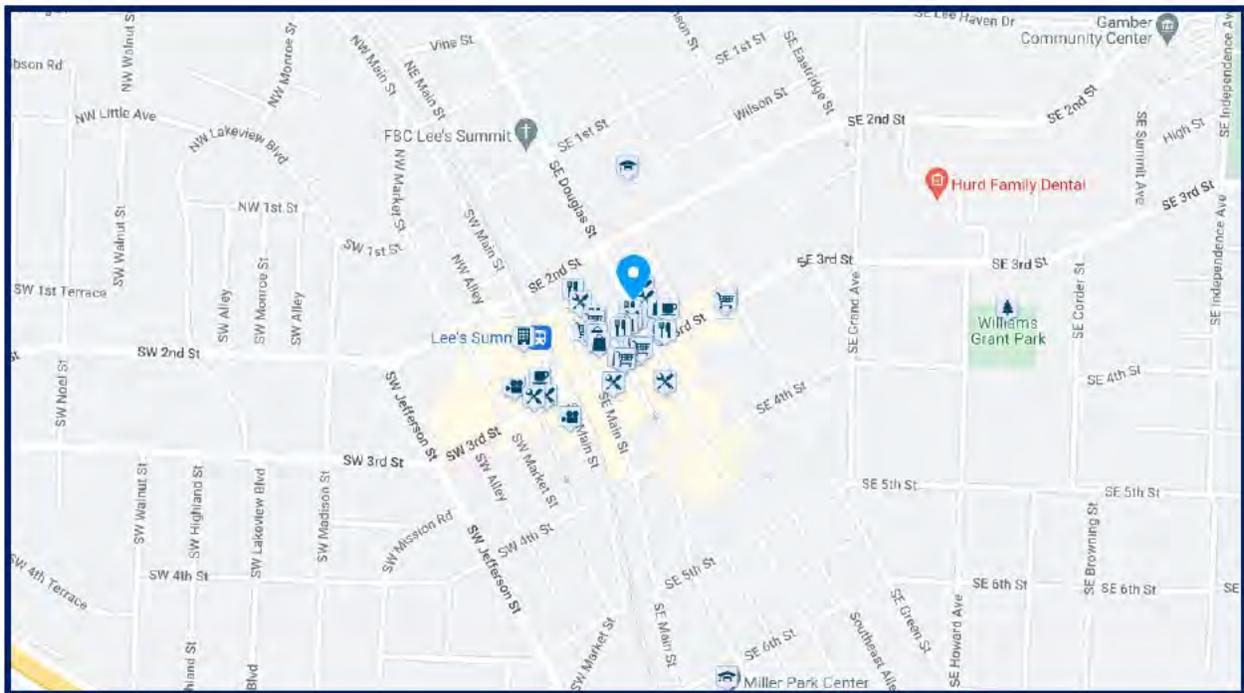
Support Services

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 69, making it “somewhat walkable.” The subject is in a more walkable area of Lee’s Summit, which is favorable. 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

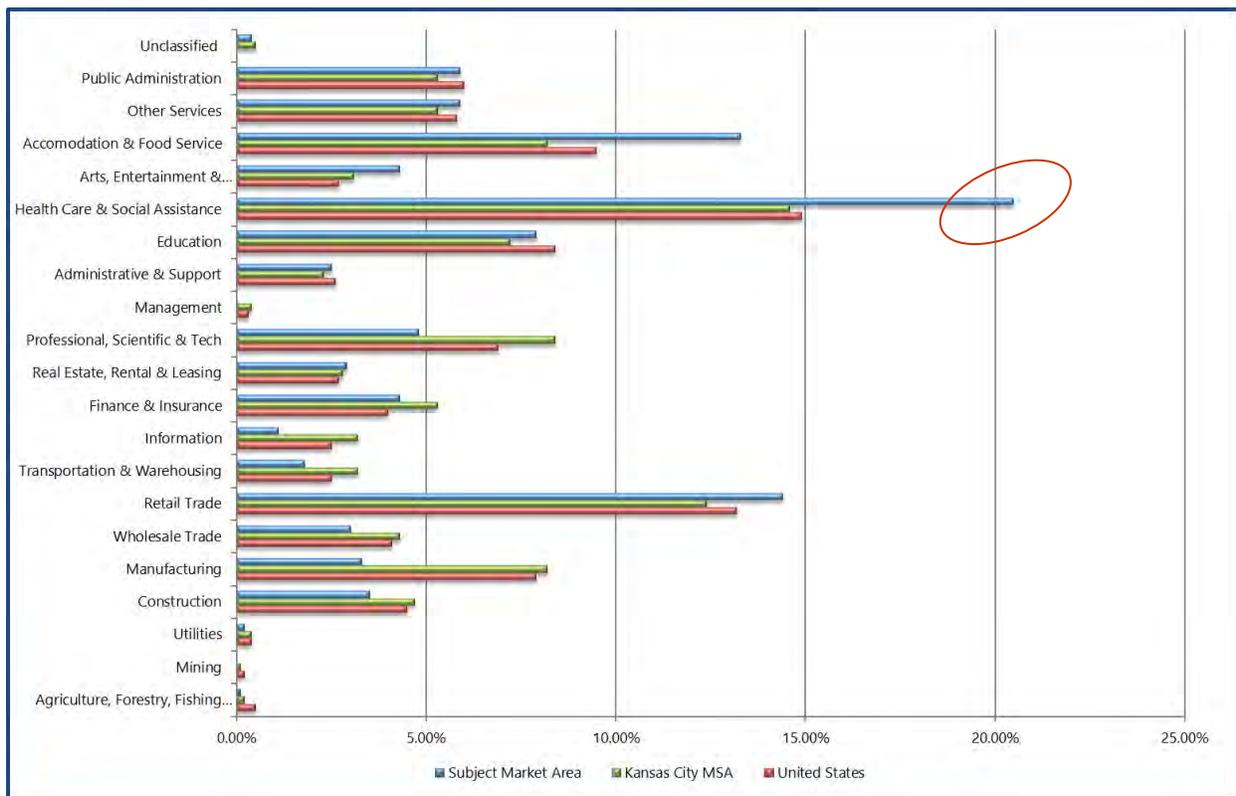
Based on our analysis of the preceding factors, the market area appears to be in its second and fourth life cycle state, a period of stability with pockets of redevelopment. Recent development activity within Lee’s Summit has been above the historical average with several large-scale projects to capitalize 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 above average with continued public and private investment further enhancing its attractive location.

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 54,501 people in the Study Area. The following chart compares employment by industry for the Study Area, MSA, nation as a point of comparison.

