

**800 GRAND
TAX INCREMENT FINANCING PLAN**

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

11/12/2025	11-2-25
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I. SUMMARY

The 800 Grand Tax Increment Financing Plan (the “Plan”) provides for the construction of a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units, approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events, and approximately 574 parking spaces (collectively, the “Residential Building Improvements”), and the rehabilitation of the adjacent Scarritt and Arcade buildings, which rehabilitation shall provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces (the “Hotel Improvements” and together with the Residential Building Improvements, the “Project Improvements”), along with related public and private infrastructure and site improvements, including but not limited to, roads, streets, curbing, sidewalks and any other similar public improvements that support the Project Improvements (collectively, the “Infrastructure Improvements”).

The redevelopment area, as described by the Plan, in which the Project Improvements and Infrastructure Improvements shall be constructed is generally bounded by Walnut Street on the west, 8th Street on the north, Grand Boulevard on the east, and 9th Street on the south, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”), and consists of the Redevelopment Project e described on **Exhibit 1B** and depicted on **Exhibit 2B**.

The estimated Redevelopment Project Costs to implement Project Improvements and Infrastructure Improvements is \$533,796,653, which shall include estimated financing costs in the amount of \$27,541,161, and all such costs which are identified on **Exhibit 5** attached hereto. The Redeveloper and its Affiliates intend to privately fund approximately \$424,828,575 of the Redevelopment Project Costs through a combination of an Equity Investment in the amount of \$123,921,133, construction and conventional debt in the amount of \$151,025,733, and commercial property assessed clean energy loans (“Pace Loans”) in the aggregate amount of \$149,881,709. It is anticipated that the remaining Redevelopment Project Costs will be funded from the following public sources: (A) Economic Activity Taxes generated and collected within the Redevelopment Project Area, (B) Additional City EATs (as hereafter defined) generated and collected within the Redevelopment Project Area, and (C) CID Revenue (as hereinafter defined).

The Plan provides that (A) Economic Activity Taxes and Payments in Lieu of Taxes generated by and collected within the Redevelopment Project Area will be made available to reimburse up to \$42,774,943 of Redevelopment Project Costs , (B) Additional City EATs generated by and collected within the Redevelopment Project Area will be made available to reimburse up to \$54,217,989 of Redevelopment Project Costs and (C) CID Revenue will be made available to reimburse up to \$11,975,146 of the Redevelopment Project Costs (the “Reimbursable Project Costs”). The Redevelopment Project Costs, including the Reimbursable Project Costs are identified on **Exhibit 5**, attached to this Plan.

The total initial equalized assessed valuation of the Redevelopment Project Area, according to 2025 tax records at the Jackson County Assessor’s Office, is approximately \$3,080,189. The 2025 calendar year combined ad valorem property tax levy is \$9.8252 per \$100 assessed valuation for commercial property. Following the completion of the Project Improvements and Infrastructure Improvements, it is estimated that the assessed value of the real property within the Redevelopment Project Area(s) will increase to approximately \$108,968,078.

Pursuant to the Act, Economic Activity Taxes and Payments in Lieu of Taxes generated and collected within the Redevelopment Area for a twenty-three (23) year period after the Redevelopment Project Area is designated by an ordinance approved by the City Council, may be used to pay Reimbursable Project Costs.

The estimated total Economic Activity Taxes generated and collected within the Redevelopment Project Area and deposited into the Special Allocation Fund and, upon annual appropriation or upon being budgeted and transferred by the City Council, available to pay Reimbursable Project Costs is approximately \$42,774,943, all of which may be used to reimburse eligible Redevelopment Project Costs, including interest certified by the Commission. Those Economic Activity Taxes, estimated to be generated on an annual basis, are shown on **Exhibit 6**, attached hereto, include 50% of the net earnings taxes paid by businesses and employees, 50% of the net food & beverage taxes, 50% of the net utility taxes, 50% of certain City, CID and County sales taxes, and 50% of the Zoological District sales taxes, generated, collected and available for the period tax increment financing is authorized by ordinance.

The Redeveloper intends to seek benefits under The Port Improvement District Act (the “PortKC Benefits”) which would exempt sales taxes on construction materials, along with exemptions on personal and real property taxes within the Redevelopment Project Area. The requested PortKC Benefits provide for 100% real property tax abatement for thirty (30) years on property located within the Redevelopment Project Area. No Payments in Lieu of Taxes will be utilized to pay for any Reimbursable Project Costs. If the PortKC Benefits are not approved or are not approved at the level requested by the Redeveloper, any and all PILOTs (or increase in PILOTs from the approval of some but less than all of the Redeveloper’s 100% abatement request) which are generated, collected and deposited in the Special Allocation Fund shall be utilized or pledged to the payment of eligible Reimbursable Project Costs.

The estimated CID Revenues, which are not be captured by tax increment financing, will be utilized for the payment or reimbursement of certain Reimbursable Project Costs, subject to appropriation by the CID, is \$11,975,146, as more specifically set forth on **Exhibit 5**.

The estimated Additional City EATs, subject to appropriation by the City Council, that will be available to reimburse or pay Redevelopment Project Costs is approximately \$54,217,989, as more specifically set forth on **Exhibit 6**.

Upon the reimbursement of Reimbursable Project Costs (including Administrative Expenses), Tax Increment Financing will be terminated and the Taxing Districts, subject to Section 99.850 RSMo., will receive all tax revenue generated after such termination within the Redevelopment Area.

II. DEFINITIONS

As used in this Plan, the following terms shall have the following meanings:

- A. “Act,” the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, et. seq., Revised Statutes of Missouri, as amended.
- B. “Additional City EATs” Upon the authorization of Tax Increment Financing within the Redevelopment Project(s), the revenue from taxes which are imposed by the City and which are generated by economic activities within the Redevelopment Project Area, which are not captured pursuant to the Act, but, subject to the satisfaction of all legal requirements, may be appropriated by the City to reimburse Redevelopment Project Cost, which shall include (A) fifty percent (50%) of the City’s 1% capital improvements tax, (B) fifty percent (50%) of the City’s 0.25% public safety sales tax, (C) fifty percent (50%) of the City’s 2% food and beverage tax, (D) fifty percent (50%) of the City’s 1% earnings tax and (E) fifty percent (50%) of the City’s 7.5% convention & tourism tax; provided, however, during years 24 through 30 after the Redevelopment Project Area is designated by an ordinance approved by the City Council, the City will continue to redirect the amounts described above, as specifically identified on **Exhibit 6**, attached hereto.
- C. “Administrative Expenses” certain planning and special services expenses of the Commission and City, which are not direct Redevelopment Project Costs, but are nonetheless reasonable and necessary for the administration of the Plan by the City and Commission and are incidental costs to the Plan. The incidental costs will be recovered by the Commission and City from the Special Allocation Fund in an amount equal to 5% of Economic Activity Taxes and Payment in Lieu of Taxes paid annually into the Special Allocation Fund.
- D. “Affiliate,” as applied to any person or entity, any other person or entity who controls, is controlled by, or is under common control with, such person or entity. For purposes of this definition, “control” means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a person or entity, whether through the ownership of equity interests, by contract, or otherwise; provided, however, that (a) any person or entity which owns directly or indirectly a majority of the equity interests having ordinary voting power for the election of directors or other members of the governing body of a person or entity or a majority of the partnership or other ownership interests of a person or entity (other than as a limited partner of such person or entity) shall be deemed an Affiliate of such person or entity, and (b) each

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partnership in which a person or entity is a general partner shall be deemed an Affiliate of such person or entity.

- E. “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.
- F. “CID,” the Community Improvement District established by the City of Kansas City, Missouri through the adoption of Ordinance No.
- G. “CID Administrative Costs,” the overhead costs of the CID including without limitation the following: (1) reimbursement of the Board of Directors for actual expenditures incurred in the performance of authorized duties on behalf of CID, (2) costs related to any authorized indebtedness of the CID, including the issuance and repayment of obligations, and (3) any other costs or expenses incurred by the CID in the exercise of the powers granted under Sections 67.1401 to 67.1571, inclusive, of the Revised Statutes of Missouri, as amended, including accounting, auditing, legal, insurance, and clerical support, as determined by the CID’s Board of Directors, which is not expected to exceed 8% of the CID Sales Tax generated and collected per fiscal year
- H. “CID Revenue,” a one percent (1%) sales and use tax levied by the CID (the “CID Sales Tax”) and approved by the voters in the CID and a resolution of the Board of Directors of the CID and levied pursuant to Section 67.1545 of the Revised Statutes of Missouri, as amended, on all retail sales made within the CID that are subject to taxation pursuant to Section 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except sales of motor vehicles, trailers, boats or outboard motors, and sales to public utilities, 50% of the proceeds of which will be EATs and the other 50% of the proceeds (except for the CID Administrative Costs) shall be transferred, subject to annual appropriation of the Board of Directors of the CID, to the Commission to be used to pay a portion of the Reimbursable Project Costs, pursuant to the terms and conditions of a Cooperation Agreement between the Commission and the CID.
- I. “City,” City of Kansas City, Missouri.
- J. “Commission,” the Tax Increment Financing Commission of Kansas City, Missouri.
- K. “County,” the County of Jackson County, Missouri.

- L. “Economic Activity Taxes” or “EATs,” fifty percent (50%) of the total additional revenue from taxes which are imposed by the City and other Taxing Districts, and which are generated by economic activities within each Redevelopment Project Area, over the amount of such taxes generated by economic activities within such Ordinance designating such Redevelopment Project Area in the calendar year prior to the adoption of the Redevelopment Project by Ordinance, while Tax Increment Financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 RSMo., taxes levied for the purpose of public transportation pursuant to Section 94.660 RSMo., taxes imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses, fees or special assessments other than Payments In Lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under section 238.410 for the purpose of the county transit authority operating transportation facilities, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication systems and such other taxes that may be excluded by State law from time to time, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund; provided, however, if the voters in a Taxing District vote to approve an increase in such Taxing District’s sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within an existing Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such taxing district’s levy rate shall not be considered “Economic Activity Taxes”, without the consent of such Taxing District. If a retail establishment relocates within one (1) year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to such redevelopment project area.
- M. “Equity Investment,” the total accumulated sums reflected as equity on the Redeveloper’s financial statements (including, but not limited to its balance sheet) and submitted in connection with the “Public Participation” provisions of the Redevelopment Agreement as being expended by the Redeveloper or any other non-governmental party that is an Affiliate of the Redeveloper in connection with any and all aspects of the Project Improvements and Infrastructure Improvements, including but not limited to any and all costs, including financing costs incurred by

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the Redeveloper, private loan interest, expenses or investments made by the Redeveloper or any such non-governmental Affiliate prior to or subsequent to the date of this Plan and incurred by Redeveloper or any such non-governmental party that is an Affiliate of the Redeveloper in connection with the acquisition of any property in the Redevelopment Area, due diligence, leasing, marketing, formation of entities, construction and implementation of the Project Improvements, including the principal amount of any subordinate Obligations so long as Redeveloper, or its Affiliates, is the owner or guarantor of such subordinate Obligations, commercial financing and any additional capital contributions made by Redeveloper or such non-governmental party that is an Affiliate of the Redeveloper.

- N. “Financing Costs,” those costs incurred by the City, Commission, Redeveloper, or any other issuer approved by the City and Commission, in furtherance of private loans or the issuance of Obligations, including, but not limited to, reasonable financing loan origination fees and expenses, the reasonable fees and expenses of the Redeveloper’s, City’s, or Commission’s attorneys, the Redeveloper’s City’s or Commission’s administrative fees and expenses (including municipal advisors and planning consultants), underwriters’ discounts and fees, the costs of printing any Obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves, the fees of any rating agency rating any Obligations, and costs incurred by the Redeveloper, City, or Commission in preparing the Plan, as estimated and identified on **Exhibit 5** to the Plan.
- O. “Gambling Establishment,” an excursion gambling boat as defined in section 313.800, RSMo., and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in Sections 313.800 to 313.850, RSMo.
- P. “Hotel Improvements,” the rehabilitation of the Scarritt and Arcade buildings to provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces.
- Q. “Infrastructure Improvements,” the construction or reconstruction of public infrastructure improvements, including, but not limited roads, streets, curbing, sidewalks, utilities, and any other required or desired infrastructure, that support and enhance the Project Improvements.

- R. “Obligations,” bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City, Commission or by any other appropriate issuer, approved by the City and Commission, to pay or reimburse all or any portion of the Redevelopment Project Costs incurred or estimated to be incurred, or to otherwise carry out a redevelopment project , to finance the cost of issuing such Obligations, to establish reserves to refund or secure such Obligations, to finance the interest costs associated with such Obligations or to refund, redeem or defease outstanding Obligations.
- S. “Ordinance,” an ordinance enacted by the governing body of the City.
- T. “Payment in Lieu of Taxes,” those estimated revenues from real property taxes generated within the Redevelopment Project Area which are to be used to reimburse the Redevelopment Project Costs identified by the Plan, which Taxing Districts would have received had the City not adopted tax increment allocation financing, and which result from levies made after the time of the adoption of tax increment allocation financing within the Redevelopment Project Area that is approved by Ordinance (but excluding the blind pension fund tax levied under the authority of Article III, Section 38(b) of the Missouri Constitution and the merchant’s and manufacturer’s inventory replacement tax levied under the authority of subsection 2 of Section 6 of the Missouri Constitution) and during the time the current equalized value of real property in the Redevelopment Project Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Project Area, until the designation is terminated pursuant to the Act, provided however, if the voters in a Taxing District vote to approve an increase in such Taxing District’s levy rate for ad valorem tax on real property, any additional revenues generated within the Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such Taxing District’s levy rate shall not be considered Payments in Lieu of Taxes without the consent of such Taxing District. Revenues will be considered directly attributable to the newly voter-approved incremental increase to the extent that they are generated from the difference between the taxing district’s actual levy rate currently imposed and the maximum voter-approved levy rate at the time that the Redevelopment Project was adopted.
- U. “Project Improvements” shall consist of the Hotel Improvements and the Residential Building Improvements.
- V. “Redeveloper,” 800 Grand KCMO LLC, or such other business organization or other entity designated by the Commission, pursuant to a resolution, and to which the Commission enters a Redevelopment Agreement to implement the the Project Improvements and Infrastructure Improvements or a portion thereof.

- W. “Redevelopment Agreement,” the agreement between the Commission and Redeveloper for the implementation of the Redevelopment Plan or the Project Improvements and Infrastructure Improvements or a portion thereof.
- X. “Redevelopment Area,” an area designated by Ordinance of the City, in respect to which the City has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to Sections 135.200 to 135.236, RSMO., or a combination thereof, and which area includes only those parcels of real property directly and substantially benefitted by the proposed Redevelopment Project and which is legally described on **Exhibit 1A** and depicted on **Exhibit 2A**.
- Y. “Redevelopment Plan” or “Plan,” this 800 Grand Tax Increment Financing Plan, as it may be amended from time to time.
- Z. “Redevelopment Project(s),” the redevelopment project(s) that are described by Section IV C.
- AA. “Redevelopment Project Area,” the portion of the Redevelopment Area selected for the Redevelopment Project and which is/are legally described on **Exhibit 1B** and depicted on **Exhibit 2B**, which area is coterminous with the Redevelopment Area.
- BB. “Redevelopment Project Costs” include the sum of all reasonable or necessary costs incurred or estimated to be incurred, any such costs incidental to the Redevelopment Plan and/or the Project Improvements and Infrastructure Improvements. Such costs are identified on **Exhibit 5**, and may include, but are not limited to the following:
1. Costs of studies, surveys, plans and specifications;
 2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of the Redevelopment Plan or a Redevelopment Project;
 3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
 4. Costs of rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures;
 5. Cost of construction of public works or improvements;

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6. Financing Costs;
 7. All or a portion of a taxing district’s capital cost resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Redevelopment Project, to the extent the municipality by written agreement accepts and approves such costs;
 8. Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal or state law; and
 9. Payments in lieu of taxes.
- CC. “Reimbursable Project Costs,” Redevelopment Project Costs in an amount not to exceed \$108,968,075, as identified on **Exhibit 5**, including Financing Costs.
- DD. “Residential Building Improvements,” the construction of a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units, approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events, and approximately 570 parking spaces.
- EE. “Special Allocation Fund,” the fund maintained by the City or the Commission, as the case may be, which contains at least two (2) separate segregated accounts for the Redevelopment Project and any additional accounts deemed appropriate by the City and Commission (i.e. Additional City EATs Account) and maintained by the treasurer of the City or the treasurer of the Commission into which Economic Activity Taxes, Payments in Lieu of Taxes, and Additional City EATs are deposited.
- FF. “Tax Increment Financing,” tax increment allocation financing as provided pursuant to Chapter 99.800, et seq. RSMo.
- GG. “Taxing Districts,” any political subdivision of Missouri located wholly or partially within the Redevelopment Project Area having the power to levy taxes.
- HH. “TIF Revenue,” Payments in Lieu of Taxes, Economic Activity Taxes, and Additional City EATs.

III. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Act. The Act enables municipalities to finance Redevelopment Project Costs with the revenue generated from Payments in Lieu of Taxes and Economic Activity Taxes.

IV. GENERAL DESCRIPTION OF THE REDEVELOPMENT PROGRAM

A. The Redevelopment Plan.

The Plan provides for the construction of the Project Improvements and the Infrastructure Improvements.

B. Redevelopment Area and Redevelopment Project Area.

The proposed Redevelopment Area described by the Plan in which the Project Improvements and Infrastructure Improvements shall be constructed is located in an area that is generally bounded by Walnut Street on the west, 8th Street on the north, Grand Boulevard on the east, and 9th Street on the south, all in Kansas City, Jackson County, Missouri, and consists of one Redevelopment Project Area described on **Exhibit 1B** and depicted on **Exhibit 2B**.

C. Redevelopment Project. The Redevelopment Plan contains one Redevelopment Project which provides for the construction of the Project Improvements and Infrastructure Improvements.

D. Project Improvements and Infrastructure Improvements. As referenced in Summary above, the Project Improvements and Infrastructure Improvements will consist of a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units, approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events, and approximately 574 parking spaces (collectively, the “Residential Building Improvements”), and the rehabilitation of the adjacent Scarritt and Arcade buildings, which rehabilitation shall provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces, along with related public and private infrastructure and site improvements, including, but not limited to roads, streets, curbing, sidewalks, utilities, and any other required or desired infrastructure, that support and enhance the Project Improvements. Estimated construction and employment information for all Project Improvements and Infrastructure Improvements is set forth on **Exhibit 4**.

E. Estimated Date of Completion. The Redevelopment Schedule to complete the Project Improvements and Infrastructure Improvements located within the Redevelopment Area is set forth in **Exhibit 8**. The completion of the Project Improvements and Infrastructure Improvements located within the Redevelopment Project Area and retirement of Obligations and Financing Costs incurred to finance Redevelopment Costs for the Project Improvements and Infrastructure Improvements will occur no later than twenty-three (23) years from the adoption of the ordinance approving the applicable Redevelopment Project and designating the Redevelopment Project Area related thereto.