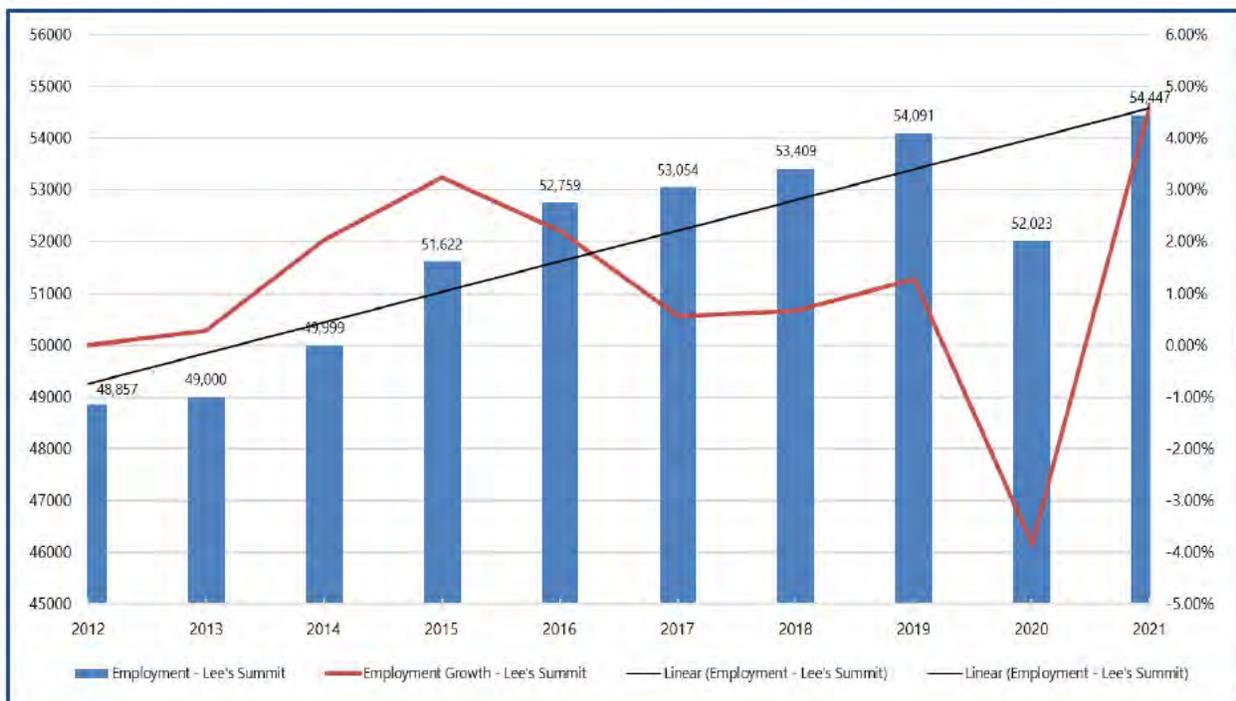


The health care sector is the largest employment category (20.5%) in the Study Area with retail trade (14.4%) the second largest employment industry. Other major industries are accommodation and food service (13.3%), other services (5.9%), and public administration (5.9%). In comparison to the MSA, the largest positive employment gap is in health care (5.9%) with the largest negative employment gap in manufacturing (negative 4.9%). The Study Area has a less diversified employment base with a high concentration of health care, retail trade, and accommodation and food service within the immediate area. 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%	55	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	0.2%	109	0.4%	4,495	0.4%	584,483	-0.2%
Construction	3.5%	1,908	4.7%	52,820	4.5%	6,575,437	-1.2%
Manufacturing	3.3%	1,799	8.2%	92,153	7.9%	11,543,545	-4.9%
Wholesale Trade	3.0%	1,635	4.3%	48,324	4.1%	5,990,954	-1.3%
Retail Trade	14.4%	7,848	12.4%	139,354	13.2%	19,287,949	2.0%
Transportation & Warehousing	1.8%	981	3.2%	35,962	2.5%	3,653,021	-1.4%
Information	1.1%	600	3.2%	35,962	2.5%	3,653,021	-2.1%
Finance & Insurance	4.3%	2,344	5.3%	59,562	4.0%	5,844,833	-1.0%
Real Estate, Rental & Leasing	2.9%	1,581	2.8%	31,467	2.7%	3,945,262	0.1%
Professional, Scientific & Tech Management	4.8%	2,616	8.4%	94,401	6.9%	10,082,337	-3.6%
Administrative & Support	0.0%	0	0.4%	4,495	0.3%	438,362	-0.4%
Education	2.5%	1,363	2.3%	25,848	2.6%	3,799,141	0.2%
Health Care & Social Assistance	7.9%	4,306	7.2%	80,915	8.4%	12,274,149	0.7%
Arts, Entertainment & Recreation	20.5%	11,173	14.6%	164,078	14.9%	21,772,003	5.9%
Accommodation & Food Service	4.3%	2,344	3.1%	34,838	2.7%	3,945,262	1.2%
Other Services	13.3%	7,249	8.2%	92,153	9.5%	13,881,478	5.1%
Public Administration	5.9%	3,216	5.3%	59,562	5.8%	8,475,008	0.6%
Unclassified	5.9%	3,216	5.3%	59,562	6.0%	8,767,249	0.6%
Unclassified	0.4%	218	0.5%	5,619	0.5%	730,604	-0.1%

Employment – Bureau of Labor Statistics

Employment growth in Lee's Summit (smallest geographic area covering the market area) has averaged 1.24% from 2010 through 2021 with the national average reporting 0.75% 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 in line with the MSA rate and more than the 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 2010 through 2021.

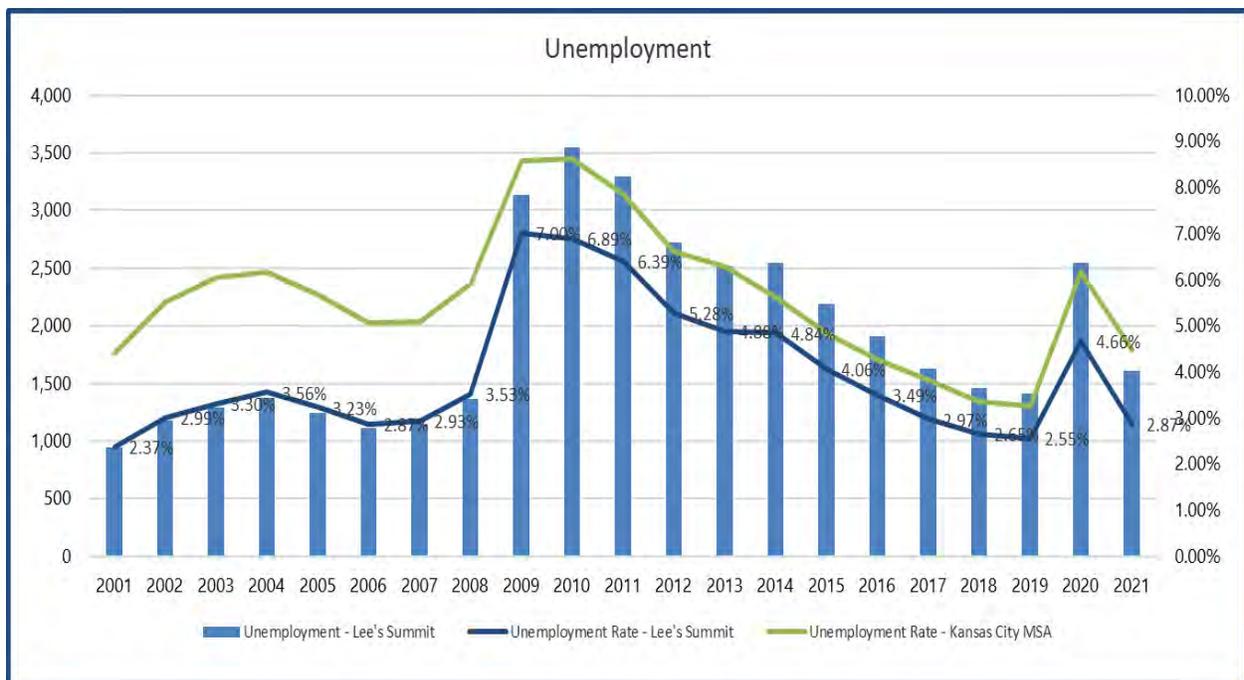


Unemployment - Bureau of Labor Statistics (October 2022)

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.