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- F. Date to Adopt Redevelopment Plan. In no event shall any ordinance approving a Redevelopment Project Area be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.
- G. Redevelopment Plan Objectives. The specific objectives of the Redevelopment Plan are set forth in **Exhibit 3.**
- H. Date to Acquire Property by Eminent Domain. In no event shall any property for the Redevelopment Project shall be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving the Redevelopment Project.
- I. Gaming Status. The Redevelopment Plan does not include the initial development or redevelopment of any Gambling Establishment.

V. **FINANCING**

- A. Estimated Redevelopment Plan Costs. The estimated Redevelopment Project Costs to implement Project Improvements and Infrastructure Improvements \$533,796,653, which shall include estimated financing costs in the amount of \$27,541,161, and all such costs which are identified on **Exhibit 5** attached hereto.

The City has determined that certain planning and special services expenses of the Commission, which are not direct Redevelopment Project Costs are nonetheless reasonable, necessary and incidental costs to the Plan. Such incidental costs will be recovered by the Commission or the City, as the case may be, from the Special Allocation Fund in an amount not to exceed 5% of the Economic Activity Taxes and Payment in Lieu of Taxes paid annually into the Special Allocation Fund.

- B. Anticipated Sources of Funds. The Redeveloper and its Affiliates intend to privately fund approximately \$424,828,575 of the Redevelopment Project Costs through a combination of an Equity Investment in the amount of \$123,921,133, construction and conventional debt in the amount of \$151,025,733, and commercial property assessed clean energy loans (“Pace Loans”) in the aggregate amount of \$149,881,709. It is anticipated that the remaining Redevelopment Project Costs will be funded from the following public sources: (A) Payments in Lieu of Taxes and Economic Activity Taxes generated and collected within the Redevelopment Project Area, (B) Additional City EATs (as hereafter defined) generated and collected within the Redevelopment Project Area, and (C) CID Revenue, which sources are identified on **Exhibit 7** attached to this Plan.
- C. Payments in Lieu of Taxes. Calculations of expected proceeds of PILOTs are based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The Redeveloper is pursuing PortKC Benefits, which, if approved, would exempt sales taxes on construction materials and

personal and real property taxes within Redevelopment Area. The requested PortKC Benefits are 100% real property tax abatement for thirty (30) years with respect to the Redevelopment Project Area. No Payments in Lieu of Taxes will be utilized to pay for any Reimbursable Project Costs. If the PortKC Benefits not approved or is not approved at the level requested by the Redeveloper, any and all PILOTs which are generated, collected and deposited in the Special Allocation Fund shall be utilized or pledged to the payment of Reimbursable Project Costs.

- D. Economic Activity Taxes. The estimated total Economic Activity Taxes generated and collected within the Redevelopment Project Area and, upon annual appropriation or upon being budgeted and transferred by the City Council, deposited into the Special Allocation Fund and available to pay Reimbursable Project Costs, is approximately \$42,774,943, all of which may be used to reimburse eligible Redevelopment Project Costs, including interest certified by the Commission. Those Economic Activity Taxes, estimated to be generated on an annual basis, are shown on **Exhibit 6**, attached hereto, include 50% of the net earnings taxes paid by businesses and employees, 50% of the net food & beverage taxes, 50% of the net utility taxes, 50% of certain City, CID and County sales taxes, and 50% of the Zoological District sales taxes, generated, collected and available for the period tax increment financing is authorized by Ordinance.

It is assumed that net earnings and sales tax revenues will increase due to inflation in addition to the assumed increases due to job creation and business expansion. These assumed increases are estimated at 3% annually.

The amount of Economic Activity Taxes in excess of the funds needed to reimburse eligible Redevelopment Project Costs, if any, may be declared as surplus by the City. The declared surplus will be distributed to the affected Taxing Districts in the Redevelopment Project Area as provided for by the Act.

The Plan requires that all affected businesses and property owners be identified and that the Commission shall be provided with documentation regarding payment of Economic Activity Taxes by Redeveloper, its contractors, tenants and assigns. The Commission shall make available information to the City regarding the identity and location of the affected businesses. It shall be the obligation and intent of the City to determine the Economic Activity Taxes and to appropriate and/or budget and transfer such funds into the Special Allocation Fund, no less frequently than semi-annually and no more frequently than quarterly, in accordance with the Act.

- E. Additional City EATs. The Additional City EATs to be collected by the City and, subject to appropriation, deposited in a separate account of the Special Allocation Fund is estimated to be approximately \$54,217,989, all of which will be made available, upon appropriation, by the City, to pay eligible Reimbursable Project Costs related to the Project Improvements and Infrastructure Improvements, in accordance with a Redevelopment Agreement.

- F. CID Revenue. The CID Revenues (less the CID Administrative Costs) that are estimated to be collected by the CID and, subject to appropriation by the CID, utilized to fund Reimbursable Project Costs is estimated to be approximately \$11,975,146.
- G. Evidence of Commitments to Finance. Commitments for any private financing of Redevelopment Project Costs necessary to complete the Project Improvements and Infrastructure Improvements is attached as Exhibit 12.

VI. MOST RECENT EQUALIZED ASSESSED VALUATION

The total initial equalized assessed valuation of the Redevelopment Project Area, according to 2025 tax records at the Jackson County Assessor’s Office, is approximately \$3,080,189. The 2025 calendar year combined ad valorem property tax levy is \$9.8252 per \$100 of assessed value for commercial property.

VII. ESTIMATED EQUALIZED ASSESSED VALUATION AFTER REDEVELOPMENT

It is anticipated that when the Project Improvements and Infrastructure Improvements have been completed, the total assessed valuation of the Redevelopment Area will increase. Following the completion of the Project Improvements and Infrastructure Improvements, it is estimated that the assessed value of the Redevelopment Area will increase to approximately \$108,968,078.

VIII. GENERAL LAND USE

The Redevelopment Area is currently zoned for retail, office, residential, and commercial use (DC-15). The Redevelopment Project Area shall be subject to the applicable provisions of the City’s Zoning and Development Code, as may be amended from time to time.

IX. CONFORMANCE TO THE COMPREHENSIVE PLAN

The Plan conforms with the KC Spirit Playbook and City’s comprehensive development plan.

X. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA

The Redevelopment Area qualifies as a Blighted Area by reason of by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, and 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, as more particularly described by an independent Blight Study undertaken by Sterrett Urban, LLC, attached as **Exhibit 11.**

XI. “BUT FOR TIF”

The Redevelopment Area has not been subject to growth and development through investment by private enterprise as demonstrated, in part, by the Blight Study, attached as **Exhibit 11**, and would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing due to the substantial costs of the Infrastructure Improvements.

Substantial public financing of the Project Improvements and Infrastructure Improvements is identified within the Plan. This assistance is necessary to ensure successful redevelopment of the Redevelopment Area in order to serve the public purpose set forth herein. The purpose of affording public assistance is to accomplish the stated public purpose and not to subsidize otherwise economically viable Project Improvements and Infrastructure Improvements. In order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings, the Commission has required an internal rate of return analysis be completed and presented to the Commission prior to approval of the Redevelopment Plan. The analysis demonstrates that the Redevelopment Area has not been subject to growth and development by private enterprise and the Project Improvements and Infrastructure Improvements within the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing (the “But-For Test”).

Acceptable investment returns to real estate investors depend on a large number of external factors and the nature of the specific investment, including, the property sector of land use; the life cycle of the property; local market conditions such as new development, major employers and their plans, demographics and the like; the overall risk associated with the property; inflation expectations, and numerous other factors. One method of determining the need for assistance and the sizing of the Tax Increment Financing assistance is to study the developer’s internal rate of return (“IRR”). The internal rate of return takes into account both the annual income derived as cash flow as well as the potential return from a hypothetical sale of the private improvements at the end of the forecast period.

The Redevelopment Agreement shall contain provisions whereby the public may participate in the cumulative rate of return of the Equity Investment of the Redeveloper or any Affiliate of the Redeveloper that participates in the acquisition, financing or operation of the Project Improvements or the real property upon which the Project Improvements are located that is in excess of a 8.2% unleveraged annual rate of return on a cumulative basis. The Redevelopment Agreement shall provide if at the end of any calendar year, after completion of all of the Project Improvements, the net cash flow exceeds the cash flow necessary to generate said cumulative 8.2% unleveraged annual return on the Equity Investment for the current and all previous calendar years, 78% of such excess shall be retained by the Redeveloper and the remaining 22% of such excess shall be contributed to the Commission (the “Commission Share”) which shall be used in accordance with the Act.

In the event that any Project Improvement is refinanced or sold, once all cost of the sale or refinancing have been paid, the private debt retired, the Redeveloper’s Equity Investment is returned, the Commission shall receive the Commission Share of such residual proceeds that are in excess of a 8.2% unleveraged annual rate of return on a cumulative basis of the Redeveloper and its Affiliates of the total amount of Redevelopment Project Costs.

800 Grand TIF Plan

The “But For” analysis prepared by SB Friedman Development Advisors (“SB Friedman”) and attached as **Exhibit 10** concludes that the Project Improvements contemplated by the TIF Plan may not be implemented without TIF assistance, as the Project Improvements achieve an unleveraged return of 5.5%, based upon the Redevelopment Project Costs set forth in Redeveloper’s budget. SB Friedman’s analysis provides a number of recommendations for consideration concerning certain costs and other elements of the Project, and based upon the Developer’s request of approximately \$108,968,075 (inclusive of such costs reimbursed by the CID) in requested undiscounted TIF assistance, SB Friedman estimates the Project Improvements would achieve an unleveraged annual rate of return of approximately 6.8%. SB Friedman further suggests that the industry benchmark for the type of investment proposed by the Project Improvements should result in an unleveraged return between 7.7% and 8.7%. The calculations are based on developer assumptions or in certain instances alternative assumptions SB Friedman deems are appropriate. SB Friedman has indicated that, if the Redevelopment Project Costs set forth in Redeveloper’s budget were used, then the Project Improvements would require the utilization of Economic Activity Taxes, Additional City EATS, and CID Revenue to achieve the stated returns. The analysis prepared by SB Friedman and attached as **Exhibit 10** concluded the Project Improvements and Infrastructure Improvements contemplated by the Plan meet the “But-For Test” and supports a finding that the Redevelopment Area has not been subject to growth and development through investment by private enterprise as demonstrated in part by the Developer Affidavit, attached as **Exhibit 14**, and would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing due to the substantial costs of the Redevelopment Project. **Exhibit 10** provides evidence of the “But-For Test” analysis conducted for these Project Improvements and Infrastructure Improvements

XII. COST-BENEFIT ANALYSIS

A cost-benefit analysis has been prepared for the Plan that demonstrates the economic impact of the Plan on each Taxing District. This analysis and other evidence submitted to the Commission describe the impact on the economy if the Project Improvements and Infrastructure Improvements are not built and is built pursuant to the Plan. The Cost-Benefit Analysis, attached on **Exhibit 9**, includes a fiscal impact study on every affected Taxing District and sufficient information from the Redeveloper for the Commission to evaluate whether the Project Improvements are financially feasible.

XIII. ACQUISITION AND DISPOSITION

The Commission, pursuant to Sections 99.810(3) and 99.820(3), RSMo, may acquire property by purchase, donation, lease or eminent domain in the manner provided for by corporations in Chapter 523, RSMo. The property acquired by the Commission may be cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. No property located within a Redevelopment Project Area shall be acquired by eminent domain later than five (5) years from adoption of the Ordinance designating such Redevelopment Project Area.

XIV. RELOCATION ASSISTANCE PLAN

800 Grand TIF Plan

Relocation assistance will be available to all eligible displaced occupants in conformance with the Commission's Relocation Assistance Plan as shown in **Exhibit 13** or as may be required by other state or federal laws. Any relocation will be at the expense of the Redeveloper.

XV. ENTERPRISE ZONE

In the event mandatory abatement is sought or received pursuant to Section 135.215, RSMo., as amended, such abatement shall not serve to reduce payments in lieu of taxes that would otherwise have been available pursuant to Section 99.845, RSMo. without City approval. Said designation shall not relieve the assessor or other responsible official from ascertaining the amount of equalized assessed valuation of all taxable property annually as required by Section 99.855, RSMo.

XVI. PROVISION OF PUBLIC FACILITIES

Redeveloper will provide all necessary public facilities and utilities needed to service the Redevelopment Area, including infrastructure needed by occupants and tenants of the Redevelopment Project, to reduce the digital divide.

XVII. REDEVELOPMENT AGREEMENT

Upon approval of this Plan, the Commission and Redeveloper will enter into a Redevelopment Agreement, which will include, among other things, provisions relative to the following:

1. Implementation of the Plan;
2. Reporting of Economic Activity Taxes;
3. The Commission's Work Force Policy;
4. The City's MBE/WBE Ordinance;
5. Design guideline review and approval process;
6. The Commission's Relocation Plan, if any;
7. Certification and approval by Commission of Redevelopment Project Costs;
8. Public participation;
9. Payment of Prevailing Wages;
10. Certification of Costs and Reimbursement Policy;
11. Certificate of Completion and Compliance Policy;
12. Parameters for the issuance of Obligations;

13. Interest Policy;
14. Annual Progress Reporting;
15. Procedures for the Payment of Prevailing Wages; and
16. Environmental Policy.

XVIII. PROVISIONS FOR AMENDING THE PLAN

This Redevelopment Plan and Redevelopment Project may be amended pursuant to the provisions of the Act, except in the event that there are minor inaccuracies contained within this Redevelopment Plan or any Exhibit attached hereto that do not arise to more than a scrivener's error, the City Council of the City authorizes the Commission to approve and correct such inaccuracies and to execute any required instruments and to make and incorporate such amendment or change to this Redevelopment Plan or any Exhibit attached hereto.

EXHIBIT 1A

Legal Description Redevelopment Area

TRACT 1: All of LOTS 94, 95, 96, AND 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded April 30, 1857, in Plat Book A-1 at Page 29 in the Office of the Recorder of Deeds of Jackson County, Missouri, at Kansas City.

TRACT 2: The East 1/2 of the vacated alley lying West of and adjacent to Lots 94, 95, 96, and 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plot thereof.

TRACT 3: All that tract or parcel of land lying and being in Kansas City, Jackson County, Missouri and being Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof recorded April 30, 1857, in Plot Book A- I at Page 29, in the Recorders Office, Kansas City, Jackson County, Missouri, and as depicted on Certificate of Survey, prepared by The Tuttle-Ayers-Woodward Co., Surveyors, a division of Shafer, Kline & Warren, P.A., Kansas City, Missouri, dated December 11, 1984, which Certificate of Survey is incorporated herein by reference, and being more particularly described as follows: Beginning at the intersection of the Southeast corner of Lot 89 of the aforesaid subdivision and the West right of way line of a 12 foot alley; thence running North 89 degrees 24 minutes 36 seconds West along the south line of Said Lot 89, a distance of 107.29 feet to a point on the East right of way line of Walnut Street, as now established, 80 feet wide (said point is located North a distance of 48 feet along the East right of way line of Walnut Street from its intersection with the North right of way line of 9th Street); thence running North 0 degrees 21 minutes 58 seconds East along said East right of way line of Walnut Street a distance of 48.66 feet to a point on the North line of said Lot 88; thence running North 89 degrees 33 minutes 12 seconds East along said North line of Lot 88 of the aforesaid subdivision a distance of 106.98 feet to a point on the West line of the aforesaid 12-foot alley; thence running South 0 degrees 00 minutes West along the West line of said 12-foot alley and the East lines of Lots 88 and 89 a distance of feet to the Point of Beginning.

TRACT 4: The West 1/2 of the vacated alley lying East of and adjacent to Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plot thereof. Lots 83, 84, 85, 86 And 87, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof, Together With The West One-Half (1/2) Of The Vacated North-South Alley East Of, And Adjoining Said Lots 83, 84, 85, 86 And 87, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri; And Lots 98, 99, 100, 101 And 102, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof, Together With The East One-Half (1/2) Of The Vacated North-South Alley West Of, And Adjoining, Said Lots 98, 99, 100, 101, And 102, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri; And Lots 103, 104 And 105, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof.

EXHIBIT 1B

Legal Description of Redevelopment Project Area

TRACT 1: All of LOTS 94, 95, 96, AND 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded April 30, 1857, in Plat Book A-1 at Page 29 in the Office of the Recorder of Deeds of Jackson County, Missouri, at Kansas City.

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EXHIBIT 2A

Site map for Redevelopment Area

EXHIBIT 2B

Site map for Redevelopment Project Area

EXHIBIT 3

SPECIFIC OBJECTIVES OF PLAN

1. To eliminate adverse conditions which are detrimental to public health, safety, morals, or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof for the betterment of the Redevelopment Area and the community at large;
2. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area;
3. To increase employment opportunities;
4. To stimulate construction and development and generate tax revenues which would not occur without Tax Increment Financing assistance; and
5. To construct a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units and approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events and approximately 574 parking spaces (collectively, the “Residential Building Improvements”), and the historic rehabilitation of the adjacent Scarritt and Arcade buildings, which rehabilitation shall provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces (the “Hotel Improvements”) (collectively, the Residential Building Improvements and the Hotel Improvements shall be referred to as the “Project Improvements”), along with related public and private infrastructure and site improvements, including but not limited to, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements that support the Project Improvements collectively, the “Infrastructure Improvements”).