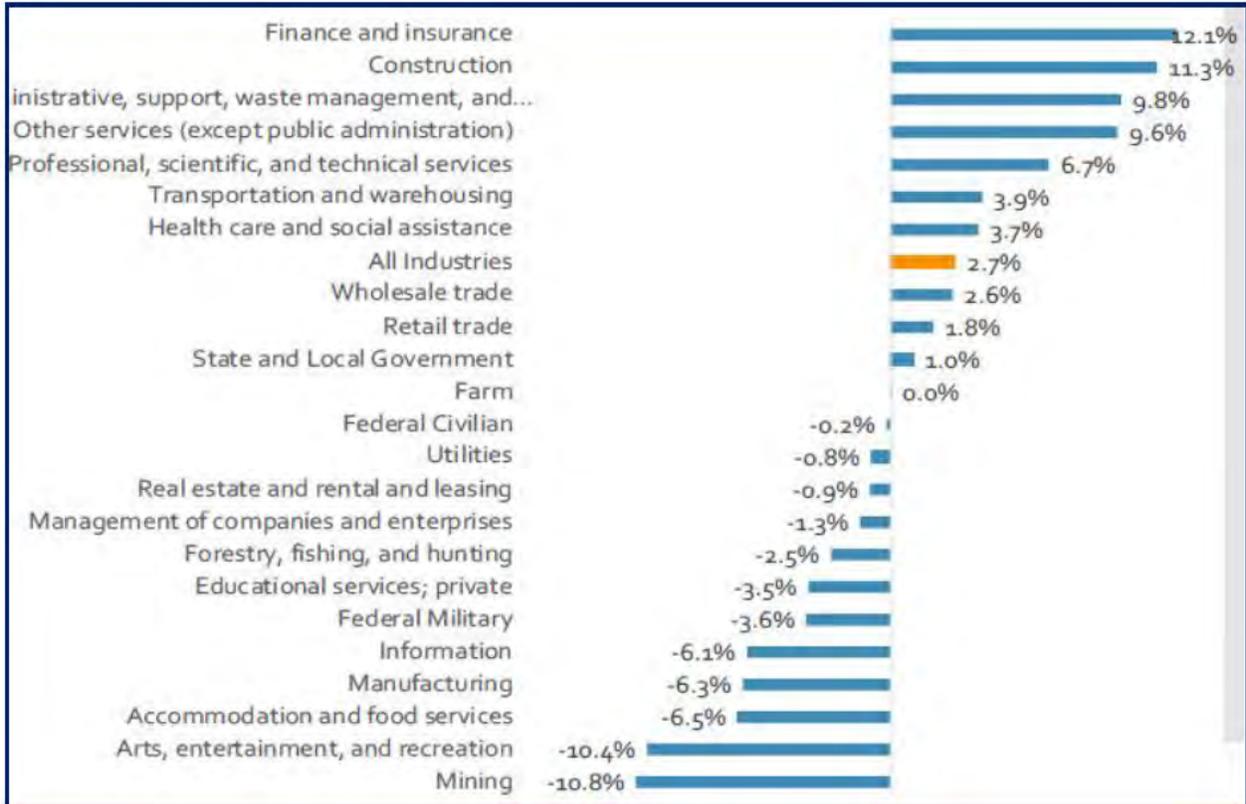
Period	United States	Missouri	Kansas	Kansas City MSA	Jackson County, MO	Lee's Summit, MO
Oct-22	3.7%	2.6%	280.0%	2.6%	2.8%	2.1%

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.



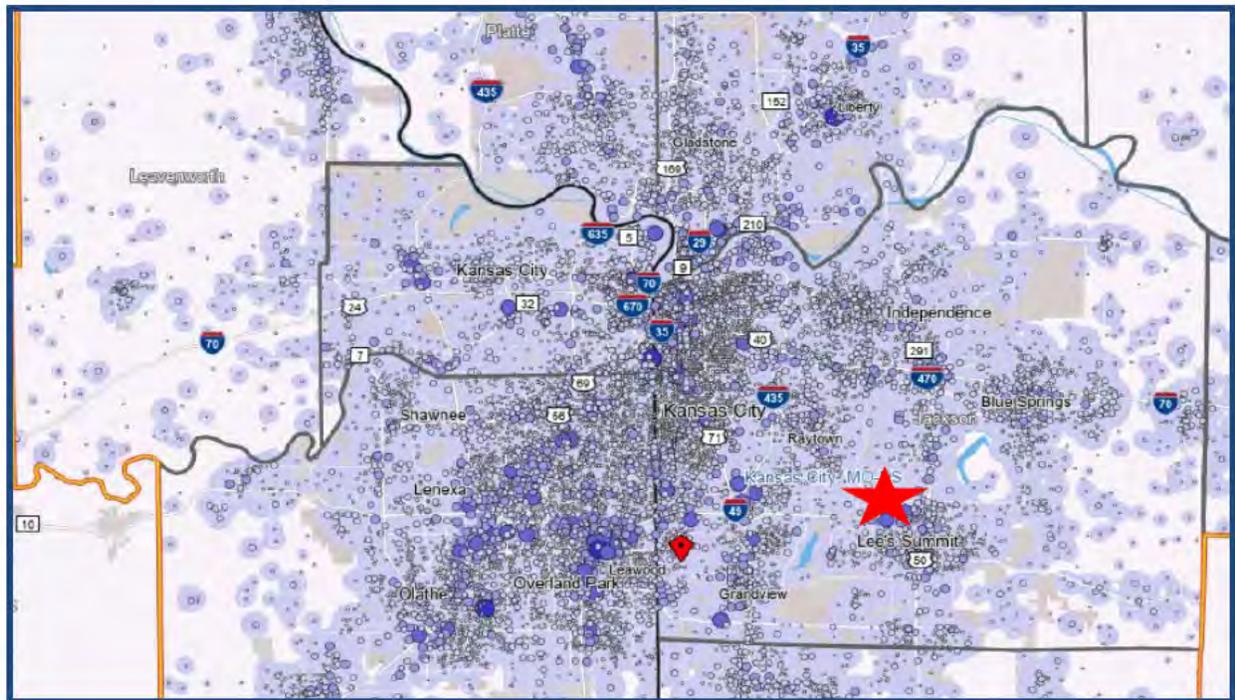
Kansas City Metropolitan COVID-19 Impact

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 healthcare, education, and municipal 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 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 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 0.85% of the population when compared to the MSA. ESRI projects population to increase by 211 people through 2027.

Total Population	United States	Kansas City MSA	Study Area
2010 Total Population	308,745,538	2,009,342	17,811
2020 Total Population	331,449,281	2,192,035	18,399
2022 Total Population	335,707,897	2,229,421	18,878
2027 Total Population	339,902,796	2,269,147	19,089

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 1.30% from 2020 to 2022. The 2022 to 2027 growth forecast of 0.22% is less than the 2022 to 2027 growth rate due to slowing economy and rising interest rate environment.

Population Growth	United States	Kansas City MSA	Study Area
2010	-	-	-
2020	0.74%	0.91%	0.33%
2022	0.64%	0.85%	1.30%
2027	0.25%	0.36%	0.22%

Annual Population Growth

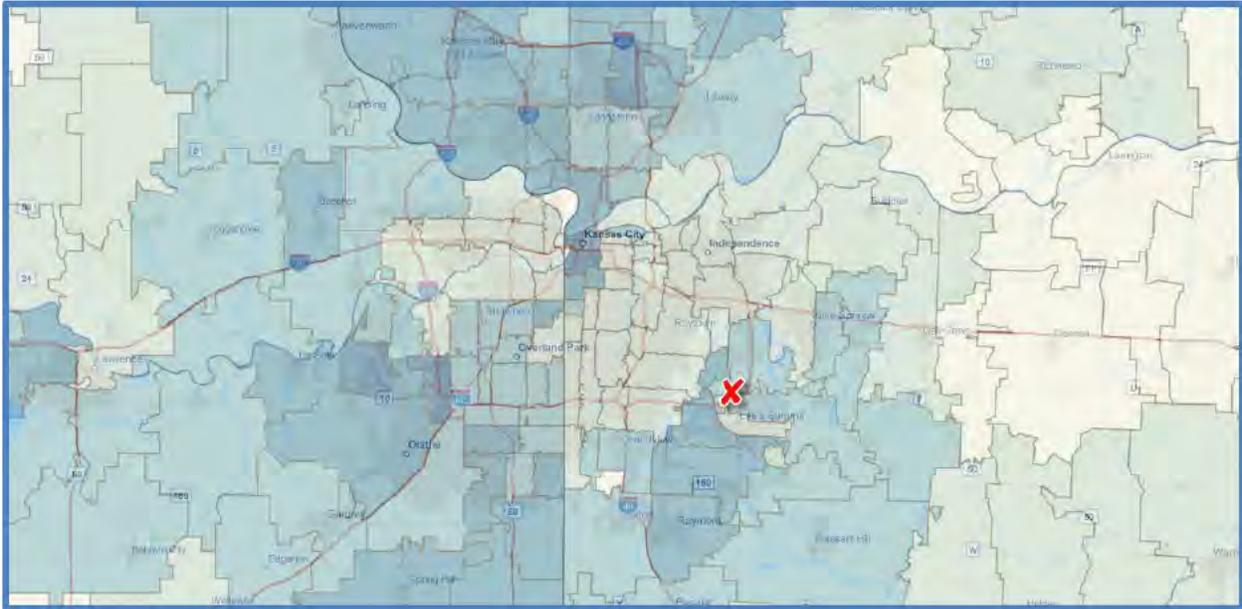
The following table reports annual population growth in terms of people.