EXHIBIT 4A

ESTIMATED CONSTRUCTION INFORMATION

	New Construction	Existing Structures to Remain	Existing Structures to be Rehabbed	Total	Existing Structures to be Demolished
Square Feet of Office					
Square Feet of Retail	5,589		31,300		
Square Feet of Entertainment Space	29,418 (ballroom)				
Square Feet of Industrial					
Number of Hotel Rooms			169		
Number of Dwelling Units	319				
Parking Spaces	574				

EXHIBIT 4B

ESTIMATED EMPLOYMENT INFORMATION

Permanent jobs to be CREATED IN Kansas City	350
Permanent Jobs to be Relocated TO Kansas City	N/A
Permanent Jobs to be Retained in Kansas City	N/A
TOTAL	350
Anticipated Average Annual Payroll	\$56,000
Estimated number of construction workers to be hired during construction	219
Estimated average construction payroll in all phases	

EXHIBIT 5

ESTIMATED BUDGET OF REDEVELOPMENT PROJECT COSTS

800 Grand Redevelopment Project Costs

Item	Estimated Project Budget	REIMBURSEMENT ESTIMATES			
		EATS	Additional City EATS*	CID Revenue	Total Reimbursement
Acquisition Costs	\$ 2,802,000				
Site Preparation Costs	\$ 6,911,271				
Description: Debris removal prior to demo, preconstruction fee, garage demo, Sitework, water utilities, sewer utilities, electric utilities, gas utilities, environmental remediation.					
Parking Construction Costs	\$ 28,491,444				
Description: Garage HC					
Hard Construction Costs	\$ 162,265,133	\$ 3,988,433	\$ 986,460	\$ 4,202,751	\$ 9,177,643
Description: Retail, music venue hard costs, apartment hard costs, Umusic F&B shell space, loading dock, pool & terrace, fitness area, ballroom, cost escalation jto Q2 2026, tarriff impact allowance, approximate sales tax, design contingency, Infrastructure Improvements					
Tenant Improvement and FFE Costs	\$ 8,442,938				
Description: Loose furniture, furnished corp apartments, equipment, artwork, security system, direct antennae system, Signage, final cleaning, window treatments, owner furnished construction signage, water systems, audio visual, specialties, FF&E contingency, laundry equipment, model room, firmess equipment, tenant buid out allowance, locks and keying					
Soft Costs	\$ 21,857,953				
Description: Architectural Design, Architectural Reimbursables, Interior Design, Architectural Additional Services Contingency, SC Contingency, Management Consulting, - SC, Estimating, Development Staff and Admin, Expenses, Zoning Review, Geotechnical Engineer, Geoenvironmental Engineer, Environmental Assessment, Haz Mat Consultant, Surveyor, Traffic Consultant, Irrigation Consultant, Peer Structural Review, Mep Peer Review, Concrete testing, Structural steel testing, Fireproofing testing and inspection, Weatherproofing Inspections, Envelope testing and review, Pavement testing and inspection, Special inspections, Commissioning, LEED Certification, Telephone Utilities, Cable TV/Communications Utilities, Security, Dewatering Permit, Cross Connection Permit, City Order of Conditions, Water & Sewer Permit, Fuel Storage Permit, Certificate of Occupancy, Fire Dept. Review, Plan Check Fee, City Performance Bonds, Bulders Risk Insurance, Land Development Plan Check Fee, General Liability Insurance, ADA Consultant, Equipment Planner, Signage Consultant, Acoustics Consultant, Permit Specialist, Energy Modeling, Security Consultant, Public/Media Relations Consultant, Payment in Lieu of Affordable Units, Legal Entitlement/ Incentives - Polsinelli, Operator, Condo Closing Legal, Existing Conditions Survey, Soils Inspection and Testing					
Financing Costs	\$ 6,840,952				
Developer Fees	\$ 9,117,744				
Reserves and Other Costs	\$ 39,385,460				
Total Development Costs	\$ 286,114,895	\$ 3,988,433	\$ 986,460	\$ 4,202,751	\$ 9,177,643
Total Interest Carry Expense Reimbursable to Developer	\$ 10,051,636	\$ 4,368,254	\$ 1,080,401	\$ 4,602,982	\$ 10,051,636
			\$ -	\$ -	\$ -
Gross Totals	\$ 296,166,531	\$ 8,356,687	\$ 3,053,320	\$ 8,805,733	\$ 19,229,280

Amounts reported available to the TIF Commission are reported in gross figures.

*The portion of Additional City EATs attributable to the capital improvements portion of the City's sales tax shall only be used to reimburse public infrastructure improvements. The portion of the of the Additional City EATs attributable to City's hotel/ motel tax and food and beverage tax shall only be used to promote tourism, as determined by the Commission.

818 Grand Redevelopment Project Costs

Item	Estimated Project Budget	REIMBURSEMENT ESTIMATES			
		EATS	Additional City EATS*	CID Revenue	Total Reimbursement
Acquisition Costs	\$10,600,000				
Site Preparation Costs	\$3,028,408				
Description: Existing Conditions Survey, Sitework from Construction Estimate, Soils - Preconstruction, Soils - Construction Inspection, Testing and Balancing, Haz Mat testing, Water, Sewer, Electric, Gas, Telephone, Cable TV/Communications, Dewatering Permit, DEP Asbestos Removal, DEP Air Quality Control, Cross Connection Permit, City Order of Conditions, Water & Sewer Permit, Fuel Storage Permit, Soils - Construction Testing, Offsite Civil Scope Incentive (outside GMP)					
Hard Construction Costs	\$112,549,590	\$ 18,169,528	\$ 4,493,871	\$ 19,145,865	\$ 41,809,264
Description: Preconstruction Fee, Construction Cost, Owner's Contingency, Venue New Build Contingency, General Conditions, Project Requirements, Hazardous Abatement, Construction Contingency, Owner Controlled Contingency, Owner Controlled Hard Cost Contingency, No Tax on Construction Materials Incentive (-7.5%), Construction Management Fee, Support Staff (Accounting, Safety, Quality), Infrastructure Improvements					
Furniture, Fixtures and Equipment	\$19,892,124				
Description: Loose Furniture, Fixed Furniture Equipment, Art work, Security system, Temporary relocations/accommodations, Low voltage wiring, Signage, Final cleaning, Window Treatments, Carpets & Wall Vinyl, Owner Furnished Construction Signage, Water Systems, Audiovisual, Specialties, FF&E Contingency, Kitchen Equipment, Laundry Equipment, Model Room, Fitness Equipment, No Tax of FF&E Materials (7.5% Savings), OSE					
Soft Costs	\$14,534,813				
Description: Architectural Design, Architectural Additional Services Contingency, Estimating, Owner's PM, Expenses, Zoning Review, Geoenvironmental engineer, Environmental Assessment, Haz Mat consultant, Surveyor, Peer structural review, Soft Cost Inflation Contingency, MEP peer review, Back of House, Loading, Storage, Trash and MEP, Historic Commission, MAAB Variances, Structural engineer, Fire Alarm consultant, Lighting consultant, Kitchen consultant, Historic Consultant, Concrete testing, Structural steel testing, Fireproofing testing and inspection, Weatherproofing Inspections, Envelope testing and review, Pavement testing and inspection, Special inspections, Commissioning, Liquor License, Certificate of Occupancy, Fire Dept. Review, Permit Specialist, Energy Modeling, 3D Scan Model, Feasibility Study, Security consultant, Public/Media relations consultant, Title & Environmental Insurance, Insurance, Permit fee, SDI Insurance, Port KC/ City Incentives Legal, Legal - General, Legal - Contingency, Brand Technical Services, Pre-Con Site Security, State Historical Organization					
Financing Costs & Other Costs	\$20,700,209				
Description: Misc. Management Consulting, Closing Costs Interest and Financing of DLP Acq Loan, Origination Fee, Interest Reserve, City Performance Bonds					
Developer Fees	\$7,534,191				
Reserves and Other Costs	\$3,000,000				
TOTAL DEVELOPMENT COSTS	\$191,839,335	\$18,169,528	\$4,493,871	\$19,145,865	\$41,809,264
Total Interest Carry Expense Reimbursable to Developer	\$45,790,787	\$ 19,899,823	\$ 4,921,825	\$ 20,969,138	\$ 45,790,787
			\$ -	\$ -	\$ -
Gross Totals	\$237,630,122	\$38,069,351	\$13,909,568	\$40,115,004	\$87,600,051

Amounts reported available to the TIF Commission are reported in gross figures.

*The portion of Additional City EATS attributable to the capital improvements portion of the City's sales tax shall only be used to reimburse public infrastructure improvements. The portion of the of the Additional City EATS attributable to City's hotel/ motel tax and food and beverage tax shall only be used to promote tourism, as determined by the Commission.

800 Grand Totals	\$ 286,114,895	\$ 3,988,433	\$ 986,460	\$ 4,202,751	\$ 9,177,643
TOTAL DEVELOPMENT COSTS	\$ 10,051,636	\$ 4,368,254	\$ 1,080,401	\$ 4,602,982	\$ 10,051,636
Total Interest Carry Expense Reimbursable to Developer			\$ -	\$ -	\$ -
Gross Totals	\$ 296,166,531	\$ 8,356,687	\$ 3,053,320	\$ 8,805,733	\$ 19,229,280
800 Grand and 818 Grand Totals					
TOTAL DEVELOPMENT COSTS	\$ 477,954,230	\$ 22,157,961	\$ 5,480,331	\$ 23,348,616	\$ 50,986,908
Total Interest Carry Expense Reimbursable to Developer	\$ 55,842,423	\$ 24,268,077	\$ 6,002,226	\$ 25,572,120	\$ 55,842,423
	\$ -	\$ -	\$ -	\$ -	\$ -
COMBINED Gross Totals for 800 Grand & 818 Grand	\$ 533,796,653	\$ 46,426,038	\$ 16,962,888	\$ 48,920,736	\$ 106,829,331

EXHIBIT 6

TIF REVENUE PROJECTIONS

Full EDCKC and City Assistance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
EATs		\$883,968	\$980,131	\$1,081,608	\$1,152,226	\$1,204,040	\$1,247,113	\$1,293,111	\$1,332,433	\$1,374,570	\$1,416,220	\$1,459,344	\$1,503,915	\$1,549,984	\$1,597,604	\$1,646,832	\$1,697,723
CID (TIF Captured)		\$201,455	\$220,762	\$244,064	\$261,241	\$273,121	\$282,475	\$292,515	\$301,440	\$311,052	\$320,434	\$330,157	\$340,210	\$350,606	\$361,356	\$372,474	\$383,973
Total CID (Non CID Captured)		\$201,455	\$220,762	\$244,064	\$261,241	\$273,121	\$282,475	\$292,515	\$301,440	\$311,052	\$320,434	\$330,157	\$340,210	\$350,606	\$361,356	\$372,474	\$383,973
Super TIF		\$843,424	\$913,357	\$991,121	\$1,054,693	\$1,105,507	\$1,141,474	\$1,180,604	\$1,215,215	\$1,253,014	\$1,288,624	\$1,325,551	\$1,363,652	\$1,402,968	\$1,443,539	\$1,485,406	\$1,528,613

	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	
EATs	\$1,750,338	\$1,804,740	\$1,860,991	\$1,919,158	\$1,979,311	\$2,041,520	\$2,105,862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 34,882,742 EATS
CID (TIF Captured)	\$395,867	\$408,171	\$420,899	\$434,068	\$447,692	\$461,790	\$476,379	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 7,892,201 CID
Total CID (Non CID Captured)	\$395,867	\$408,171	\$420,899	\$434,068	\$447,692	\$461,790	\$476,379	\$979,189	\$1,006,369	\$1,034,321	\$1,063,066	\$0	\$0	\$0	\$ 11,975,146 CID
Super TIF	\$1,573,206	\$1,619,230	\$1,666,734	\$1,715,767	\$1,766,383	\$1,818,632	\$1,872,573	\$2,966,344	\$3,051,771	\$3,139,703	\$3,230,214	\$3,323,382	\$3,419,284	\$3,518,004	\$ 54,217,989 Addl EATS

EXHIBIT 7

ANTICIPATED SOURCES OF FUNDS

1.	Amount of costs funded with EATs	\$42,774,943
2.	Amount of costs funded with Additional EATS	\$54,217,989
3	Amount of costs funded with CID Revenue	\$11,975,146
4	Amount of costs funded by equity	\$123,921,133
5	Amount of costs funded by conventional debt	\$151,025,733
6	Amount of costs funded with Pace Loan	\$149,881,709
	Total Sources	\$533,796,653

EXHIBIT 8

ESTIMATED DEVELOPMENT SCHEDULE

800 Grand Construction Start	2026
800 Grand Construction End	2029
818 Grand Construction Start	2026
818 Grand Construction End	2028

EXHIBIT 9

COST-BENEFIT ANALYSIS

Cost-Benefit Analysis

Cost-Benefit Summary - 23-year analysis
 Per-capita impacts calculated at 100% of total average revenues and costs.

Benefits	City of Kansas City	Jackson County	Mental Health Fund	EITAS	Blind Pension Fund	Kansas City Public Library	Kansas City Zoo District	Kansas City Public Schools	Metro Community Colleges	State of Missouri
Sales Taxes:	\$ 37,126,050	\$ 15,541,895	--	--	--	--	\$ 1,726,877	--	--	\$ 60,181,054
Property Taxes:	\$ 10,565,377	\$ 5,516,759	\$ 672,989	\$ 505,778	\$ 207,286	\$ 3,569,468	--	\$ 34,270,627	\$ 1,247,863	\$ 182,160
Income Taxes:	\$ 18,049,277	--	--	--	--	--	--	--	--	\$ 84,244,645
Other Revenues:	\$ 11,757,409	\$ 1,716,547	\$ 27,971	\$ 122,424	\$ 55,506	\$ 154,474	\$ 98,480	\$ 2,814,631	\$ 417,438	\$ 24,527,004
Total Revenues:	\$ 77,498,114	\$ 22,775,202	\$ 700,960	\$ 628,202	\$ 262,792	\$ 3,723,942	\$ 1,825,357	\$ 37,085,258	\$ 1,665,301	\$ 169,134,863
Costs										
Costs for Services:	\$ 18,699,776	\$ 2,969,679	\$ 47,749	\$ 94,889	\$ 14,006	\$ 121,708	\$ 144,986	\$ 5,466,974	\$ 489,787	\$ 31,822,651
Incentives:	\$ 12,036,189	\$ 2,828,810	\$ 64,854	\$ 48,741	\$ 19,976	\$ 343,981	\$ 415,359	\$ 6,605,158	\$ 240,507	\$ 19,976
Total Costs:	\$ 30,735,966	\$ 5,798,489	\$ 112,604	\$ 143,630	\$ 33,981	\$ 465,689	\$ 560,345	\$ 12,072,132	\$ 730,294	\$ 31,842,627
Net Cost/Benefit										
Public Benefits:	\$ 77,498,114	\$ 22,775,202	\$ 700,960	\$ 628,202	\$ 262,792	\$ 3,723,942	\$ 1,825,357	\$ 37,085,258	\$ 1,665,301	\$ 169,134,863
Public Costs & Incentives:	\$ 30,735,966	\$ 5,798,489	\$ 112,604	\$ 143,630	\$ 33,981	\$ 465,689	\$ 560,345	\$ 12,072,132	\$ 730,294	\$ 31,842,627
Net Benefits (Costs):	\$ 46,762,148	\$ 16,976,713	\$ 588,356	\$ 484,572	\$ 228,811	\$ 3,258,253	\$ 1,265,012	\$ 25,013,126	\$ 935,007	\$ 137,292,236
Present Value of Public Benefits:	\$ 44,800,752	\$ 13,494,651	\$ 374,854	\$ 333,320	\$ 139,121	\$ 1,991,356	\$ 1,128,364	\$ 19,796,819	\$ 881,111	\$ 98,242,083
Present Value of Incentives:	\$ 6,079,999	\$ 1,427,003	\$ 35,936	\$ 27,008	\$ 11,060	\$ 190,659	\$ 206,724	\$ 3,661,277	\$ 133,302	\$ 11,060

EXHIBIT 10

“BUT FOR” ANALYSIS



800-818 GRAND AVENUE

Financial But-For Analysis

October 24, 2025

Image Source: Hoefler Welker

800 AND 818 GRAND AVENUE FINANCIAL BUT-FOR ANALYSIS






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Financial Returns Analysis	31
Conclusions	34
Appendix	36

Prepared by SB Friedman Development Advisors
October 24, 2025

EXECUTIVE SUMMARY

319 multifamily units, 169 hotel rooms, 36,900 SF of retail and a 1,600-seat entertainment venue

PROJECT ATTRIBUTES	FINDINGS
 LOCATION & CONTEXT	<ul style="list-style-type: none"> 1.26-acre site located on the west side of Grand Blvd, south of E 8th St and north of E 9th St in Downtown Kansas City Redevelopment of a blighted parking garage at 800 Grand Blvd and the historic renovation of the Scarritt & Scarritt Arcade Building next door at 818 Grand Blvd
 DEVELOPMENT PROGRAM	<ul style="list-style-type: none"> The Project includes two properties: <ul style="list-style-type: none"> 800 Grand is proposed to be a 24-story, new construction, 645,000 SF mixed-use tower 818 Grand is proposed to be the adaptive reuse of the historic 174,000 SF Scarritt and Scarritt Arcade building 800 Grand will have 319 luxury multifamily units (a mix of studio, junior 1-bedroom, 1-bedroom, 2-bedroom and 3-bedroom units), a 1,600-seat entertainment venue, a 29,418 SF ballroom, and 5,589 SF of retail 78% of multifamily units will be traditional market-rate apartments, with 22% of units leased as corporate apartments 818 Grand will be redeveloped into a 169-room luxury boutique hotel, 31,300 SF of hotel retail space, a spa, and additional amenities 574 garage parking stalls in the 800 Grand building will be shared by both Project components
 PROJECT BUDGET	<ul style="list-style-type: none"> Combined \$483.6 million budget (before Port KC-awarded STECM) Acquisitions costs were adjusted by SB Friedman in each Project pro forma to reflect true acquisition costs Developer provided detailed site preparation and hard construction cost estimates prepared by JE Dunn, Clarkson Construction Company, RAU Construction, and Rhys-Ivy; costs reflect the luxury nature of the mixed-use tower and adaptive reuse hotel Project budget is largely supported by third-party documentation or within expected ranges
 FINANCING ASSUMPTIONS	<ul style="list-style-type: none"> Project will be financed through a mix of conventional debt, C-PACE, private equity and state and federal historic tax credits (HTCs) Developer is intending to finance Project costs with debt sourced from local and regional lenders Developer intends to sell HTC to a third party; however, discussions with HTC purchasers are preliminary and no term sheets were available for our review Preliminary financing assumptions and state and federal HTC pricing assumptions appear to be reasonable
 OPERATING ASSUMPTIONS	<ul style="list-style-type: none"> Residential component is expected to compete with Two Light Luxury Apartments and Three Light Luxury Apartments Developer's residential rents are projected to exceed the high end of the market Assumed average market rate rent would be affordable to two-person households earning 154% of median family income Residential operating expenses appear reasonable on a per square foot basis relative to comparable projects and industry data Hotel is projected to exceed the average performance of Luxury/Upper Upscale class in downtown Kansas City; however, Developer's revenue assumptions are lower than the stated achievable average daily rates identified in their third-party market study Hotel operating expense and occupancy assumptions appear reasonable based on industry data and comparable projects Food and beverage, catering, and music venue revenue and expense assumptions are supported by the third-party market study

EXECUTIVE SUMMARY

Public assistance appears to be required for the Project to be viable as presented

CONCLUSIONS

- DEVELOPER REQUEST**
- Developer has entered into a MOU with Port KC regarding the issuance of a property tax abatement and a STECM certificate for exemption of eligible construction and personal property purchases from applicable sales taxes
 - Developer is requesting 30 years of "Super TIF" and additional City Sales Tax Reimbursements, as outlined on Page 14

BUT-FOR FINDINGS	Stabilized Yield on Cost	Unleveraged IRR	EDCKC and City Assistance as a % of Total Costs
No EDCKC and City Assistance	5.0%	5.5%	0.0%
Full Requested EDCKC and City Assistance	5.6%	6.8%	9.0%

- DRIVERS OF NEED FOR PUBLIC ASSISTANCE**
- Relationship between assumed revenue generation (residential rents and hotel average daily rates) and project costs
 - Despite revenue assumptions aligning with the top of the market rents and ADRs, the Project's net operating income does not appear to fully support the level of construction contemplated by the Developer for the highly-amenitized, luxury residential and hotel project, as well as the adaptive reuse nature of a portion of the Project

- RECOMMENDED STRUCTURING OPTIONS**
- Given the high development costs, SB Friedman recommends a check-in at Project completion to evaluate whether final costs align with those that were used to size the public assistance; if cost savings were achieved, the public assistance should be recalibrated
 - Given that a project's economics often change as it moves further through predevelopment, SB Friedman recommends check ins at any sale or refinancing event that occurs after the initial conversion to permanent financing; if the Project is outperforming current assumptions at the time of a check in, the public assistance could be recalibrated

INTRODUCTION

INTRODUCTION

Scope of the But-For Analysis

SB Friedman Development Advisors (SB Friedman) was engaged by the Economic Development Corporation of Kansas City (EDCKC) to conduct a preliminary financial review of a proposed redevelopment located at 800 and 818 Grand Boulevard in downtown Kansas City, Missouri (the “Site”).

The \$483.6 million Project (before STECM) consists of two properties including the new construction 24-story, mixed-use tower located at 800 Grand Boulevard and the adaptive reuse of the Scarritt and Scarritt Arcade building at 818 Grand Boulevard. Combined, the Project consists of new construction multi-family apartments (319 units), a structured parking garage (574 stalls), an adaptive reuse hotel (169 keys), as well as a music venue, ballroom, and new construction commercial space.

The purpose of the analysis is to evaluate whether the Project as presented appears to need public financial assistance in order to generate sufficient returns for the Project to attract debt and equity investors. This financial “but-for” test is analytical in nature and is meant to inform a larger policy discussion regarding whether the Project meets desired public objectives.

Our review process is detailed further on the following page.



INTRODUCTION

Review Process

1. Review Project and Site Context

- Where is the project located?
- What is the development program and mix of land uses?

2. Evaluate Development Budget

- What are the project uses? (land, construction costs, etc.)
- Are project costs in line with industry benchmarks? If not, why?

3. Evaluate Financial Assumptions

- How does the developer intend to finance the project?
- Has the developer exhausted all potential funding sources before requesting public assistance?

4. Evaluate Operating Assumptions

- Are revenue (e.g., rents) and expense assumptions reasonable given target tenant profile, market context and industry benchmarks?

5. Calculate Project Financial Returns

- Is the project achieving a level of financial returns that would allow it to attract the required debt and equity investment?

6. Identify Financial Gap

- Is there a demonstrable financial gap that requires public assistance to make the project successful?

7. Identify Drivers of Need for Assistance

- What project components are driving the financial gap?
- Do these drivers align with policy goals? (affordable housing development, employment growth, supporting urban form, etc.)

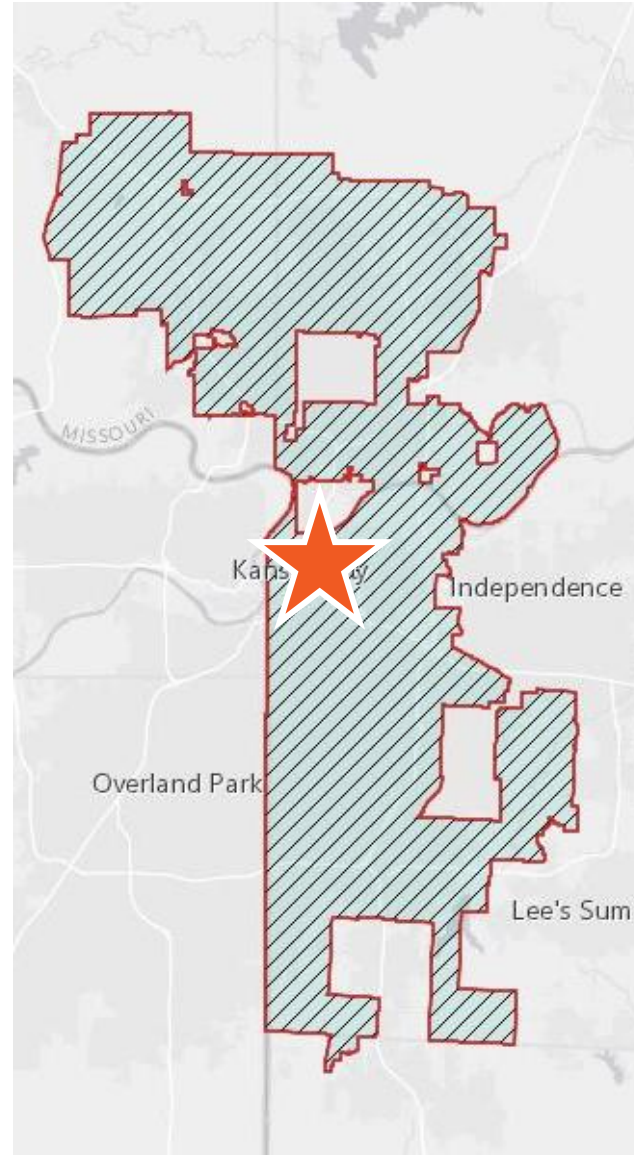
PROJECT OVERVIEW

PROJECT OVERVIEW

Location

The Project is located in downtown Kansas City's Central Business District (CBD), north of the Power and Light District and east of the Quality Hill neighborhood. The CBD has experienced recent revitalization including the development of residential, hospitality, and mixed-use projects over recent years. New residential projects, including One Light, Two Light, and Three Light luxury apartments have increased housing density in downtown Kansas City .

The Project is located near prominent entertainment districts and venues, including T-Mobile Center and the Kansas City Convention Center. The Scarritt and Scarritt Arcade buildings, both listed on the National Register of Historic Places, will be adaptively reused as a part of the Project into an upper upscale/luxury "music" hotel – the first of its kind in Kansas City. Similar adaptive reuse projects in Downtown Kansas City, such as 906 Grand, have been redeveloped in recent years.



NEIGHBORHOOD:

Downtown
Kansas City

WARD:

4th

EXISTING INCENTIVE DISTRICT(S):

- Downtown
Kansas City CID

OTHER LOCATION ATTRIBUTES:

- National and
Kansas City
Register of Historic
Places (Scaritt
Building)

Source: City of Kansas City,
Esri, SB Friedman, The BR
Companies, Universal Music
Hotel Development.

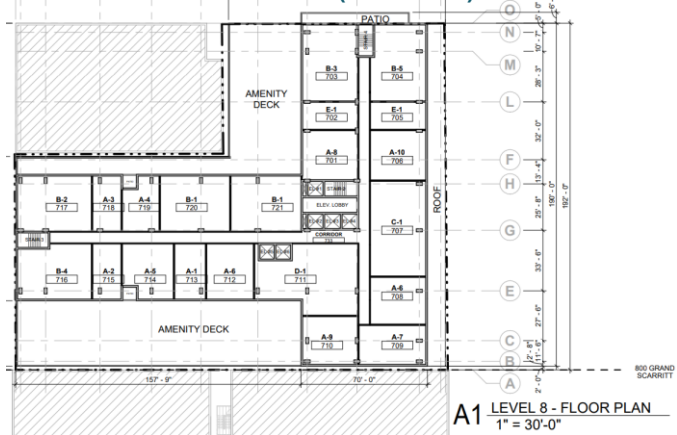
PROJECT OVERVIEW

Renderings & Site Plan

The Project is located on 1.26 acres at 800 and 818 Grand Avenue (the "Site"). The Site currently consists of a blighted parking garage at 800 Grand and the historic Scarritt & Scarritt Arcade Building next door at 818 Grand.

Proposed floor plans and Project renderings are presented below.

800 Grand - 8th Floor Plan (Illustrative)



UMusic Hotel - 4th Floor Plan (Illustrative)



Source: Hoefler Welker, The BR Companies, Universal Music Hotel Development

PROJECT OVERVIEW

Development Program

The Project's development program is presented by Site address below. 800 Grand includes the new construction mixed-use tower, and 818 Grand is the adaptive reuse of the Scarritt Building. Upon completion, the Project will have shared amenities, as the hotel located at 818 Grand Avenue will have access to the parking structure, ballroom, and music venue included in the mixed-use building to be constructed at 800 Grand.

	800 Grand	
MULTIFAMILY	Market-Rate Units	Corporate Apartments
Studios	51	10
1-bedroom	123	34
2-bedroom	73	26
3-bedroom	3	0
Total	249	70

	800 Grand	818 Grand
OTHER LAND USES	Units / SF / Keys	
Retail	5,589 sf	31,300 sf
Hotel	N/A	169 keys
Venue and Entertainment Space	1,600 seats, 29,418 sf ballroom	Shared with 800 Grand
Parking Spaces	574 stalls	Shared with 800 Grand

Source: The BR Companies, Universal Music Hotel Development

PROJECT OVERVIEW

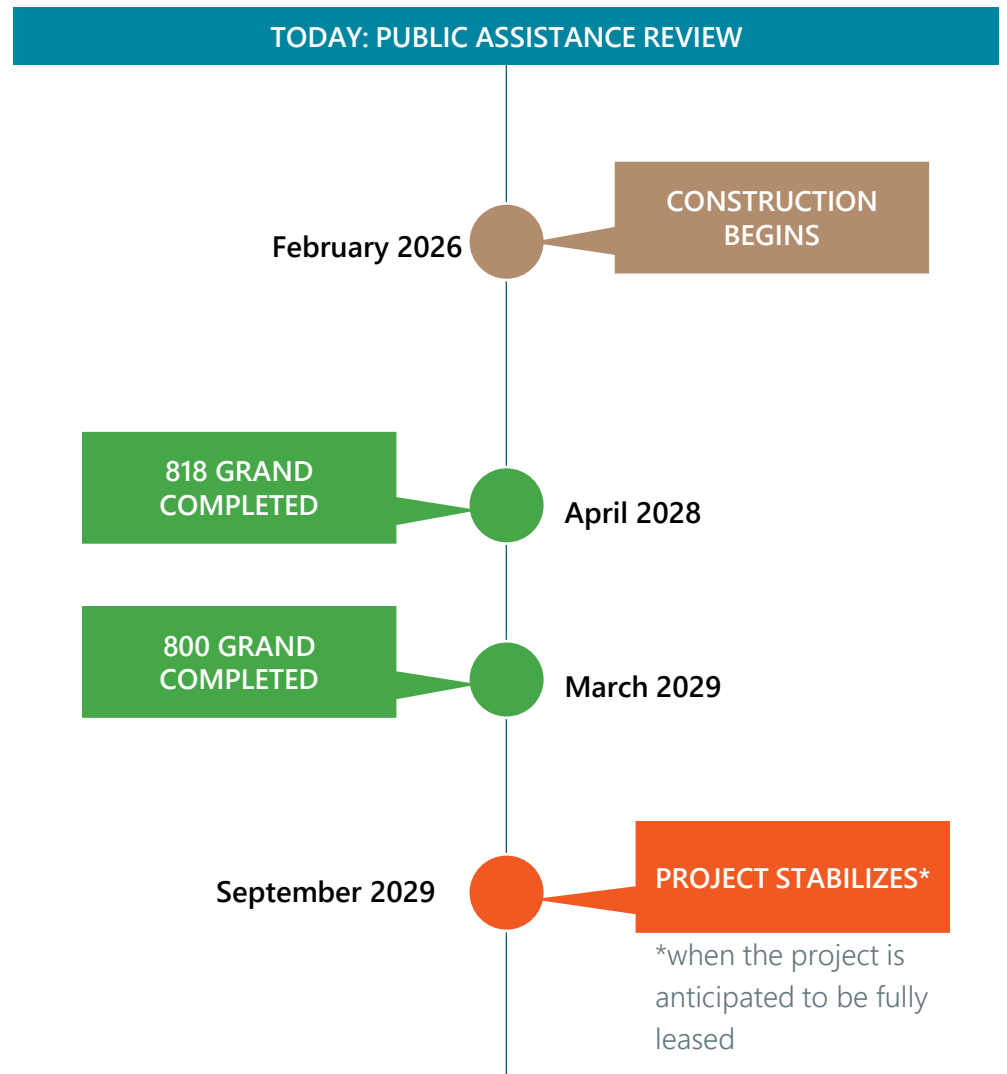
Development Team & Schedule

The Project would be undertaken by The BR Companies and Universal Music Hotel Development (UMHD), collectively the “Developer.”

The BR Companies, based in Los Angeles, California, is a multi-faceted real estate company specializing in development, construction and finance. The BR Companies specializes in mixed-use development and is developing the Project as a joint venture with UMHD.

UMHD is a venture of U Music Hotels focused on the acquisition, development, and operations of U Music Hotel properties in North America. The Project would be the first U Music Hotel location in the United States, with an existing 130-room luxury hotel located in Madrid, Spain. Per the Developer, U Music Hotels is currently expanding and is focused on creating a global collective of immersive upscale hotels inspired by music, with music and entertainment incorporated into each properties design.

The Developer indicated that they would determine if they would hold the Project over the long-term or sell the Project upon stabilization. Components of the 800 Grand building, including the ballroom and entertainment venue, are intended to be sold to the 818 Grand operating entity within the first 5 years of operations.



Source: The BR Companies, Universal Music Hotel Development

PROJECT OVERVIEW

Developer Request for Assistance

The Developer has entered into a Memorandum of Understanding (MOU) with the Port Authority of Kansas City (Port KC) regarding the issuance of a property tax abatement and a STECM certificate for exemption of eligible construction and personal property purchases from applicable sales taxes.

While the fixed PILOT schedule is still being negotiated, a tentative PILOT schedule reflecting percentages of taxes owed for 800 and 818 Grand Avenue and the Developer-assumed STECM benefit from Port KC is included to the right.

The Developer has indicated that incentives awarded through Port KC are insufficient to achieve financial feasibility. Therefore, the Developer is requesting additional assistance through EDCKC and the City of Kansas City ("City"), as outlined on the following page.

PORT KC PRELIMINARY PILOT SCHEDULE

PERIOD	PERCENTAGE OF TAXES DUE
Construction Period	Amount equal to base taxes
Years 1-10	Amount equal to base taxes
Years 11-13	25% of taxes otherwise due
Years 14-16	50% of taxes otherwise due
Years 17-19	75% of taxes otherwise due
Years 20-25	100% of taxes due in Year 19

PORT KC STECM BENEFIT ASSUMPTIONS

800 Grand	\$7,498,800
818 Grand	\$5,000,000

Source: The BR Companies, Universal Music Hotel Development, SB Friedman

PROJECT OVERVIEW

Developer Request for Assistance

REQUESTED ASSISTANCE

1. **Reimbursement of Economic Activity Taxes (EATs) captured by TIF for 23 years:**
 - 50% of City and County sales taxes, as outlined to the right
 - 50% of the City Earnings Tax
 - 50% of the Restaurant Tax on Prepared Foods
 - 50% of the CID sales tax
2. **Reimbursement of additional sales tax levies for 23 years:**
 - Remaining 50% of City sales taxes, as outlined to the right
 - Remaining 50% of the Restaurant Tax on Prepared Foods
 - 50% of the Tax on Hotel Room Rentals
 - Remaining 50% of the CID sales tax
3. **Reimbursement of sales taxes in Years 24-30 of the Project:**
 - 100% of City Capital Improvement and Public Safety taxes
 - 100% of the Restaurant Tax on Prepared Foods
 - 50% of the Tax on Hotel Room Rentals
 - 100% of the CID sales tax (through Year 28 of the Project)

ESTIMATED TOTAL VALUE OF ASSISTANCE (AS REQUESTED)

\$109.0 million (undiscounted)

Taxing Entity	Rate	TIF (23 yrs)	Super TIF (23 yrs)	City Sales Tax Reimbursement (Years 24-30)
City Sales Tax				
Capital Improvement	1.0%	0.5%	0.5%	1.0%
Public Mass Transit	0.5%	0.25%	0%	0%
KCATA (Capital)	0.375%	0%	0%	0%
Firefighters	0.5%	0.25%	0%	0%
Public Safety	0.25%	0.125%	0.125%	0.25%
Parks	0.5%	0.25%	0%	0%
Central City ED	0.125%	0%	0%	0%
County Sales Tax				
County	0.5%	0.25%	0%	0%
General County Misc	0.25%	0.125%	0%	0%
Children's Services Board	0.25%	0%	0%	0%
Stadium	0.375%	0%	0%	0%
Zoo	0.125%	0.063%	0%	0%
City Earnings Tax	1.0%	0.5%	0%	0%
City Convention & Tourism Tax				
Restaurant Tax on Prepared Foods	2.0%	1.0%	1.0%	2.0%
Tax on Hotel Room Rentals	7.5%	0%	3.25%	3.25%
Community Imp. District	1.0%	0.5%	0.5%	1.0%

[1] Sales taxes not captured by TIF include those levied to support the State, KCATA (Capital), Central City Economic Development, County Children's Services Board, and the Stadium.
Source: The BR Companies, Universal Music Hotel Development, SB Friedman

PROJECT ANALYSIS – 800 GRAND

- Development Budget
- Project Financing
- Operating Assumptions

DEVELOPMENT BUDGET

Key Budget Line Items

The Developer provided the following information for our review:

- Valbridge Property Advisors appraisal report for 800 Grand dated April 14, 2025
- Executed Purchase and Sale Agreement (PSA) for the purchase of 800 Grand by the Developer
- Construction renderings and floorplans prepared by Hoefer Welker dated March 21, 2025
- Construction cost estimated prepared by JE Dunn and Clarkson Construction Company dated July 15, 2025
- Excel proforma with costs and revenue assumptions, a 10-year cash flow, and financing assumptions with and without requested assistance

The Project is expected to cost \$290.0 million before Port KC-awarded STECM and \$282.5 million with STECM. SB Friedman's analysis of the development budget (for benchmarking purposes) is net of anticipated STECM awarded by Port KC. Key budget line items include:

- Acquisition Costs.** The Developer's proforma indicated a land acquisition cost of \$6.7 million, or approximately \$176 per square foot of land. The Developer also provided a Purchase and Sale Agreement (PSA) for the purchase of the Site for \$2.6 million. For the purposes of evaluating the need for public assistance, SB Friedman adjusted the Developer's acquisition costs to align with the actual purchase price outlined in PSA, resulting in total acquisition costs (including fees and closing costs) equivalent to \$74 per square foot of land.