Annual Population Growth	United States	Kansas City MSA	Study Area
2010	-	-	-
2020	2,270,374	18,269	59
2022	2,129,308	18,693	240
2027	838,980	7,945	42

Population from 2010 to 2020 increased by 59 people per year as single-family permitting slowed due to increased demand for rental housing and urban living. Annual population growth increased to 240 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 an urban area 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.

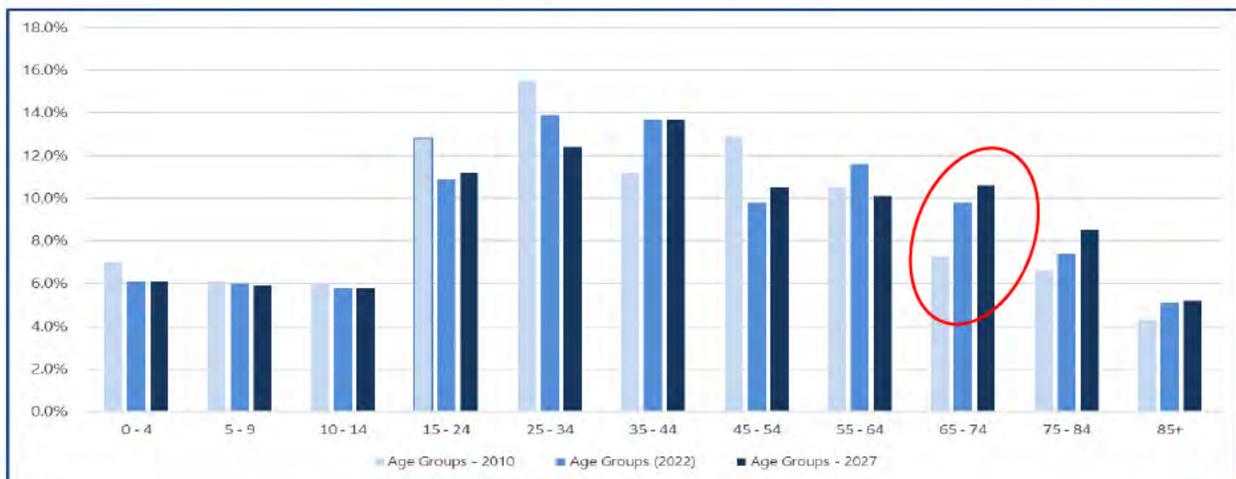
Areas of Population Growth

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 modest population growth. However, the surrounding area to the south has experienced an increase in population growth, which is favorable for the city as a whole.



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 from 7.3% in 2010 to 10.6% in 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 39.9 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	37.3
2022 Median Age	38.9	38.4	39.9
2027 Median Age	39.6	39.1	41.3

Households

According to Census data, households in the Study Area grew at a rate of 1.21% per year between 2020 and 2022 due to the impact of COVID. Annual growth is forecasted to slow to 0.31% from 2022 to 2027, which is less favorable for future space demand.

Household Composition - PMA				
	2010	2020	2022	2027
Number of Households	8,161	8,616	8,825	8,961
Annual Household Growth	-	0.56%	1.21%	0.31%
Percentage Renters	51.2%	51.0%	50.7%	50.9%
Number of Renter Households	4,175	4,394	4,475	4,559
Annual Renter Household Growth	-	0.53%	0.17%	0.38%

Housing Units

The number of housing units in the Study Area increased 2.58% from 2020 to 2022, which is less than the MSA rate of 7.63%. According to ESRI, housing units are forecasted to grow 2.30% through 2027, which is slightly 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	8,978
2020 Housing Units	140,498,736	871,952	9,302
2022 Housing Units	142,933,286	938,503	9,542
2027 Housing Units	146,066,049	957,750	9,761

ESRI reports that 240 housing units were added to the inventory from 2020 to 2022, which is more than the total number of new households of 209 resulting deficit demand of 31 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	9,302
2022 Housing Units	142,933,286	938,503	9,542
Change in Housing Units	2,434,550	66,551	240
2020 Households	126,817,580	868,375	8,616
2022 Households	128,657,669	884,847	8,825
Change in Households	1,840,089	16,472	209
Excess Housing Demand	(594,461)	(50,079)	(31)

Type of Occupation

Type of occupation refers to white collar (high average salaries and advanced education), services (intangible goods produced by both white- and blue-collar employees), and blue collar (hourly pay and manual labor) employment. Areas with an increase in white collar and service employment tend to have a higher median household income, increased homeownership rate, and a more educated workforce. The Study Area has a slightly higher percentage of white-collar employment when compared to the MSA, which has resulted in increased growth and development.

Type of Occupation	United States	Kansas City MSA	Study Area
White Collar	61.8%	65.1%	66.1%
Services	15.9%	13.8%	14.2%
Blue Collar	22.3%	21.1%	19.6%
Total	100%	100%	100%

Renter Households

The Study Area is comprised of 50.7% renters, which is more than the MSA at 34.1% and the nation at 35.3%. The Study Area is comprised of increased renter households when compared to the MSA and nation, which is favorable for future rental demand and retail services.

Percentage of Renters	United States	Kansas City MSA	Study Area
2010 Percentage of Renter Housing	33.8%	32.8%	51.2%
2020 Percentage of Renter Housing	34.9%	33.9%	51.0%
2022 Percentage of Renter Housing	35.3%	34.1%	50.7%
2027 Percentage of Renter Housing	34.7%	33.6%	50.9%

Income Levels in the Study Area

The largest annual income bracket in the Study Area is the \$50,000 to \$74,999 cohort accounting for 19.3% of the households. The Study Area has a slightly skewed income distribution with a lower concentration of households earning more than \$50,000 per year when compared to the MSA. According to ESRI, 59.5% of the households in the Study Area earn over \$50,000 with 68.7% of the households in the MSA earning more than \$50,000 per year. The following table shows the income levels in the Study Area and MSA.



Median Household Income and Home Value

The Study Area has a median household income of \$59,878. 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 lower 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	\$59,878
2027 Median Household Income	\$84,445	\$87,049	\$69,784

According to ESRI, the average home value in the Study Area is \$217,198, which is less than the MSA average home price. Homes priced between \$100,000 and \$149,999 and \$200,000 to \$249,999 contain the highest concentration of existing households.

2022 Owner-Occupied Housing Units by Value	United States	Kansas City MSA	Study Area
< \$50,000	5.2%	5.0%	0.7%
\$50,000 - \$99,999	7.5%	6.2%	3.9%
\$100,000 - \$149,999	8.2%	9.7%	16.0%
\$150,000 - \$199,999	11.2%	14.7%	34.4%
\$200,000 - \$249,999	11.0%	15.5%	22.3%
\$250,000 - \$299,999	10.3%	12.2%	6.0%
\$300,000 - \$399,999	15.8%	18.3%	12.6%
\$400,000 - \$499,999	9.9%	8.9%	1.8%
\$500,000 - \$749,999	11.8%	6.9%	2.2%
\$750,000 - \$999,999	4.8%	1.3%	0.1%
\$1,000,000 - \$1,499,999	2.3%	0.7%	0.0%
\$1,500,000 - \$1,999,999	0.9%	0.2%	0.0%
\$2,000,000+	1.1%	0.3%	0.0%
Average Home Value	\$374,078	\$288,903	\$217,198
Homes Priced Under \$200,000	32.10%	35.60%	55.00%
Homes Priced Over \$500,000	20.90%	9.40%	2.30%

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 lower median household income when compared to the MSA and 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 existing improvements total three single-family homes containing 2,860 square feet in poor condition and not built to modern standards. The improvements were built in 1940 and suffer from functional and physical obsolescence. The Department of Housing and Urban Development (HUD) requires a lead-based paint disclosure for homes built prior to 1978. Additionally, the age of the homes could result in each structure containing asbestos containing material that will require remediation before future development can occur. However, we were not provided with a Phase I report to verify. It is recommended a competent third-party prepare a Phase I to confirm. The following table summarizes the existing improvements within the Study Area.