COSTS	Developer Assumption	SBF Adjustment	\$/GSF
TDC Before STECM	\$289,979,895	\$286,114,895	\$444
Less STECM	-\$7,498,792	-\$7,498,792	
TDC After Port KC STECM	\$282,481,103	\$278,616,103	\$419

KEY BUDGET DRIVERS	SBF Adjusted Total	% of TDC	\$/GSF
Acquisition Costs	\$2,802,000	1.0%	\$74 / LSF
Site Preparation Costs	\$6,911,271	2.5%	\$182 / LSF
Hard Costs (Multifamily Component) [1]	\$137,384,567	49.3%	\$358 / SF
Hard Costs (Structured Parking)	\$28,491,444	10.2%	\$49,640 / stall
Hard Costs (Retail)	\$4,692,124	1.7%	\$358 / SF
Hard Costs (Entertainment Venue)	\$7,590,787	2.7%	\$320 - \$360 / SF
Hard Cost Contingencies & Allowances	\$5,098,863	1.8%	N/A
Tenant Improvement and FF&E Costs	\$8,442,938	3.0%	\$13 / SF
Soft Costs	\$21,857,953	7.8%	N/A
Financing Costs	\$6,840,952	2.5%	N/A
Developer Fees [2]	\$9,117,744	3.4% [2]	N/A
Reserves and Other Costs	\$39,385,460	14.1%	N/A
Total Development Costs	\$278,616,103	100%	\$419

Source: The BR Companies, Universal Music Hotel Development, SB Friedman

[1] Includes cost associated with residential amenities

[2] % of TDC, net of acquisition costs

DEVELOPMENT BUDGET

Key Budget Line Items | Continued

- **Site Preparation.** The Developer is assuming site preparation costs of 2.5% of TDC. Site preparation costs are difficult to benchmark due to varying site conditions; however, SB Friedman consistently observes site preparation costs below 5.0% of TDC for new construction projects in Kansas City; therefore, the Developer's assumption appears reasonable. Approximately 70% of site preparation costs, including \$3.9 million in sitework and \$760,000 in garage demolition costs were verified by JE Dunn cost estimates. The Developer's budget included a credit for garage demolition and civil costs. Given that these costs are intended to be financed through the ongoing TIF EATs and City Sales Tax Reimbursement, rather than through an upfront reimbursement, the credit in the budget was removed for the purposes of this analysis.
- **Multifamily Hard Construction Costs** - The Developer budgeted \$360/GSF for multifamily hard construction costs (before STECM and in 2025 dollars). The cost estimates are based on verified contractor estimates and are within range of industry data and comparable new construction, high-rise projects.
- **Parking Hard Construction Costs** – The Developer budgeted approximately \$49,600 per structured parking stall (before STECM and in 2025 dollars). The cost are higher than the per stall costs of recent comparable projects reviewed by SB Friedman in Kansas City (\$35,400 - \$42,900/stall). Given that the Developer provided detailed contractor cost estimates, SB Friedman did not adjust the hard cost budget for the purpose of this analysis.
- **Retail and Entertainment Space Hard Construction Costs** – The Developer budgeted \$320-358/GSF for retail and entertainment space construction costs (before STECM and in 2025 dollars). Given that the Developer provided detailed cost estimates, SB Friedman accepted the hard cost budget for retail and entertainment space for the purposes of this analysis.
- **Hard Cost Contingency.** The Developer included a Design Contingency of 4% of hard construction costs, a tariff impact allowance of 1.5% of hard construction costs, and an escalation factor of 5% to account for inflationary construction costs before vertical construction begins in mid-2026. These contingencies and allowances are verified by detailed cost estimates prepared by JE Dunn and appear reasonable given that construction costs nationally have increased 4.7% per year (on average) since 2013, according to the Turner Construction Cost Index.
- **Furniture, Fixtures and Equipment (FF&E).** The Developer is assuming FF&E costs—including furniture for amenity spaces, corporate units, fitness equipment, and AV equipment—of approximately \$25,700 per unit. These costs are higher than the range SB Friedman observed for similar projects in Kansas City (typically, less than \$5,000 per unit). However, the Developer's higher FF&E assumption appears reasonable given the inclusion of furnished, corporate units in the project, which will have a higher FF&E requirement than traditional market-rate units. Therefore, SB Friedman did not make any adjustment to the FF&E costs.
- **Soft and Financing Costs.** The Developer is assuming soft and financing costs of 7.8% and 2.5%, respectively, of TDC. Combined, these costs are at the low end of the range observed by SB Friedman for similar projects in Kansas City (typically 10-15% of TDC). Therefore, the Developer's assumptions appear reasonable.
- **Developer Fee.** The Developer is assuming a developer fee totaling 3.4% of TDC, net of acquisition. This assumption appears reasonable relative to other recent projects reviewed by SB Friedman in Kansas City.

The remaining cost assumptions are in line with comparable projects in Kansas City and industry sources.

PROJECT FINANCING

Financing Sources

The Developer provided the following information for our review:

- Term sheet from Nuveen Green Capital, dated May 16, 2025, for Commercial Property Assessed Clean Energy (CPACE) financing.

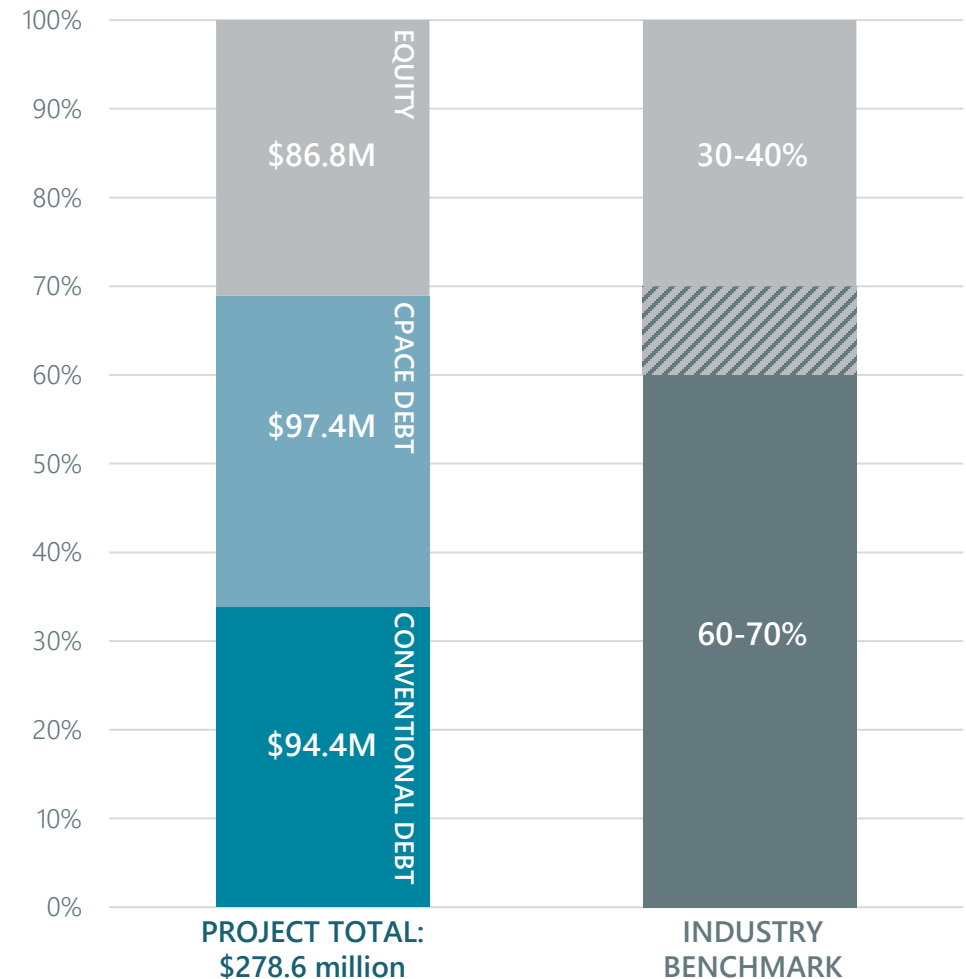
Due to the preliminary nature of the financing, SB Friedman reviewed the Project's returns from an unleveraged perspective which evaluates overall Project feasibility and ability to secure financing rather than returns to specific investors. Key financing assumptions are provided below.

- Conventional debt.** The Developer is assuming \$94.4M in senior construction debt, with an 8.5% interest rate and 5 years of interest only payments. After the 5 years, there is an assumed conversion of the construction financing (including CPACE debt) to permanent financing. There is no back-up documentation on the permanent loan or the construction loan. The permanent loan is assumed to have a 5.5% interest rate and a 25-year amortization period. The Developer's assumed permanent loan interest rate appears favorable relative to industry data and comparable projects.
- Commercial Property Assessed Clean Energy (CPACE) financing.** The Developer is assuming that \$97.4M, or $\pm 35\%$ of costs, will be financed through CPACE. The loan carries an 8.0% interest rate and includes 5 years of interest only payments. The Developer provided a term sheet from Nuveen Green Capital which aligns with these assumptions.

The Developer is assuming that senior debt and CPACE debt together will finance $\pm 70\%$ of project costs, which is in line with standard underwriting practices and recent projects reviewed by SB Friedman in Kansas City.

- Cash equity.** Equity is estimated to account for 31% of Project sources, which is in line with other recent projects reviewed by SB Friedman in Kansas City. Per the Developer, equity would be sourced from institutional investors.

CAPITAL STACK WITH STECM



Source: SB Friedman, The BR Companies, Universal Music Hotel Development

OPERATING ASSUMPTIONS

Revenue Assumptions

The Developer provided the following information for our review:

- UMusic Hotel and Residences Market Study prepared by EY Parthenon in May 2025 (“third-party market study”).
- Development Budget and Operating Pro-Forma, dated July 31, 2025
- Unit Mix Detail summary provided on October 8, 2025.

The Developer’s provided unit mix detail reflects the same per square foot rent across unit types. Therefore, SB Friedman did not benchmark rents by unit type for comparable properties in Downtown Kansas City and instead focused on the composite per square foot and chunk rents of properties with similar average unit sizes, as outlined on the following page.

Other key assumptions are as follows:

- Assumed rents for market rate units would be affordable to two-person households earning 154% of the median family income in Kansas City.
- There are 319 parking stalls designated for residential tenants. Parking stalls will be available to residents for \$250 per month. The parking ratio is 1.00.

MULTIFAMILY RENTS	Units	Unit SF	Average Base Rent	Base Rent/SF	MFI Level [2]
Market Rate Units	249	949	\$3,275	\$3.45	154%
Corporate Apartments	70	989	\$4,499	\$4.55	N/A
Average/Total	319	958	\$3,543	\$3.70	

RETAIL RENTS	SF			Rent/SF	
Retail Rent	5,589			\$45	

[2] The Developer’s unit mix detail provided has the same square foot rent assumptions across unit types. For the purposes of the MFI level calculation, SB Friedman is assuming a 2-person household and comparing to the overall average rent for all units.

Source: The BR Companies, SB Friedman

OPERATING ASSUMPTIONS

Competitive Projects

SB Friedman benchmarked the Developer's operating assumptions against key competitive projects identified by SB Friedman in the Submarket: Two Light Luxury Apartments and Three Light Luxury Apartments. These projects are among the newest multifamily deliveries in the Submarket with similar level of amenity and finish to the Project.



Two Light Luxury Apartments
1444 Grand



Three Light Luxury Apartments
1477 Main

COMPETITIVE PROJECTS

Project Name	Year Built	Unit Count	Building Amenities	Market-Rate Units Only			All Units		
				Unit Size (SF)	Rent/SF [1]	Chunk Rent [1]	Unit Size (SF)	Rent/SF [1]	Chunk Rent [1]
800 Grand		319 Units		950	\$3.45	\$3,275	958	\$3.70	\$3,543
Three Light	2023	297 Units	Business center, clubhouse, fitness center, picnic area, outdoor pool, spa, coffee concierge, cabanas, outdoor grills, sundeck and balconies.	891	\$3.05	\$2,719	891	\$3.05	\$2,719
Two Light	2018	288 Units	Business center, clubhouse, concierge, day care, fitness center, laundry facilities, pool, spa, dry cleaning services, maid services, media center/movie theater, roof terrace, conference rooms.	1,070	\$3.26	\$3,484	1,070	\$3.26	\$3,484
Comparables Average				981	\$3.15	\$3,102	981	\$3.15	\$3,102

Source: CoStar, The BR Companies, SB Friedman
 Images: Two Light Luxury Apartments, Design KC
 [1] Rents are presented in 2025 dollars

OPERATING ASSUMPTIONS

Revenues & Expense Assumptions

Key operating assumptions are discussed further below:

- **Market-Rate Residential Rent Assumptions.** The Developer's assumed chunk rents are at the high end of the benchmark range identified by SB Friedman based on a review of comparable projects. The assumed rents have an approximately 14% premium over the average per square foot rents. This premium appears reasonable given the Project's access to hotel amenities and services and given the age of comparable projects relative to the Project at delivery. The third-party market study indicates that \$4.00 per square foot rents are somewhat supported by market indicators. The Developer is assuming that Project rents will be at a discount to the third-party market study conclusions. However, this assumption appears reasonable given the recent performance of comparable properties.
- **Corporate Residential Rent Assumptions.** The Developer is assuming that 70 of the 319 residential units in the Project will be furnished, corporate apartments that will rent at a premium over the market-rate apartments in the Project. The corporate apartments will significantly exceed the top of the market rents current observed in Kansas City.
- **Retail Rent Assumptions.** The retail component of the Project is anticipated to be leased by a market or convenience retail tenants. The Developer is assuming the 5,589 SF of ground floor commercial space will achieve triple-net (NNN) rents of \$45/SF. Commercial rents within the Submarket are currently \$22.70/SF NNN. The Developer's retail rent assumptions therefore appear to be at a premium relative to comparable existing retail spaces. High retail rents enhance Project financial feasibility; therefore, SB Friedman accepted this assumption for the purposes of this analysis.
- **Vacancy Assumptions.** The Developer is assuming a stabilized residential vacancy rate of 3%. This assumed vacancy aligns with comparable projects reviewed by SB Friedman and verified by the third-party market study.
- **Parking Revenue Assumptions.** The Developer is assuming monthly parking rents of \$250/space. This assumption is higher than comparable projects identified by SB Friedman in Downtown Kansas City, which have monthly reserved parking rates of approximately \$150 per month. The financial feasibility of the Project is enhanced by a higher parking revenues; therefore, SB Friedman accepted this assumption for the purposes of this analysis.
- **Absorption Assumptions.** The Developer is assuming a 9-month lease-up period, which amounts to an absorption rate of 35 units/month (accounting for vacancy). Comparable projects have achieved an average absorption rate of 20-24 units/month. The financial feasibility of the Project is enhanced by a slightly faster absorption schedule; therefore, SB Friedman accepted this assumption for the basis of this analysis.
- **Expense Assumptions.** The Developer is assuming operating expenses of 15.6% (net of real estate taxes) and 16.5% (including abated property taxes) of revenues. This is below the benchmarked range associated with comparable projects reviewed by SB Friedman in Kansas City, which typically have operating expenses ranging from 20-30% of revenues. Expenses as a percent of revenues can vary significantly based on the rent profile of a project. SB Friedman also benchmarked comparable projects for residential operation expenses on a per square foot basis. The Developer's assumption of \$6.93 per residential square foot (including common areas and amenity spaces) appears reasonable based on comparable projects in Kansas City, which ranged from \$6.25-7.25 per square foot.

OPERATING ASSUMPTIONS

Other Key Operating Assumptions

- Revenue and Expense Escalation.** The Developer is assuming 3.0% annual revenue escalation in Year 1, and a 3.5% annual revenue escalation rate in Years 2 through 4. Revenue escalation stabilizes at 3.0% in Year 5, and steps down to 2.5% in Year 8 through Year 10. The Developer is also assuming a 2.0% annual expense inflation. These assumptions are within the range of typical assumptions observed for comparable projects in Kansas City and elsewhere (2-3%).
- Real Estate Tax Assumptions.** The Developer provided real estate tax assumptions that result in an assumed assessed value (AV) of \$60,850/unit for the multifamily component, with 2% biennial inflation. The Developer has also assumed an AV of \$8,600 per parking space for the parking garage, and \$209 per square foot for the retail space included within 800 Grand. However, per Developer's negotiated agreement with Port KC, 100% of the taxes above the base value would be abated for the first ten years. Given that the pro forma reflects the negotiated Port KC abatement, SB Friedman did not make any adjustments to the Developer's property tax assumptions.
- Terminal Cap Rate.** The Developer is assuming a terminal cap rate of 5.5%, which is slightly below the low end of the terminal cap rate benchmarks reported by industry sources (RERC) in 2nd Quarter 2025 surveys. The financial feasibility of the Project is enhanced by a lower terminal cap rate; therefore, SB Friedman accepted this assumption for the purposes of this analysis.

OPERATING ASSUMPTION	Developer Assumption	SBF Adjustment	Benchmark	Market Study
Revenue Escalation	2.5-3.5%	--	2-3%	2-3%
Expense Inflation	2.0%	--	2-3%	2-3%
Stabilized Vacancy	3.0%	--	5%	3.0%
Operating Expenses	15.6% [1] 16.5% [2]		22-30%	15.4% [2]
Operating Expenses/SF [3]	\$6.93 / SF	--	\$6.25-7.25	--
Real Estate Tax Escalation (Residential)	2% annually	--		
Terminal Cap Rate	5.5%	--	5.8-6.5%	

Source: RealtyRates, RERC, SB Friedman, The BR Companies

[1] Residential expenses as a proportion of residential revenues

[2] Residential operating expenses as a proportion of residential revenues

[3] Residential operating expenses per residential GSF, benchmarks inflated by respective expense inflation rates to Project year of stabilization. Assessed value per residential unit before Port KC Abatement

PROJECT ANALYSIS – 818 GRAND

- Development Budget
- Project Financing
- Operating Assumptions

DEVELOPMENT BUDGET

Key Budget Line Items

The Developer provided the following information for our review:

- Construction renderings and floorplans prepared by Post Company dated June 27, 2025
- Construction cost estimated prepared by Clarkson Construction, RAU Construction, and Rhys-Ivy dated May 5, 2025
- Excel proforma with costs and revenue assumptions, a 10-year cash flow, and financing assumptions with and without requested assistance

The adaptive reuse hotel is expected to cost \$193.6 million, before Port KC awarded-STECCM and \$188.6 million after Port KC-awarded STECCM. SB Friedman's analysis of the Project is net of anticipated STECCM awarded by Port KC and other adjustments to the Developers budget. Key budget line items and adjustments include:

- Acquisition Costs.** The Developer is assuming a site acquisition cost of \$10.6 million, or approximately \$176 per square foot of building. The Developer provided a purchase and sale agreement documenting the purchase price. The Developer budget also included \$2.6 million in acquisition costs related to the performance venue. SB Friedman adjusted the acquisition cost in the 800 Grand component to reflect the true acquisition cost rather than its market value and in doing removed this cost from the budget.

COSTS	Developer Assumption	SBF Adjustment	\$/key
Total Development Costs (TDC)	\$193,639,335	\$190,221,350	
Less STECCM	-\$5,000,000	-\$5,000,000	
TDC After STECCM	\$188,639,335	\$185,221,350	

KEY BUDGET DRIVERS	SBF Adjusted Total	% of TDC	\$/key or SF
Acquisition Costs	\$10,600,000	5.7%	\$176
Site Preparation Costs	\$3,028,408	1.6%	N/A
Hard Costs (Adaptive Reuse Hotel) [1]	\$95,049,590	51.3%	\$562,423
Hard Costs (Music Venue) [2]	\$15,000,000	8.1%	
Soft Costs	\$15,334,813	8.3%	
Financing Costs	\$20,700,209	11.2%	N/A
FF&E	\$15,792,124	8.5%	\$93,444
Developer Fees [3]	\$6,716,206	4.0% [3]	
Reserves and Other Costs	\$3,000,000	1.6%	
Total Development Costs	\$185,221,350		

Source: The BR Companies, Universal Music Hotel Development, SB Friedman

[1] Includes hard costs and contingencies associated with the adaptive reuse component of the Project

[2] Music Venue hard costs verified by documentation from JE Dunn, \$15 million offsets costs being held in the 800 Grand proforma

[3] % of TDC, net of acquisition costs

DEVELOPMENT BUDGET

Key Budget Line Items | Continued

- **Site Preparation.** The Developer is assuming approximately \$3.0 million in site preparation costs, or 1.6% of TDC. Site preparation costs are difficult to benchmark due to varying site conditions; however, SB Friedman consistently observes site preparation costs below 5.0% of TDC in Kansas City. Therefore, the Developer's assumption appears reasonable, particularly given that this is an adaptive reuse of an existing building. Approximately 78% of site preparation costs were verified by Clarkson cost estimates. The Developer's budget included a credit for civil costs. Given that these costs are intended to be financed through the ongoing TIF EATs and City Sales Tax Reimbursement, rather than through an upfront reimbursement, the credit in the budget was removed for the purposes of this analysis.
- **Hard Construction Costs.** The Developer budgeted \$562,400/key or \$543/GSF for adaptive reuse hotel hard construction costs (before STECM and in 2025 dollars). These costs include a 5% owners contingency. These costs are high compared to recent adaptive re-use, luxury hotel projects in Kansas City on a per GSF basis when adjusted to 2025 dollars (\$338/GSF on average). Costs however appear to be within the range of the average costs per key reported in the 2025 HVS Hotel Development Cost Survey for luxury hotels (\$620,500/key)

Historic rehabilitation and adaptive reuse projects are difficult to benchmark due to varying building conditions. The higher hard construction costs on a per-key basis are likely due to the condition of the historic building. Buildings that are in relatively good condition typically have higher acquisition costs and lower hard construction costs, while buildings that are in relatively poor condition typically have lower acquisition costs and higher hard construction costs. Overall, the hard construction costs appeared reasonable, given that the Developer provided detailed contractor cost estimates. SB Friedman did not adjust the hard cost budget for the purpose of this analysis.
- **Hard Cost Contingency.** The Developer included a design contingency of 10% of hard construction costs, a construction contingency of 3%, and an escalation factor of 3% to account for inflationary construction costs before vertical construction begins in 2026. These contingencies and allowances are verified by detailed cost estimates prepared by JE Dunn and appear reasonable given the level of design, adaptive reuse nature of the Project, and the fact that construction costs nationally have increased 4.7% per year (on average) since 2013, according to the Turner Construction Cost Index.
- **Soft and Financing Costs.** The Developer is assuming soft costs of 8.3% of TDC and financing costs of 11.2% of TDC. Combined, these costs are slightly above comparable adaptive reuse hotel projects reviewed by SB Friedman in Kansas City, where soft and financing costs are typically less than 15% of TDC. Financing costs (as a percentage of TDC) are likely higher due to the Project leveraging historic tax credits, which result in additional financing costs.
- **Furniture, Fixtures and Equipment (FF&E).** The Developer is assuming FF&E costs of \$108,200/key, or 10.2% of TDC (before STECM and in 2025 dollars). This assumption appears to be high compared to both the median costs reported in the HVS Hotel Development Cost Survey for luxury hotels (\$94,600/key) and the percentage of TDC (7-8%). The Developer indicated an intent to reduce the FF&E budget by 10% through value engineering, which would bring the estimates closer to the benchmark range.
- **Developer Fee.** The Developer is assuming a developer fee totaling 4.4% of TDC, net of acquisition. SB Friedman consistently observes developer fees of 4.0% of TDC, net of acquisition, in the Kansas City market. Therefore, for the purposes of this analysis, SB Friedman adjusted the developer fee to equal 4.0% of TDC, net of acquisition, to align with our standard underwriting methodology for EDCKC.

PROJECT FINANCING

Financing Sources

The Developer provided the following information for our review:

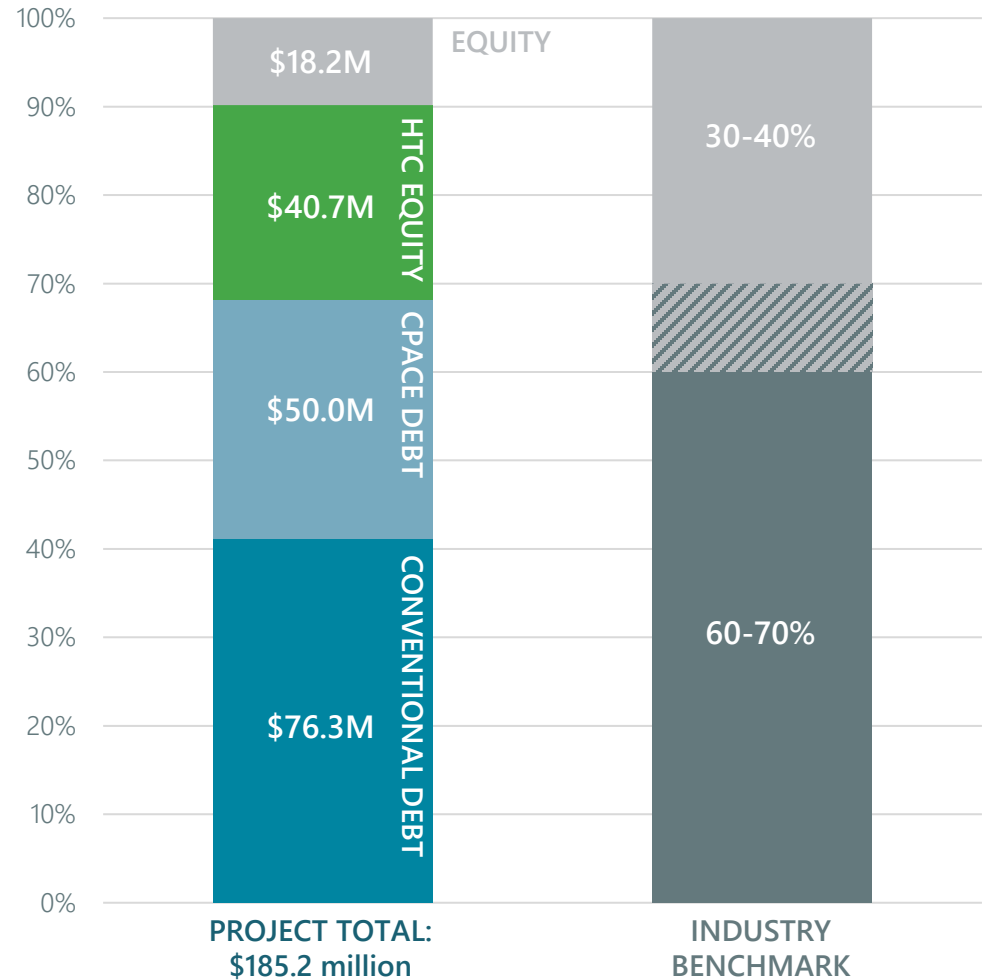
- Term sheet from Nuveen Green Capital, dated May 16, 2025, for Commercial Property Assessed Clean Energy (CPACE) financing.

Due to the preliminary nature of the financing, SB Friedman reviewed the Project’s returns from an unleveraged perspective which evaluates overall Project feasibility and ability to secure financing rather than returns to specific investors.

Key financing assumptions are provided below:

- **Conventional debt.** The Developer is assuming \$76.3 million in senior construction debt, with an 8.4% interest rate for a 70-month term. The Developer indicated that they are still determining whether to hold the Project long-term or sell the Project upon stabilization. Should the Project be sold, reversion proceeds would pay off the senior construction debt and the CPACE debt. Should the Developer elect to hold the Project long-term, there would be a conversion of construction financing to permanent financing. The Developer assumed that a permanent loan would have a 6.0% interest rate but did not include an amortization assumption. The Developer did not provide back-up documentation on the permanent loan or construction loan. Industry sources indicate that interest rates for recent full-service hotel projects nationwide average $\pm 7.94\%$; therefore, the Developer’s assumption appears reasonable.

CAPITAL STACK WITH STECM



Source: SB Friedman, The BR Companies, Universal Music Hotel Development

PROJECT FINANCING

Financing Sources | Continued

- **Commercial Property Assessed Clean Energy (CPACE) financing.** The Developer is assuming that \$50.0 million, or $\pm 27\%$ of costs, will be financed through CPACE. The loan carries a 7.0% interest rate and includes 3 years of interest only payments, followed by a 17-year amortization. The loan amount aligns with a term sheet from Nuveen Green Capital, which stated that the loan amount is not to exceed 35% of TDC. However, that term sheet assumed an interest rate floor of 7.5%. Because SB Friedman evaluated the Project on an unleveraged basis, SB Friedman did not adjust the CPACE financing assumptions for the purpose of evaluating the need for public assistance.

The Developer is assuming that senior debt and CPACE debt together will finance $\pm 68\%$ of project costs, which is in line with standard underwriting practices and recent projects reviewed by SB Friedman in Kansas City.

- **Historic Tax Credit equity.** The Developer is assuming that $\pm 22\%$ of costs will be financed through equity derived from federal and state historic tax credits (HTCs). The Developer intends to sell the credits to a third party and is in discussions with HTC purchasers; no term sheets were available for our review. The Developer is assuming pricing of \$0.85 for both state and federal credits. Credit pricing assumptions are comparable to those assumed or secured for similar projects reviewed by SB Friedman. Actual HTC pricing is impacted by several market-driven and project-specific factors. As a result, SB Friedman did not adjust federal or state HTC pricing for the purpose of evaluating the need for public assistance.
- **Cash equity.** Cash equity is estimated to account for the remaining $\pm 10\%$ of Project sources. While this equity investment is lower than comparable conventionally financed projects, the ability to leverage CPACE and historic tax credit equity reduces the need for additional traditional equity, which typically carries a higher cost of funds than other financing sources. Per the Developer, equity would be sourced largely from high-net worth individual investors.

OPERATING ASSUMPTIONS

Revenue & Expense Assumptions

The Developer provided the following information for our review:

- UMusic Hotel and Residences Market Study prepared by EY Parthenon in May of 2025 ("third-party market study")
- Development Budget and Operating Pro-Forma, dated September 26, 2025

Key assumptions are as follows:

- Per the Developer and Market Study, there are limited competitive upper-upscale and luxury hotels in the CBD submarket.
- The Project will stabilize in Year 5 of operations.
- Stabilized Project occupancy is assumed to be 65%.
- Stabilized ADR in Year 5 (2032) is assumed to be \$273.
- After stabilization, the Developer assumes the Project will outperform comparable hotels in the CBD submarket on both an ADR and RevPAR basis.

Key operating assumptions are discussed further below:

- Average Daily Rate (ADR) assumptions.** The Developer is assuming an ADR of \$245 in 2028, the first year of operations and \$273 at stabilization in 2032. The stabilized ADR is above the current (October 2025), average performance of Luxury/Upper Upscale class hotels identified in Downtown Kansas City when inflated by 3% annually to 2028 dollars (3% being the average recent ADR growth for this class of hotels). The third-party market study identified a local competitive set of properties: The Unbound Collection Hotel Kansas City, Ambassador Hotel Kansas City, Crossroads Hotel, The Raphael Hotel, and The Fontaine Hotel. According to the EY Parthenon study, the competitive set hotels currently have an average ADR of \$237.

PERFORMANCE	Keys	ADR 2025	ADR 2032\$ [1]	Occupancy	Rev-PAR [2]
800 Grand – UMusic Hotel [3]	169	--	\$273	65.0%	\$177
Kansas City CBD – Luxury/Upper Upscale	4,350	\$191	\$235	62.6%	\$147
Kansas City CBD – Upscale/Upper Midscale	1,003	\$164	\$202	54.1%	\$109
Market Study – Local Comps [4]	113-144	\$237	\$291	73.6%	\$214
Market Study – Regional Music Hotel Comps [5]	144-319	\$301	\$370	60.0%	\$222

Source: CoStar, EY, HVS, SB Friedman, Universal Music Hotel Development

[1] ADR inflated by 3.0% annually from year shown to 2032 dollars

[2] 2025 RevPAR inflated by 3% annually from 2025 to 2032 dollars

[3] Showing Project metrics at stabilization (2032)

[4] Includes The Unbound Collection Hotel Kansas City, Ambassador Hotel Kansas City, Crossroads Hotel, The Raphael Hotel, and The Fontaine Hotel

[5] Includes W Austin, Hotel van Zandt (Austin), Virgin Nashville, The Barnett (New Orleans), and The Bobby Nashville. .

- Average Daily Rate (ADR) assumptions (continued).** According to the third-party market study, the Project could achieve a stabilized ADR of \$314 by Year 3 of operations (\$279 in 2025 dollars). The Developer's assumption for ADR is lower than the market study conclusions. To understand the impact of this assumption on the need for public assistance, SB Friedman conducted a sensitivity analysis where ADR was adjusted to align with the EY Parthenon study. The sensitivity analysis is discussed in the conclusions.

OPERATING ASSUMPTIONS

Revenue & Expense Assumptions | Continued

- RevPAR.** The Developer is assuming RevPAR of \$147 in the first year of operations, which will grow steadily to \$177 in 2032 upon stabilization. The Developer's RevPAR assumption represents a 20% premium over comparable Luxury/Upper Upscale properties identified in Downtown Kansas City, escalated by 3% annually to 2032.
- Food and Beverage (F/B) revenue assumptions.** The Developer is assuming that F/B sales will be $\pm 37\%$ of total revenue. This revenue is from a combination of F/B spaces within the Project include a 5,000 square foot ground floor restaurant and lounge, as well as a 11,000 square foot rooftop with a 5,000 square foot restaurant and 2,600 square foot speakeasy. The revenues from these spaces are anticipated to be \$975 per square foot in 2032, the year of stabilization. This revenue assumption is in line with the third-party market study.
- Catering revenue assumptions.** The Developer is including revenues from the 15,000 square foot catering and event space in their food and beverage proforma. These revenues are benchmarked on a per occupied room (POR) basis. According to the third-party market study, the Developers stabilized assumption of \$144 POR is in line with comparable properties.
- Other revenue assumptions.** The Developer's proforma indicates revenues per available seat for the music venue of \$34 at stabilization, which is supported by the Market Study (\$17-\$37/seat with an average of \$26/seat for national competitive venues. The spa is assumed to generate approximately \$4.5 million in revenues the year of stabilization. While spa revenues were not benchmarked by SB Friedman, the Developer's pro forma included revenue and expense assumptions from comparable spa properties to support their assumptions.

OTHER REVENUE ASSUMPTIONS BY COMPONENT	Stabilized Revenues	Third-Party Market Study
Food and Beverage	\$975 / SF	\$919 / SF
Catering	\$144 POR	\$100 - \$150 POR[1]
Venue Revenue	\$34 / PAS	\$17 - \$37 / PAS

Source: CoStar, EY, SB Friedman, Universal Music Hotel Development

[1] Range identified by local Kansas City comparable Property D in the EY Market Study

OPERATING ASSUMPTION	Developer Assumption	Benchmark
Operating Expenses at Stabilization	43.0% of gross revenue	61-66% of gross revenue
Revenue Escalation	Variable (3.2%-3.6% after stabilization)	2-3% [1]
Expense Inflation	Variable (3.2%-3.9% after stabilization)	2-3% [1]
Real Estate Taxes	Port KC Abatement	[2]
Terminal Cap Rate	7.0%	8.0%

Source: CoStar, EY, HVS, SB Friedman, Universal Music Hotel Development

[1] Revenue escalation and expense inflation rates should match per typical underwriting practice.

[2] Developer provided abatement schedule per the negotiated PILOT terms from Port KC, SB Friedman adjusted the Developers proforma to include PILOT payments per the Developers schedule.

OPERATING ASSUMPTIONS

Other Key Operating Assumptions

The operating budget for expenses was primarily based on 2032 stabilized operating cost assumptions in the Developers proforma. Key operating assumptions are discussed further below.

- Occupancy assumptions.** The Developer is assuming occupancy of 60% in 2028, the first year of operations, and will grow steadily to 65% in 2032, when the Project is assumed to be fully stabilized and performing above the level of competitive projects. The Developer's occupancy in 2028 is aligned with HVS National Market Survey for Q3 2025 data which indicates occupancy of 61%. Compared to 2025 occupancy of Luxury/Upper Upscale properties identified in Downtown Kansas City, the Developers stabilized occupancy of 65% is slightly higher than the recent performance of comparable properties (63%). The Developer estimates that stabilization will take ± 2 years. Per the Developer, this is the time needed to build brand recognition, achieve market penetration and outperform competitive projects.
- Revenue escalation and expense inflation.** The Developer is assuming the stabilization of the property in 2032, with expense inflation and revenue escalations after stabilization ranging from 3% to 4% each year. Expense inflation and revenue escalation vary by each revenue-generating use of the Project (hospitality keys, food and beverage, spa, etc.) While the overall escalation and inflation rates are higher than the typical range observed by SB Friedman in comparable projects in Kansas City and elsewhere (2-3%), this is likely driven by the mix of revenue-generating amenities in the Project. Revenue escalation and expense inflation after stabilization is 2.9% annually, on average, which is more aligned with comparable projects.
- Operating expense assumptions.** The Developer's operating expenses at stabilization are generally aligned with the third-party market study and appear reasonable. More detail is included in the table to the right.