Parcel ID Number	Address	Square Feet*	Acres*	Improvements	GBA*	Year Built*	Status
61-340-16-17-00-0-00-000	102 SW Market Street	14,051	0.32	Single Family Home	893	1940	Vacant
61-340-16-16-00-0-00-000	104 SW Market Street	10,014	0.23	Vacant Lot	-	-	Vacant
61-340-16-15-00-0-00-000	106 SW Market Street	9,555	0.22	Vacant Lot	-	-	Vacant
61-340-16-27-00-0-00-000	108 SW Market Street	9,538	0.22	Single Family Home	920	1940	Vacant
61-340-16-28-00-0-00-000	110 SW Market Street	10,328	0.24	Single Family Home	1,047	1940	Vacant
Total / Average	102 - 110 SW Market	53,486	1.23		2,860	1940	Vacant

*Size reported from Jackson County GIS

The existing improvements are not built to modern standards and representative of the quality and condition of surrounding land uses. At the time of inspection all three homes were vacant and in poor condition. The lack of updating and constant use has resulted in accelerated deterioration of the structure and improvements. Without updating the property will continue to decline at an accelerated pace as the physical life of the asset is shortened.

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 are 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, concrete paving has a life expectancy ranging from 10 to 20 years with asphalt paving having a shorter economic life. The following picture shows there to be significant deterioration of the existing site improvements within the Study Area. The paving and landscaping is in below average condition and will require updating prior to occupancy.



The site improvements are considered to be in fair condition and will require repair in the near term. In addition to the paving, there are significant areas of deterioration pertaining to the roof, siding, windows, gutters, fascia, etc., of the Study Area. The subject improvements are dated and suffer from increased aging when compared to other buildings located at the periphery of downtown Lee's Summit. The finish and condition is not consistent with new and existing construction in the surrounding area and will require significant capital improvements to extend the economic life. According to Jackson County, the majority of the existing homes near downtown Lee's Summit are priced between \$200,000 and \$400,000, which is considerably more than the Study Area.

According to the City of Lee's Summit, the Study Area is located within proximity to several economic incentive districts that have been improved with new development. The following map shows representative single-family improvements, which are maintained to more modern building standards resulting in greater asset pricing.



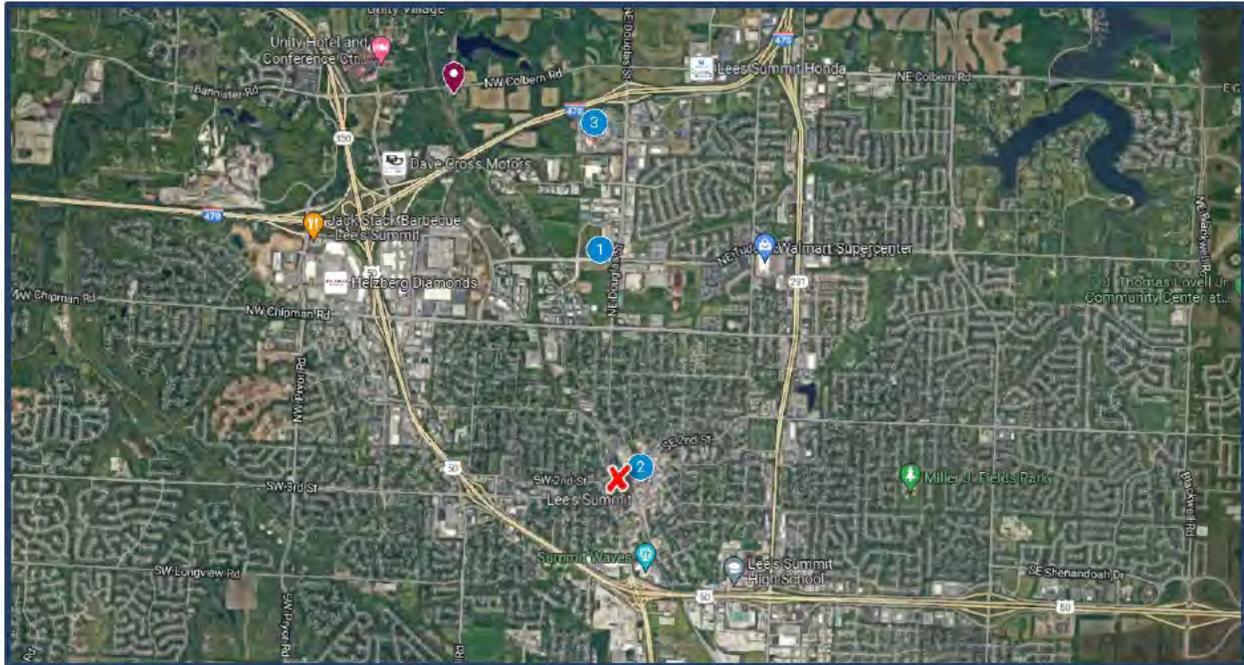
Based on the previous analysis we are of the opinion that deterioration of site improvements is considered to be a significant indication of blight for the Study Area.

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

The Study Area is conveniently located near support services. 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	1.5	Yes
2	Lee's Summit Fire Station	207 Southeast Douglas	0.3	Yes
3	Saint Luke's East Hospital	100 Northeast St. Luke's	2.2	Yes

Most life, fire, and safety services are located within one to three miles south of the subject. As shown in the following map, life, fire, and safety services are within a reasonable driving distance and response time from the subject.



As previously noted, the Study Area suffers from areas of deferred maintenance consisting of paving, exterior façade, and aging improvements not built to modern standards. As the improvements continue to deteriorate additional life and safety issues could result and become a hazard to the surrounding property owners.

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 residential use (19%). A summary of assessed values for the Study Area is shown below.

Tax Year	2020	2021	2022
Implied Market Value	\$309,551	\$323,000	\$323,000
<i>Implied Value per SF</i>	<i>\$108.23</i>	<i>\$112.94</i>	<i>\$112.94</i>
Assessed Value	\$58,817	\$61,370	\$61,370
Taxable Value (economic incentives)	\$58,817	\$61,342	\$61,370
Percentage Change (actual value)	-	4.29%	0.05%

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 vacant land and three single-family homes, the Study Area is valued for tax purposes significantly less than the surrounding properties. The preliminary development budget for the redevelopment of the Study Area is \$6.57 million. The following table summarizes the potential increase in real estate taxes

based on the existing tax value as reported by Jackson County and the preliminary development budget at full build-out.

Mill Levy	Assessment Ratio	Effective Tax Rate	Preliminary Costs	Taxes at Stabilization*	Existing Taxes	Increase in Tax Base
82.3957	19.0%	1.5655%	\$6,570,000	\$102,855	\$4,989	\$97,866

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

The Study Area consists of vacant land and aging properties that are not built to modern standards and suffer from deferred maintenance. The existing uses are not consistent with existing and redevelopment occurring within the immediate area and the highest and best use. 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 that the Study Area will be redeveloped without economic assistance.

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 increasing life, fire, and safety issues within the area.

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 updated to modern standards the tax base is projected to grow due to increased real estate taxes, retail sales, and ancillary services that will benefit from the concentration of jobs and consumers.

The lack of retail sales, real estate taxes, and employment that the Study Area is generating retards the educational and community services that could be provided to community members of Lee’s Summit. 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 November 23, 2022, 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.

Menace to Public Health and Safety

In addition to the Study Area constituting an economic and social liability in its present condition and use due to the previously stated blighting factors, the same blighting factors also present a menace to the public health, safety, and welfare in its present condition and use. Therefore, we have determined that on November 23, 2022, the Study Area is a “blighted area” according to the definition provided in the Missouri Statutes.

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 previous analysis demonstrates that two of the three blighting factors are present in the Study Area. The presence of insanitary of unsafe conditions, and deterioration of site improvements are a

major detriment to a future project and are considered to be the preponderance of the blighting factors for the Study Area. "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 well as a menace to public health and safety, 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
Articles



November 10, 2022

Ryan Neighbors
Ellis Glen, LLC
1708 East 123rd Street
Olathe, Kansas 66061

Re: Ellis Glen Apartments – Lee's Summit, Missouri 64063

Dear Mr. Neighbors:

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 the potential development of the asset.

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 in the *as-is* condition 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 Ellis Glen, LLC. 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 partners and [REDACTED] for associates. We will complete the assignment within three weeks of engagement and receipt of the requested materials.

Valbridge Property Advisors | Kansas City, has not provided 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 with respect to 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,

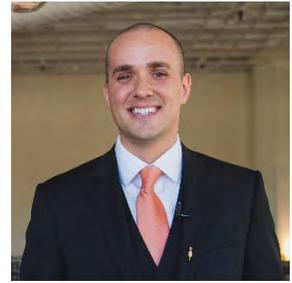
A handwritten signature in blue ink, appearing to read 'Daniel Kann', written over a horizontal line.

Daniel Kann, MAI MSRE
Senior Managing Director

Approved and Authorized by: RDW

Date: 11/11/22

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)

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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 (2013 - 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.

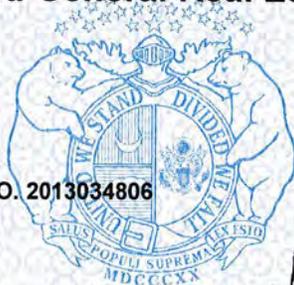
Publications

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

Vivian Beauchamp
EXECUTIVE DIRECTOR

Sheila Soler
DIVISION DIRECTOR

Basic Information

Parcel # 61-340-16-17-00-0-00-000
Address: 102 SW MARKET ST
LEES SUMMIT, MO 64063
Lot Size: 14,051 Sq. Ft.
Bldg sq ft: 893 Sq. Ft.
#Beds: 2 **#Baths:** 1
Year Built: 1940
Tax Code Area: 49
Land Use Code: SF RESIDENCE
Exemption:
Legal Description:
SEC-06 TWP-47 RNG-31; BEG 329' NW OF NW COR 2ND AND MARKET ST N 8 DEG W 54' TH S 59; DEG W 237' TH S 31 DEG E 62 1/2' TH N 59 DEG E 269' TO POB

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$16,215	\$16,215	\$16,215	\$16,215
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$66,785	\$66,785	\$62,982	\$62,982
<u>New Construction Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$0	\$0	\$0	\$0
Total Market Value:	\$83,000	\$83,000	\$79,197	\$79,197
Total Assessed Value:	\$15,770	\$15,770	\$15,048	\$15,048
Total Taxable Value:	\$15,770	\$15,770	\$15,047	\$15,047

Primary Owner

ELLIS GLEN LLC
120 T ST LAKE LOTAWANA, MO 64086

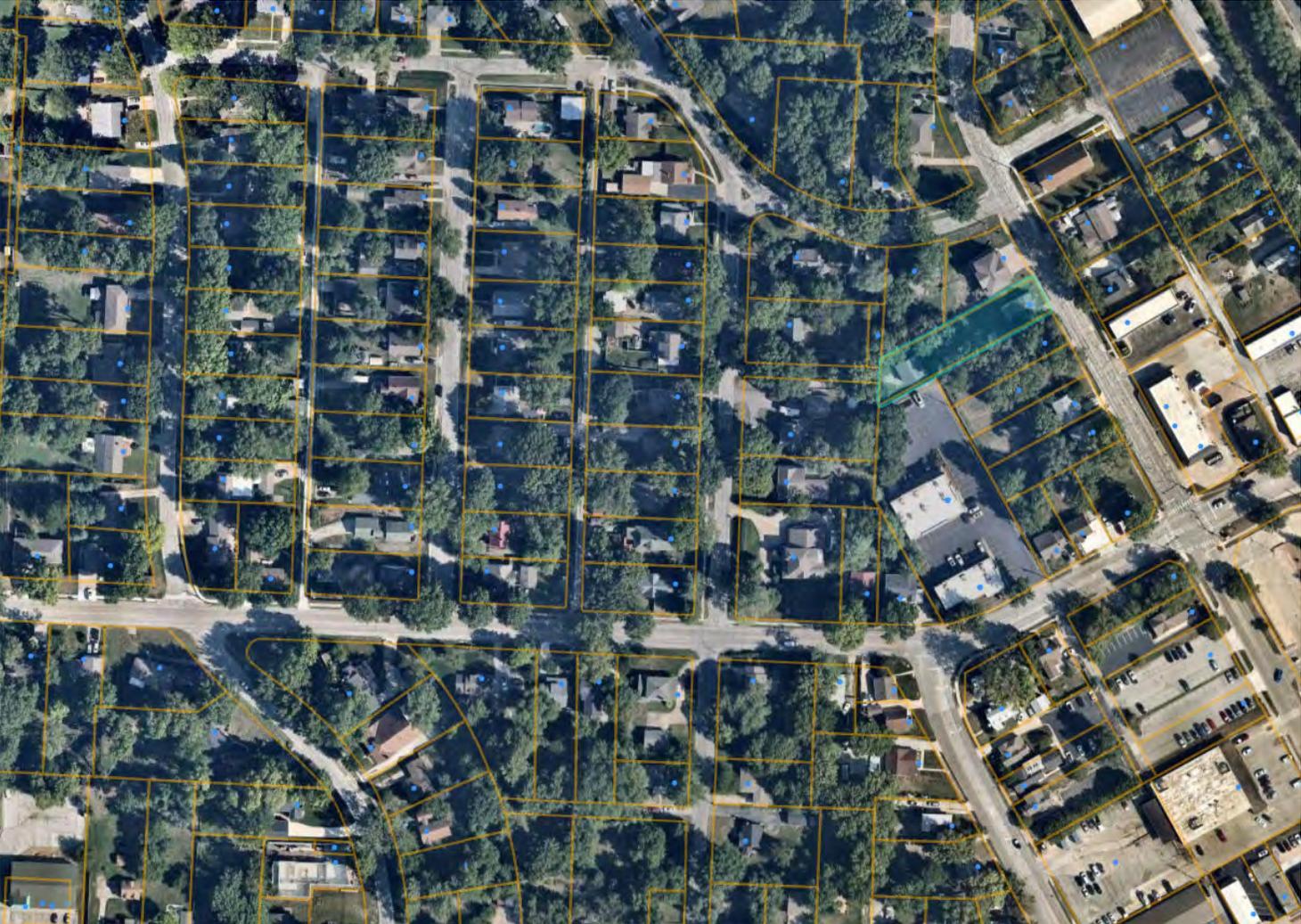


December 30, 2014 at 10:54:10 AM CST

61-340-16-17-00-0-00-000



Map



Basic Information

Parcel # 61-340-16-16-00-0-00-000
Address: 104 SW MARKET ST
LEES SUMMIT, MO 64063
Lot Size: 10,014 Sq. Ft.
Bldg sq ft: 0 Sq. Ft.
#Beds: 0 **#Baths:** 0
Year Built: N/A
Tax Code Area: 49
Land Use Code: VACANT RES LAND
Exemption:
Legal Description:
SEC 6 TWP 47 RNG 31; .22 AC BEG 278' NW OF NW COR 2ND AND MARKET ST TH NW 52' TH SW; 180' TH SE 52' TH NE 180' TO BEG

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$29,000	\$29,000	\$28,150	\$28,150
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
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:	\$29,000	\$29,000	\$28,150	\$28,150
Total Assessed Value:	\$5,510	\$5,510	\$5,349	\$5,349
Total Taxable Value:	\$5,510	\$5,510	\$5,349	\$5,349