EXPENSE ASSUMPTION BY COMPONENT	Stabilized OpEx (% of Revenue)	Third-Party Market Study
Hospitality Keys[1]	24.0%	23.0%
Food and Beverage[2]	67.5%	66.3%
Undistributed Expenses[3]	17.9%	23.6%

Source: CoStar, EY, SB Friedman, Universal Music Hotel Development

[1] Percent of hospitality room revenues

[2] Percent of food and beverage revenues

[3] Percent of gross revenues

- Real estate taxes and escalation.** The Developer provided real estate tax assumptions that result in an assumed assessed value (AV) of \$35,200/key for the hotel component, with 2% biennial inflation. However, per Developer's negotiated agreement with Port KC, 100% of the taxes above the base value would be abated for the first ten years. Given that the pro forma reflects the negotiated Port KC abatement, SB Friedman did not make any adjustments to the Developer's property tax assumptions.
- Terminal cap rate.** The Developer intends to hold the Project long-term but estimated a terminal cap rate of 7.0%. Current industry sources are reporting a higher terminal cap rate today in the Kansas City hotel market of 8.5%. The Developer's low terminal cap rate assumption, relative to industry benchmarks, indicates the Developer's belief that the hotel market will improve over the next 10 years, which appears reasonable. The financial feasibility of the Project is enhanced by a lower terminal cap rate; therefore, SB Friedman accepted this assumption for the basis of this analysis.

FINANCIAL RETURNS ANALYSIS

- Projected Financial Returns

PROJECTED FINANCIAL RETURNS

Pro Forma Adjustments for But-For Analysis

For the purposes of evaluating a project’s need for public financial assistance, SB Friedman at times adjusts a project’s budget, financing and operating assumptions when the developer’s assumptions are outside of market and industry benchmarks. This approach:

- Allows SB Friedman to evaluate the need for assistance based on market parameters
- Introduces consistency in underwriting and evaluating requests for assistance
- Guards against over-subsidizing for project-specific assumptions that do not align with the market

For this Project, SB Friedman made the adjustments outlined to the right. One of the key changes is the adjustment of the Developer’s TIF EATs and City Sales Tax Reimbursement calculations to align with the revenue escalation rates reflected in the Project pro forma. The adjusted projections are included in the Appendix.

SB Friedman also adjusted the analysis period to reflect 10 years of cash flow to align with our standard underwriting methodology for EDCKC.

800 Grand	Developer Assumption	SBF Adjustment	Rationale
Acquisition cost	\$6,465,000	\$2,600,000	Align with PSA
City incentive credit	-\$5,601,063	\$0	Removed demolition and civil cost credit from budget as these costs would be financed through the ongoing TIF EATs and City Sales Tax Reimbursement
Sales Tax Rate – Public Mass Transit	0.463%	0.500%	Align with current sales tax rates
818 Grand	Developer Assumption	SBF Adjustment	Rationale
Acquisition cost – land for venue	\$2,600,000	\$0	Align with PSA
Developer fee, net of acquisition	4.4%	4.0%	Adjusted to align with typical developer fee observed in Kansas City (4% of TDC, net of acquisition)
TIF EATs and City Sales Tax Reimbursement escalation rate	2.0%	Variable	Align with growth of cash flow
City incentive credit	-\$5,878,498	\$0	Removed City civil cost credit from budget as these costs would be financed through the ongoing TIF EATs and City Sales Tax Reimbursement
Sales Tax Rate – Public Mass Transit	0.463%	0.500%	Align with current sales tax rates

PROJECTED FINANCIAL RETURNS

Conclusions of But For Analysis

Given that Project financing is preliminary, SB Friedman evaluated the Project's need for assistance using unleveraged return metrics: yield on cost and unleveraged IRR. These metrics evaluate overall Project feasibility rather than returns to specific investors. SB Friedman established hurdle rates of return, based on comparable projects and industry benchmarks. At the direction of EDCKC, the Project components were reviewed by phase and in aggregate. Hurdle rates of return are weighted by each component's share of total net operating income. The results of the financial analysis are illustrated to the right.

Without assistance, the Project generates a stabilized yield on cost of 5.0% and an unleveraged IRR of 5.5%. To be a viable, a Project of this type would typically be expected to achieve a yield on cost between 6.7-7.7% and an unleveraged IRR between 7.7-8.7%.

With the full amount of requested EDCKC and City assistance, the stabilized yield on cost for the Project increases to 5.6% and the unleveraged IRR increases to 6.8%. The multifamily component generates returns within or close to its respective benchmark range, while the hotel component generates returns that are far below its benchmark range. Returns for the Project as a whole still fall below the benchmark ranges established for the Project. Therefore, it appears that the Project, as presented, would require the full requested EDCKC and City assistance to be closer to benchmark returns, with additional changes to Project economics likely needed to be within ranges acceptable to lenders and investors.

SB Friedman also conducted a sensitivity where the hotel ADR was increased to align with the third-party market study conclusions. In this sensitivity, overall Project yield on cost increases to 5.9% and unleveraged IRR increases to 7.4% with the full amount of requested EDCKC assistance. Both return metrics remain below the benchmark ranges established for the Project.

Detailed return calculations are included in the Appendix.

YIELD ON COST	No EDCKC Assistance	Full EDCKC and City Assistance	Benchmark Range
800 Grand – New Construction Multifamily	5.6%	5.7%	6.0-7.0%
818 Hotel – Adaptive Reuse Hotel	4.0%	5.5%	8.5-9.5%
TOTAL PROJECT	5.0%	5.6%	6.7-7.7%

UNLEVERAGED IRR	No EDCKC Assistance	Full EDCKC and City Assistance	Benchmark Range
800 Grand – New Construction Multifamily	7.5%	7.7%	7.0-8.0%
818 Hotel – Adaptive Reuse Hotel	0.9%	5.1%	9.5-10.5%
TOTAL PROJECT	5.5%	6.8%	7.7-8.7%

CONCLUSIONS

CONCLUSIONS

The Developer is requesting:

- Reimbursement of EATs captured by TIF for 23 years:
 - 50% of City and County sales taxes, as outlined on Page 14
 - 50% of the City Earnings Tax
 - 50% of the Restaurant Tax on Prepared Foods
 - 50% of the CID sales tax
- Reimbursement of additional sales tax levies for 23 years:
 - Remaining 50% of City sales taxes, as outlined to the right
 - Remaining 50% of the Restaurant Tax on Prepared Foods
 - 50% of the Tax on Hotel Room Rentals
 - Remaining 50% of the CID sales tax
- Reimbursement of sales taxes in Years 24-30 of the Project:
 - 100% of City Capital Improvement and Public Safety taxes
 - 100% of the Restaurant Tax on Prepared Foods
 - 50% of the Tax on Hotel Room Rentals
 - 100% of the CID sales tax (through Year 28 of the Project)

The but-for analysis indicates that the Project, as presented, would require EDCKC and City assistance, in addition to the PortKC incentives previously awarded, to be closer to benchmark returns, with additional changes likely needed to the Project's economics to be within ranges acceptable to lenders and investors.

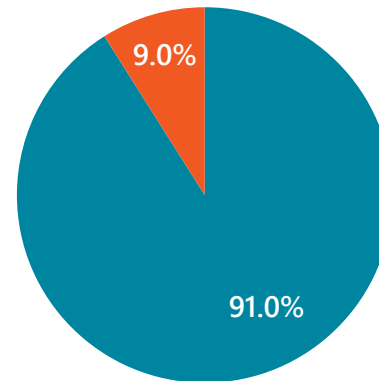
The Project's need for assistance appears to be driven by the relationship between assumed revenue generation (residential rents and hotel average daily rates) and Project costs. Despite revenue assumptions aligning with the top of current market rents and ADRs in Kansas City, the Project's net operating income does not appear to fully support the level of construction contemplated by the Developer for the highly-amenitized luxury residential and hotel project, as well as the adaptive reuse nature of a portion of the Project.

RECOMMENDED STRUCTURING OPTIONS

Given the high development costs, EDCKC could consider a construction cost true up at Project completion; if cost savings are achieved relative to the current budget, the ongoing public assistance could be recalibrated.

Given that a project's economics often change as it moves further through predevelopment, SB Friedman recommends check ins at any sale or refinancing event that occurs after the initial conversion to permanent financing. If the Project is outperforming current assumptions at the time of a check in, the public assistance could be recalibrated.

EDCKC & CITY ASSISTANCE AS A PERCENT OF TOTAL COSTS [1, 2]



[1] Assistance awarded by PortKC is not reflected in these calculations.

[2] Assistance over 30-year period is discounted at 6.8% (the blended discount rate of the EDCKC and City assistance for the two Project components) to 2025 dollars. The discounted value of assistance accounts for the time value of money.

■ TDC, net of Discounted Value of EDCKC and City Assistance

■ Discounted Valued of EDCKC and City Assistance [2]

APPENDIX

- Limitations of Our Engagement
- Methodology
- Detailed Development Budget
- Pro Forma without EDCKC Assistance
- Pro Forma with Full Requested EDCKC and City Assistance
- Estimated Value of Incentives

LIMITATIONS OF OUR ENGAGEMENT

Our deliverable is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings/teleconferences with the Economic Development Corporation of Kansas City and the Developer during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our deliverable, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise analyses or the deliverable to reflect events or conditions that occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, changes in state statute, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed Project.

Our deliverable is intended solely for your information, for purposes of reviewing a request for financial assistance, and is not a recommendation to issue bonds or other securities. The deliverable should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the deliverable nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors without our prior written consent.

We acknowledge that upon submission to EDCKC, the deliverable may become a public document within the meaning of the Missouri Sunshine Law. Nothing in these limitations is intended to block the disclosure of the documents under such Act.

METHODOLOGY

Development Budget & Financing Assumptions

Each budget component is benchmarked against a set of industry estimates and local comparables to determine if costs are reasonable relative to projects of similar scale and level of finish. If budget line items are identified to be outside of benchmark ranges, SB Friedman adjusts costs such that the project's request for assistance can be evaluated and sized appropriately.

SB Friedman uses two primary cost metrics that allow for comparison of the development budget to comparable projects:

- Costs per gross square foot (SF)
- Costs as a percentage of total development costs (TDC)

Similarly, financing assumptions are benchmarked against industry data sources and local comparables to determine if the assumptions align with current financing markets.

COMPONENT	Description	Benchmarking
Acquisition Costs	<ul style="list-style-type: none"> • Land purchase price 	<ul style="list-style-type: none"> • Recent local land sales
Site Preparation Costs	<ul style="list-style-type: none"> • Earthwork and grading • Remediation costs • Infrastructure and utilities 	<ul style="list-style-type: none"> • Industry benchmarks, adjusted based on site conditions
Hard Construction Costs	<ul style="list-style-type: none"> • Costs of vertical construction, including materials, labor, finishes, etc. 	<ul style="list-style-type: none"> • Local comparables, construction cost estimates
Parking Construction Costs	<ul style="list-style-type: none"> • Parking type and costs (surface, structured, underground) per space 	<ul style="list-style-type: none"> • Local comparables, construction cost estimates
Soft Construction Costs	<ul style="list-style-type: none"> • Third-party fees (architect, engineers, legal, etc.) • Permits 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Financing Costs	<ul style="list-style-type: none"> • Loan origination fees 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Developer Fees	<ul style="list-style-type: none"> • Compensation to Project developer team 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Reserves and Other Costs	<ul style="list-style-type: none"> • Capital reserves • Carrying costs 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Financing Assumptions	<ul style="list-style-type: none"> • Loan amount • Amortization, interest rate, term 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables

METHODOLOGY

Operating Assumptions

SB Friedman evaluates developers' cash flow assumptions relative to market comparables, recent projects in Kansas City, and, when available, third-party market studies submitted by the developers.

Key operating assumptions are benchmarked against a set of industry estimates and local comparables to determine if assumptions are reasonable relative to current market conditions and projects of similar scale and level of finish. If operating assumptions are identified to be outside of benchmark ranges, SB Friedman adjusts the assumptions such that the project's request for assistance can be evaluated and sized appropriately.

ASSUMPTION	Description	Benchmarking
Project Rents	<ul style="list-style-type: none"> Multifamily rents (per unit and per SF) Retail rents (per SF) Office rents (per SF) 	<ul style="list-style-type: none"> Local market comparables
Parking Revenues	<ul style="list-style-type: none"> Parking revenues (per space per month) 	<ul style="list-style-type: none"> Local market comparables
Other Revenues	<ul style="list-style-type: none"> Administrative fees, application fees, etc. 	<ul style="list-style-type: none"> Local market comparables
Vacancy and Credit Loss	<ul style="list-style-type: none"> Stabilized occupancy rate and rent collections loss 	<ul style="list-style-type: none"> Local market conditions
Absorption Rate	<ul style="list-style-type: none"> Pace at which units/SF is leased up 	<ul style="list-style-type: none"> Local market conditions
Revenue Escalation Rate	<ul style="list-style-type: none"> Annual revenue increase 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Operating Expenses	<ul style="list-style-type: none"> Maintenance, management, utilities, etc. 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Real Estate Taxes	<ul style="list-style-type: none"> Annual property tax revenues 	<ul style="list-style-type: none"> Local comparables
Expense Escalation Rate	<ul style="list-style-type: none"> Annual expense cost increase 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Terminal Capitalization Rate	<ul style="list-style-type: none"> Rate used to value the project at the assumed reversion (end of the analysis period) 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Cost of Sale	<ul style="list-style-type: none"> Costs associated with disposition at the assumed reversion (end of the analysis period) 	<ul style="list-style-type: none"> Industry benchmarks, local comparables

METHODOLOGY

Financial Returns Analysis

SB Friedman prepares independent projections of Project financial returns. Returns are evaluated with and without requested public assistance and are compared to market-appropriate, risk-adjusted rates of return to evaluate the Project's need for assistance.

Benchmark return ranges are based on industry sources, information obtained from active developers and equity providers, and SB Friedman's past experience.

For projects with multiple land uses, SB Friedman establishes a range of market-appropriate, risk-adjusted rates of return by land use, which are then weighted in aggregate to each land use's percentage of stabilized net operating income.

UNLEVERAGED RETURNS		LEVERAGED RETURNS	
UNLEVERAGED INTERNAL RATE OF RETURN (IRR)	STABILIZED YIELD ON COST	LEVERAGED INTERNAL RATE OF RETURN (IRR)	STABILIZED CASH ON CASH RETURN
This is the rate of return or discount rate for a Project, accounting for initial expenditures to construct the Project (total Project costs) and ongoing cash inflows (annual net operating income [NOI] before debt service), as well as a hypothetical sale of the Project at the end of the analysis period.	<p>This metric is calculated by dividing NOI before debt service in the first year of stabilized operations by total Project costs and is an indicator of the annual overall return on investment for the Project's financing structure.</p> <p>Stabilized yield on cost calculations include only investment properties, and therefore excludes any for-sale product.</p>	This is the annualized rate of return the Project's equity investors would be Projected to realize over their full investment period, including an assumed hypothetical sale of the Project at the end of the analysis period.	<p>This metric indicates the annual cash return to equity investors once the Project reaches stabilization and is calculated by dividing net cash flow (after debt service) in the first year of stabilized operations by the total initial equity investment.</p> <p>Stabilized cash-on-cash calculations only include investment properties, excluding for-sale residential.</p>

DETAILED USES

Development Budget – 800 Grand

Uses/Development Costs	Dev Budget No STECM	SBF Adjusted Budget				
		\$	% of TDC	\$/GSF	\$/Unit	\$/Land SF
Acquisition Costs						
Land Cost - Theatre Value	\$6,465,000					
PSA Sales Contract Acquisition Costs		\$2,600,000				
Acquisition Fee	\$52,000	\$52,000				
Closing Costs	\$150,000	\$150,000				
Total Acquisition Costs	\$6,667,000	\$2,802,000	1.0%	\$8,784	\$74	
Site Preparation Costs						
Debris Removal Prior to Demolition	\$9,300	\$9,300				
Preconstruction Fee	\$400,000	\$400,000				
Garage Demolition	\$2,060,000	\$2,060,000				
City Garage Demolition Incentive	\$0					
Sitework	\$3,996,130	\$3,996,130				
Water Utilities	\$15,000	\$15,000				
Sewer Utilities	\$250,000	\$250,000				
Electric Utilities	\$150,000	\$150,000				
Gas Utilities	\$15,000	\$15,000				
Environmental Remediation	\$15,841	\$15,841				
Total Site Preparation Costs	\$6,911,271	\$6,911,271	2.5%	\$21,665	\$182	
Parking Construction Costs						
Garage Hard Costs	\$28,491,444	\$28,491,444				
Total Parking Construction Costs	\$28,491,444	\$28,491,444	10.2%	\$49,637		

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 800 Grand

Uses/Development Costs	Dev Budget No STECM	SBF Adjusted Budget			
		\$	% of TDC	\$/GSF	\$/Unit
Hard Construction Costs					
Retail Hard Costs	\$4,692,124	\$4,692,124			
Music Venue Hard Costs	\$13,491,142	\$13,491,142			
Music Venue Deduction	-\$12,000,000	-\$12,000,000			
Apartment Hard Costs	\$131,191,366	\$131,191,366			
UMusic Food and Beverage Shell Space	\$2,760,252	\$2,760,252			
Loading Dock Hard Costs	\$2,627,111	\$2,627,111			
Pool and Terrace Hard Costs	\$2,273,565	\$2,273,565			
Fitness Area Hard Costs	\$1,292,525	\$1,292,525			
Ballroom Hard Costs	\$3,339,393	\$3,339,393			
Cost Escalation to Q2 2026	\$10,134,527	\$10,134,527			
Tarriff Impact Allowance	\$3,240,991	\$3,240,991			
Pending Value Engineering	-\$16,072,445	-\$16,072,445			
Approximate Sales Tax Costs	\$7,498,792				
Civil Scope Incentive	\$0	\$0			
Design Contingency	\$7,795,790	\$7,795,790			
Total Hard Construction Costs	\$162,265,133	\$154,766,341	55.5%	\$240	\$485,161
Tenant Improvement and FFE Costs					
Loose Furniture	\$500,000	\$500,000			
Furnished Corporate Apartments	\$1,750,000	\$1,750,000			
Equipment	\$500,000	\$500,000			
Artwork	\$100,000	\$100,000			
Security System	\$945,000	\$945,000			
Direct Antennae System	\$900,000	\$900,000			
Signage	\$250,000	\$250,000			
Final cleaning	\$515,000	\$515,000			
Window Treatments	\$100,000	\$100,000			
Owner Furnished Construction Signage	\$2,500	\$2,500			
Water Systems	\$100,000	\$100,000			
Audio Visual	\$750,000	\$750,000			
Specialties	\$250,000	\$250,000			
FF&E Contingency	\$500,000	\$500,000			
Laundry Equipment	\$700,000	\$700,000			
Model Room	\$150,000	\$150,000			
Fitness Equipment	\$100,000	\$100,000			
Tenant Build Out Allowance	\$234,738	\$234,738			
Locks and keying	\$95,700	\$95,700			
Total Tenant Improvement and FFE Costs	\$8,442,938	\$8,442,938	3.0%	\$13	\$26,467