Primary Owner

ELLIS GLEN LLC
120 T ST LAKE LOTAWANA, MO 64086



December 30, 2014 at 10:55:31 AM CST

61-340-16-16-00-0-00-000



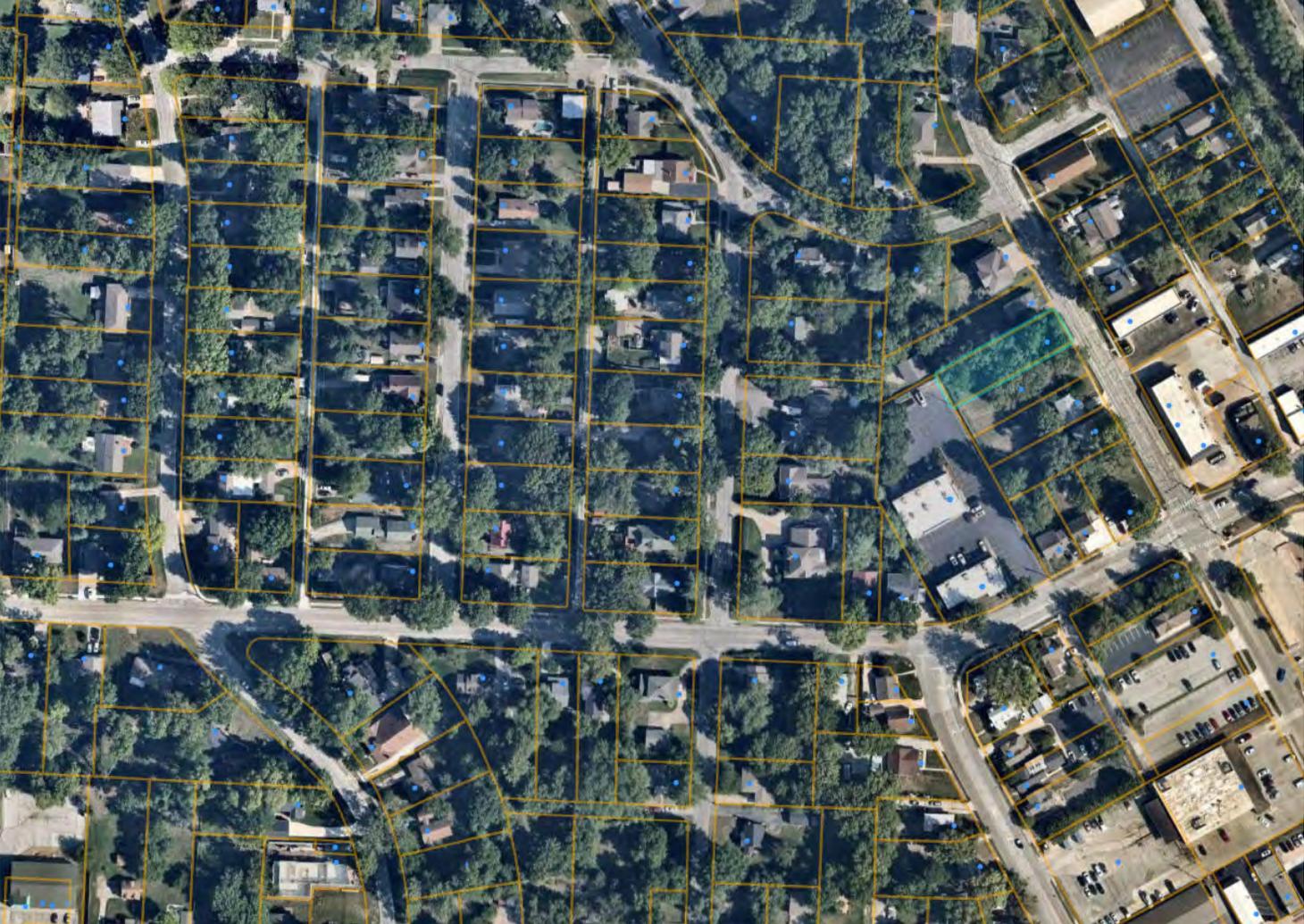
2/9/2018, 12:35:25 PM

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61-340-16-16-00-0-00-000 06/23/2005

Map



Basic Information

Parcel # 61-340-16-15-00-0-00-000
Address: 106 SW MARKET ST
LEES SUMMIT, MO 64063
Lot Size: 9,555 Sq. Ft.
Bldg sq ft: 0 Sq. Ft.
#Beds: 0 **#Baths:** 0
Year Built: N/A
Tax Code Area: 49
Land Use Code: VACANT RES LAND
Exemption:
Legal Description:
SEC 6 TWP 47 RNG 31; .22 AC BEG 226' NW OF NW COR 2ND AND MARKET ST TH NW 52' TH SW; 180' TH SE 52' TH NE 180' TO BEG

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$27,000	\$27,000	\$26,850	\$26,850
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
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:	\$27,000	\$27,000	\$26,850	\$26,850
Total Assessed Value:	\$5,130	\$5,130	\$5,102	\$5,102
Total Taxable Value:	\$5,130	\$5,130	\$5,102	\$5,102

Primary Owner

ELLIS GLEN LLC
120 T ST LAKE LOTAWANA, MO 64086

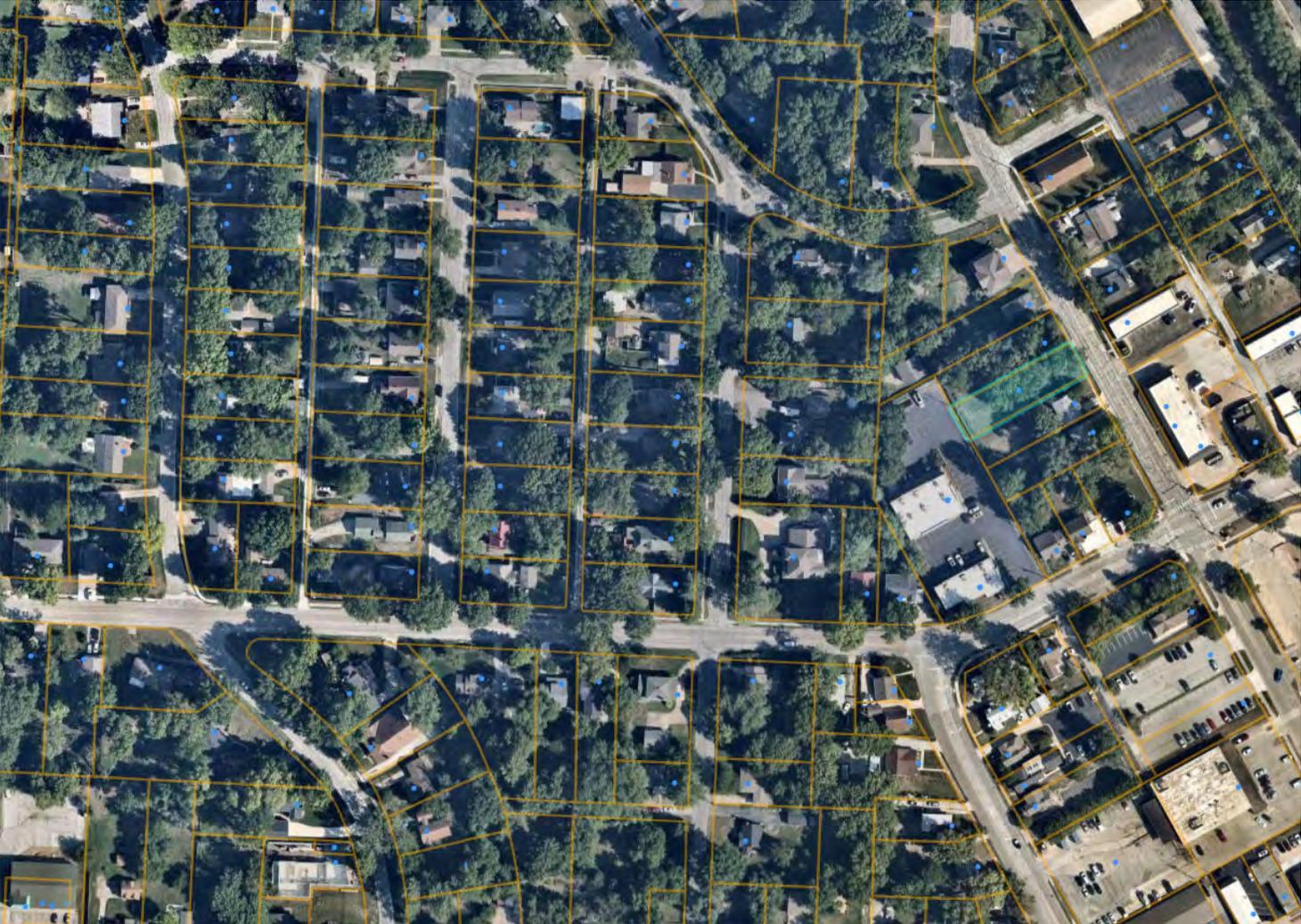
Photos



December 30, 2014 at 10:56:35 AM CST

61-340-16-15-00-0-00-000

Map



Basic Information

Parcel # 61-340-16-27-00-0-00-000
Address: 108 SW MARKET ST
LEES SUMMIT, MO 64063
Lot Size: 9,538 Sq. Ft.
Bldg sq ft: 920 Sq. Ft.
#Beds: 2 **#Baths:** 1
Year Built: 1940
Tax Code Area: 49
Land Use Code: SF RESIDENCE
Exemption:
Legal Description:
SEC 6 TWP 47 RNG 31; LOT 9 OF UNRECORDED PLAT PALMER ADD BEG AT MARKET AND 2ND TH; NWLY 180' TH NWLY TRU POB TH SWL 180' TH NLY 52' TH NELY; 180' TH SELY 52' TO POB

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$17,687	\$17,687	\$17,687	\$17,687
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$73,313	\$73,313	\$68,700	\$68,700
<u>New Construction Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$0	\$0	\$0	\$0
Total Market Value:	\$91,000	\$91,000	\$86,387	\$86,387
Total Assessed Value:	\$17,290	\$17,290	\$16,414	\$16,414
Total Taxable Value:	\$17,290	\$17,290	\$16,414	\$16,414

Primary Owner

ELLIS GLEN LLC
120 T ST LAKE LOTAWANA, MO 64086

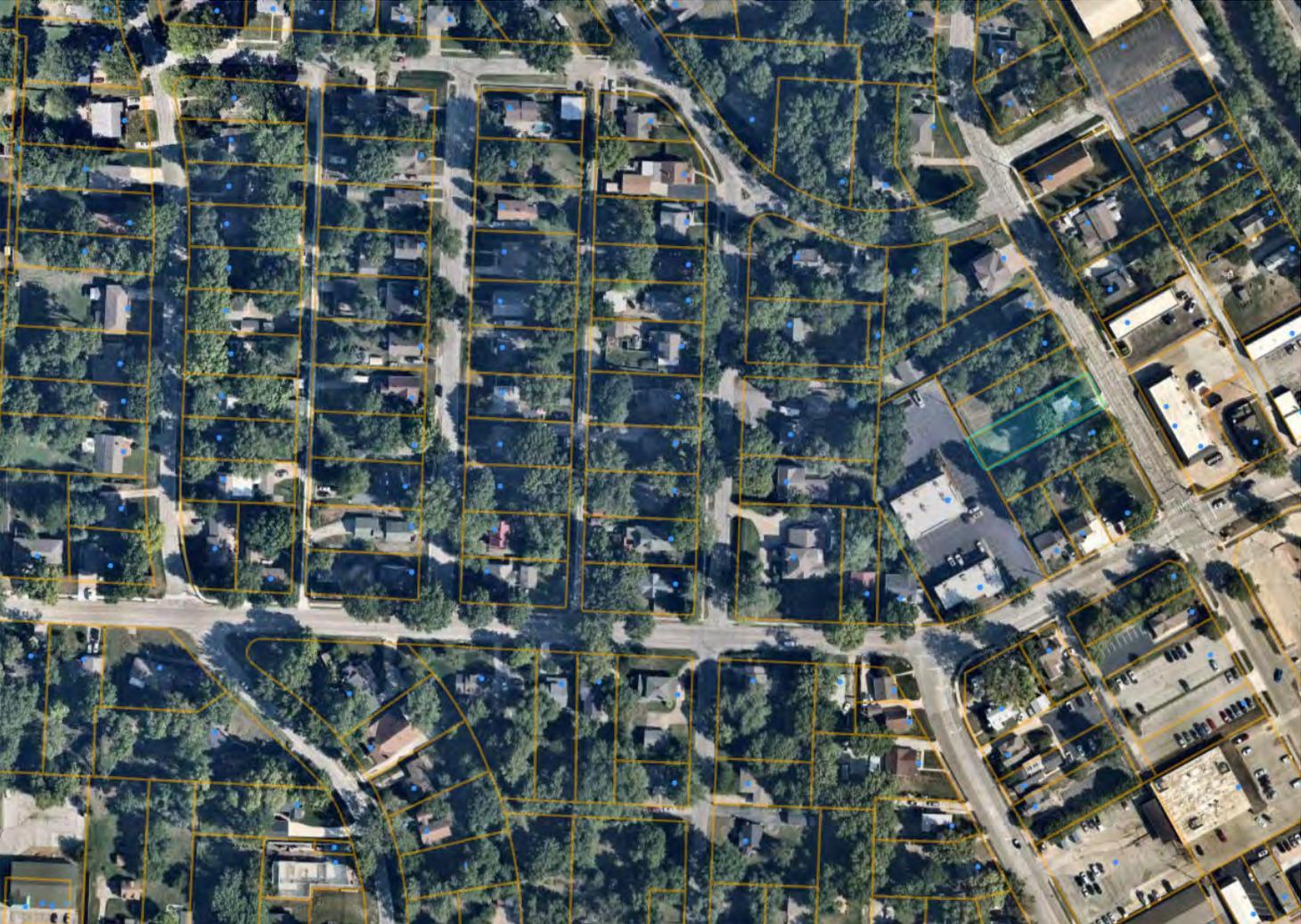


December 30, 2014 at 10:29:15 AM CST

61-340-16-27-00-0-00-000



Map



Basic Information

Parcel # 61-340-16-28-00-0-00-000
Address: 110 SW MARKET ST
LEES SUMMIT, MO 64063
Lot Size: 10,328 Sq. Ft.
Bldg sq ft: 1,047 Sq. Ft.
#Beds: 2 **#Baths:** 1
Year Built: 1940
Tax Code Area: 49
Land Use Code: SF RESIDENCE
Exemption:
Legal Description:
SEC-06 TWP-47 RNG-31; LOT 8 OF UNRECORDED PLAT PALMER ADD BEG NW COR; MARKET ST AND 2ND TH NWLY 121' TO TRU POB TH SWLY; 180' TH SELY 52' TH NELY 180' TH NWLY 52' TO POB

Property Values

Value Type	2022	2021	2020	2019
<u>Land Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$29,000	\$29,000	\$29,000	\$29,000
<u>Improvements Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$64,000	\$64,000	\$59,967	\$59,967
<u>New Construction Value</u>				
Agricultural:	\$0	\$0	\$0	\$0
Commercial:	\$0	\$0	\$0	\$0
Residential:	\$0	\$0	\$0	\$0
Total Market Value:	\$93,000	\$93,000	\$88,967	\$88,967
Total Assessed Value:	\$17,670	\$17,670	\$16,904	\$16,904
Total Taxable Value:	\$17,670	\$17,670	\$16,904	\$16,904

Primary Owner

ELLIS GLEN LLC
120 T ST LAKE LOTAWANA, MO 64086



December 30, 2014 at 10:30:04 AM CST

61-340-16-28-00-0-00-000



Map