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 800 Grand

Uses/Development Costs	Dev Budget No STECM	SBF Adjusted Budget				Uses/Development Costs	Dev Budget No STECM	SBF Adjusted Budget					
		\$	% of TDC	\$/GSF	\$/Unit			\$	% of TDC	\$/GSF	\$/Unit		
Soft Costs													
Architectural Design	\$5,999,303	\$5,999,303				\$414,000	\$414,000						
Architectural Reimbursables	\$50,000	\$50,000				\$165,000	\$165,000						
Interior Design	\$1,500,000	\$1,500,000				\$20,000	\$20,000						
Architectural Additional Services Contingency	\$600,000	\$600,000				\$10,000	\$10,000						
SC Contingency	\$1,500,000	\$1,500,000				\$250,000	\$250,000						
Management Consulting - SC	\$1,000,000	\$1,000,000				\$5,000	\$5,000						
Estimating	\$75,000	\$75,000				\$5,000	\$5,000						
Development Staff and Admin	\$2,400,000	\$2,400,000				\$100,000	\$100,000						
Expenses	\$800,000	\$800,000				\$500	\$500						
Zoning Review	\$25,000	\$25,000				\$500	\$500						
Geotechnical Engineer	\$52,950	\$52,950				\$500	\$500						
Geoenvironmental Engineer	\$10,000	\$10,000				\$500	\$500						
Environmental Assessment	\$10,000	\$10,000				\$5,000	\$5,000						
Haz Mat Consultant	\$2,755	\$2,755				\$393,032	\$393,032						
Surveyor	\$10,300	\$10,300				\$50,000	\$50,000						
Traffic Consultant	\$25,000	\$25,000				\$2,198,363	\$2,198,363						
Irrigation Consultant	\$10,000	\$10,000				\$127,750	\$127,750						
Peer Structural Review	\$20,000	\$20,000				\$750,000	\$750,000						
Mep Peer Review	\$20,000	\$20,000				\$20,000	\$20,000						
Concrete testing	\$15,000	\$15,000				\$10,000	\$10,000						
Structural steel testing	\$10,000	\$10,000				\$20,000	\$20,000						
Fireproofing testing and inspection	\$5,000	\$5,000				\$20,000	\$20,000						
Weatherproofing Inspections	\$10,000	\$10,000				\$20,000	\$20,000						
Envelope testing and review	\$20,000	\$20,000				\$10,000	\$10,000						
Pavement testing and inspection	\$5,000	\$5,000				\$638,000	\$638,000						
Special inspections	\$400,000	\$400,000				\$300,000	\$300,000						
Commissioning						\$1,200,000	\$1,200,000						
LEED Certification						\$20,000	\$20,000						
Telephone Utilities						\$400,000	\$400,000						
Cable TV/Communications Utilities						\$50,000	\$50,000						
Security						\$35,000	\$35,000						
Dewatering Permit						\$20,000	\$20,000						
Cross Connection Permit						\$10,000	\$10,000						
City Order of Conditions						\$35,000	\$35,000						
Water & Sewer Permit						\$20,000	\$20,000						
Fuel Storage Permit						\$20,000	\$20,000						
Certificate of Occupancy						\$10,000	\$10,000						
Fire Dept. Review						\$35,000	\$35,000						
Plan Check Fee						\$20,000	\$20,000						
City Performance Bonds						\$10,000	\$10,000						
Bulders Risk Insurance						\$35,000	\$35,000						
Land Development Plan Check Fee						\$20,000	\$20,000						
General Liability Insurance						\$20,000	\$20,000						
ADA Consultant						\$10,000	\$10,000						
Equipment Planner						\$20,000	\$20,000						
Signage Consultant						\$20,000	\$20,000						
Acoustics Consultant						\$10,000	\$10,000						
Permit Specialist						\$35,000	\$35,000						
Energy Modeling						\$20,000	\$20,000						
Security Consultant						\$10,000	\$10,000						
Public/Media Relations Consultant						\$638,000	\$638,000						
Payment in Lieu of Affordable Units						\$300,000	\$300,000						
Legal						\$1,200,000	\$1,200,000						
Entitlement/ Incentives - Polsinelli						\$20,000	\$20,000						
Operator						\$400,000	\$400,000						
Condo Closing Legal						\$50,000	\$50,000						
Existing Conditions Survey						\$35,000	\$35,000						
Soils Inspection and Testing													
Total Soft Costs						\$21,857,953	\$21,857,953	7.8%	\$34	\$68,520			

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 800 Grand

Uses/Development Costs	Dev Budget No STECM	SBF Adjusted Budget			
		\$	% of TDC	\$/GSF	\$/Unit
Financing Costs					
Closing Cost - Construction Loan	\$263,556	\$263,556			
Closing Cost - CPACE Loan	\$1,463,456	\$1,463,456			
Lender Fee - Construction Loan	\$2,108,444	\$2,108,444			
Lender Fee - CPACE Loan	\$975,637	\$975,637			
Debt Broker Fee - Construction Loan	\$1,054,222	\$1,054,222			
Debt Broker Fee - CPACE Loan	\$975,637	\$975,637			
Total Financing Costs	\$6,840,952	\$6,840,952	2.5%	\$11	\$21,445
Developer Fees					
Developer Fee (HC+SC+FF&E+Cont)*%	\$9,117,744	\$9,117,744			
Total Developer Fees	\$9,117,744	\$9,117,744	3.3%	\$14	\$28,582
Reserves and Other Costs					
Post Move Contingency	\$1,134,876	\$1,134,876			
Owner's Contingency (5% on HC + SC)	\$11,348,758	\$11,348,758			
Interest Reserve - Construction Loan	\$5,825,035	\$5,825,035			
Interest Reserve - CPACE Loan	\$20,076,791	\$20,076,791			
Working Capital	\$1,000,000	\$1,000,000			
Total Reserves and Other Costs	\$39,385,460	\$39,385,460	14.1%	\$61	\$123,465
TOTAL DEVELOPMENT COSTS (before STECI	\$289,979,895	\$278,616,103	100.0%	\$432	\$873,405
TOTAL DEVELOPMENT COSTS (with STECM)	\$289,979,895	\$278,616,103		\$432	

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 818 Grand

Uses/Development Costs	Dev Budget No STECM or City	SBF Adjusted Budget	
		\$	% of TDC \$/GSF
Acquisition Costs			
Acquisition Costs	\$10,600,000	\$10,600,000	
Land For Venue	\$2,600,000		
Total Acquisition Costs	\$13,200,000	\$10,600,000	5.7%
Site Preparation Costs			
Existing Conditions Survey	\$50,000	\$50,000	
Sitework from Construction Estimate	\$2,347,408	\$2,347,408	
Soils - Preconstruction	\$5,000	\$5,000	
Soils - Construction Inspection	\$25,000	\$25,000	
Testing and Balancing	\$5,000	\$5,000	
Haz Mat testing	\$10,000	\$10,000	
Water	\$65,000	\$65,000	
Sewer	\$200,000	\$200,000	
Electric	\$150,000	\$150,000	
Gas	\$15,000	\$15,000	
Telephone	\$20,000	\$20,000	
Cable TV/Communications	\$10,000	\$10,000	
Dewatering Permit	\$5,000	\$5,000	
DEP Asbestos Removal	\$5,000	\$5,000	
DEP Air Quality Control	\$5,000	\$5,000	
Cross Connection Permit	\$5,000	\$5,000	
City Order of Conditions	\$100,000	\$100,000	
Water & Sewer Permit	\$500	\$500	
Fuel Storage Permit	\$500	\$500	
Soils - Construction Testing	\$5,000	\$5,000	
Offsite Civil Scope Incentive (outside GMP)		\$0	
Total Site Preparation Costs	\$3,028,408	\$3,028,408	1.6%

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 818 Grand

Uses/Development Costs	Dev Budget No STECM or City	SBF Adjusted Budget		
		\$	% of TDC	\$/GSF
Hard Construction Costs				
Preconstruction Fee	\$464,975	\$464,975		
Construction Cost	\$64,191,236	\$64,191,236		
Owner's Contingency	\$6,427,970	\$6,427,970		
Venue New Build Contingency	\$15,000,000	\$15,000,000		
General Conditions	\$3,998,433	\$3,998,433		
Project Requirements	\$3,542,288	\$3,542,288		
Hazardous Abatement	\$200,000	\$200,000		
Construction Contingency - GC Controlled	\$2,108,428	\$2,108,428		
Owner Controlled Contingency	\$7,480,826	\$7,480,826		
Owner Controlled Hard Cost Contingency	\$2,244,248	\$2,244,248		
No Tax on Construction Materials Incentive (-7.5%)	\$2,500,000	\$0		
Construction Management Fee	\$2,963,175	\$2,963,175		
Support Staff (Accounting, Safety, Quality)	\$1,428,012	\$1,428,012		
Total Hard Construction Costs	\$112,549,590	\$110,049,590	59.4%	\$629

Uses/Development Costs	Dev Budget No STECM or City	SBF Adjusted Budget		
		\$	% of TDC	\$/GSF
Furniture, Fixtures and Equipment				
Loose Furniture	\$5,054,203	\$5,054,203		
Fixed Furniture	\$500,000	\$500,000		
Equipment	\$200,000	\$200,000		
Art work	\$500,000	\$500,000		
Security system	\$250,000	\$250,000		
Temporary relocations/accommodations	\$200,000	\$200,000		
Low voltage wiring	\$1,000,000	\$1,000,000		
Signage	\$300,000	\$300,000		
Final cleaning	\$160,000	\$160,000		
Window Treatments	\$600,000	\$600,000		
Carpets & Wall Vinyl	\$1,500,000	\$1,500,000		
Owner Furnished Construction Signage	\$2,500	\$2,500		
Water Systems	\$50,000	\$50,000		
Audiovisual	\$2,500,000	\$2,500,000		
Specialties	\$150,000	\$150,000		
FF&E Contingency	\$605,420	\$605,420		
Kitchen Equipment	\$1,500,000	\$1,500,000		
Laundry Equipment	\$500,000	\$500,000		
Model Room	\$70,000	\$70,000		
Fitness Equipment	\$150,000	\$150,000		
No Tax of FF&E Materials (7.5% Savings)	\$2,500,000	\$0		
Total FF&E	\$18,292,124	\$15,792,124	8.5%	\$90

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 818 Grand

Uses/Development Costs	Dev Budget	SBF Adjusted Budget			Uses/Development Costs	Dev Budget	SBF Adjusted Budget		
	No STECM or City	\$	% of TDC	\$/GSF		No STECM or City	\$	% of TDC	\$/GSF
Soft Costs					Soft Costs				
Architectural Design	\$5,690,747	\$5,690,747			Weatherproofing Inspections	\$10,000	\$10,000		
Architectural Additional Services Contingency	\$569,075	\$569,075			Envelope testing and review	\$20,000	\$20,000		
Estimating	\$50,000	\$50,000			Pavement testing and inspection	\$5,000	\$5,000		
Owner's PM	\$1,608,952	\$1,608,952			Special inspections	\$150,000	\$150,000		
Expenses	\$400,000	\$400,000			Commissioning	\$150,000	\$150,000		
Zoning Review	\$5,000	\$5,000			Liquor License	\$50,000	\$50,000		
Geoenvironmental engineer	\$10,000	\$10,000			Certificate of Occupancy	\$500	\$500		
Environmental Assessment	\$4,500	\$4,500			Fire Dept. Review	\$5,000	\$5,000		
Haz Mat consultant	\$27,630	\$27,630			Permit Specialist	\$10,000	\$10,000		
Surveyor	\$11,700	\$11,700			Energy Modeling	\$35,000	\$35,000		
Peer structural review	\$10,000	\$10,000			3D Scan Model	\$105,280	\$105,280		
Soft Cost Inflation Contingency	\$696,467	\$696,467			Feasibility Study	\$100,000	\$100,000		
MEP peer review	\$10,000	\$10,000			Security consultant	\$10,000	\$10,000		
Back of House, Loading, Storage, Trash and MEP	\$100,000	\$100,000			Public/Media relations consultant	\$10,000	\$10,000		
Historic Commission	\$20,000	\$20,000			Title & Environmental Insurance	\$540,000	\$540,000		
MAAB Variances	\$25,000	\$25,000			Insurance	\$1,485,280	\$1,485,280		
Structural engineer	\$50,000	\$50,000			Permit fee	\$500,000	\$500,000		
Fire Alarm consultant	\$25,000	\$25,000			SDI Insurance	\$911,117	\$911,117		
Lighting consultant	\$50,000	\$50,000			Port KC/ City Incentives Legal	\$250,000	\$250,000		
Kitchen consultant	\$25,000	\$25,000			Legal - General	\$250,000	\$250,000		
Historic Consultant	\$46,000	\$46,000			Legal - Contingency	\$300,000	\$300,000		
Concrete testing	\$15,000	\$15,000			Brand Technical Services	\$66,566	\$66,566		
Structural steel testing	\$10,000	\$10,000			Pre-Con Site Security	\$81,000	\$81,000		
Fireproofing testing and inspection	\$5,000	\$5,000			OSE	\$800,000	\$800,000		
					State Historical Organization	\$25,000	\$25,000		
					Total Soft Costs	\$15,334,813	\$15,334,813	8.3%	\$88

Source: Developer, SB Friedman

DETAILED USES

Development Budget – 818 Grand

Uses/Development Costs	Dev Budget No STECM or City	SBF Adjusted Budget		
		\$	% of TDC	\$/GSF
Financing Costs				
Misc. Management Consulting	\$800,000	\$800,000		
Closing Cost	\$264,000	\$264,000		
Interest and Financing of DLP Acq Loan	\$1,073,465	\$1,073,465		
Origination Fee	\$1,855,475	\$1,855,475		
Interest Reserve	\$15,928,375	\$15,928,375		
City Performance Bonds	\$50,000	\$50,000		
Bonds	\$728,894	\$728,894		
Total Financing Costs	\$20,700,209	\$20,700,209	11.2%	\$118
Developer Fees				
Developer Fee (HC+SC+FF&E+Cont)*%	\$7,534,191	\$6,716,206		
Total Developer Fees	\$7,534,191	\$6,716,206	3.6%	\$38
Reserves and Other Costs				
Working Capital	\$3,000,000	\$3,000,000		
Total Reserves and Other Costs	\$3,000,000	\$3,000,000	1.6%	\$17
TOTAL DEVELOPMENT COSTS	\$193,639,335	\$185,221,350	100.0%	\$1,059

RETURNS WITHOUT ASSISTANCE

Assumes Developer receives no assistance from EDCKC or City

	2025	2026	2027	2028	2029	STABILIZATION		2032	2033	2034	2035	2036	2037
	Year 0	Year 0	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Unleveraged Cash Flow - No EDCKC Assistance													
Total Project Costs and Capitalized Reserves	-\$4,076,954	-\$131,423,050	-\$213,595,969	-\$103,170,555	-\$7,471,148	-\$4,099,776	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less HTC Equity or Upfront Assistance	\$0	\$37,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income				\$3,998,162	\$15,884,462	\$21,456,060	\$22,180,693	\$23,068,169	\$23,168,127	\$23,789,691	\$24,430,285	\$25,105,877	\$25,764,140
Theatre at Retail Sale				\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UMHD Condo / Ballroom Sale				\$0	\$10,296,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Reversion Proceeds (Year 10)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$443,985,941
TOTAL	-\$4,076,954	-\$93,723,050	-\$213,595,969	-\$99,172,392	\$18,709,614	\$22,356,284	\$22,180,693	\$23,068,169	\$23,168,127	\$23,789,691	\$24,430,285	\$25,105,877	\$469,750,081
Annual Yield on Cost			0.0%	1.0%	3.8%	5.0%	5.2%	5.4%	5.4%	5.6%	5.7%	5.9%	6.0%
Unleveraged IRR	5.5%												

Source: Developer, SB Friedman

RETURNS WITH REQUESTED EDCKC & CITY ASSISTANCE

Assumes Developer receives 30 years of “Super TIF” and additional City Sales Tax Reimbursements

	2025	2026	2027	2028	2029	STABILIZATION		2032	2033	2034	2035	2036	2037
	Year 0	Year 0	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Unleveraged Cash Flow - No EDCKC Assistance													
Total Project Costs and Capitalized Reserves	-\$4,076,954	-\$131,423,050	-\$213,595,969	-\$103,170,555	-\$7,471,148	-\$4,099,776	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less HTC Equity or Upfront Assistance	\$0	\$37,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income				\$3,998,162	\$15,884,462	\$21,456,060	\$22,180,693	\$23,068,169	\$23,168,127	\$23,789,691	\$24,430,285	\$25,105,877	\$25,764,140
Theatre at Retail Sale				\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UMHD Condo / Ballroom Sale				\$0	\$10,296,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Reversion Proceeds (Year 10)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$443,985,941
TOTAL	-\$4,076,954	-\$93,723,050	-\$213,595,969	-\$99,172,392	\$18,709,614	\$22,356,284	\$22,180,693	\$23,068,169	\$23,168,127	\$23,789,691	\$24,430,285	\$25,105,877	\$469,750,081
EDCKC Assistance													
TIF EATs Reimbursement				\$740,997	\$977,271	\$1,078,692	\$1,149,251	\$1,201,006	\$1,244,018	\$1,289,954	\$1,329,213	\$1,371,285	\$1,412,869
CID (TIF Captured)				\$168,357	\$220,100	\$243,389	\$260,552	\$272,419	\$281,758	\$291,784	\$300,695	\$310,291	\$319,659
Total CID (Non-TIF Captured)				\$168,357	\$220,100	\$243,389	\$260,552	\$272,419	\$281,758	\$291,784	\$300,695	\$310,291	\$319,659
Super TIF				\$785,077	\$912,190	\$989,931	\$1,053,479	\$1,104,268	\$1,140,211	\$1,179,316	\$1,213,901	\$1,251,674	\$1,287,256
PV of Remaining Public Assistance (Year 11+)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,818,039
TOTAL	-\$4,076,954	-\$93,723,050	-\$213,595,969	-\$97,309,603	\$21,039,274	\$24,911,683	\$24,904,528	\$25,918,281	\$26,115,872	\$26,842,529	\$27,574,788	\$28,349,418	\$515,907,563
Annual Yield on Cost			0.0%	1.4%	4.3%	5.6%	5.8%	6.1%	6.1%	6.3%	6.5%	6.7%	6.8%
Unleveraged IRR													

Source: Developer, SB Friedman

EXHIBIT 11
BLIGHT STUDY

800 Grand
Redevelopment Area

Blight Study

Tax Increment Financing Commission of Kansas City, Missouri
Kansas City, Missouri
October 3, 2025



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Kansas City, Missouri 64137
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800 Grand
Redevelopment Area

Blight Study

Tax Increment Financing Commission of Kansas City, Missouri
Kansas City, Missouri
October 3, 2025

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Section I

Introduction

The purpose of this analysis is to determine if the proposed 800 Grand Tax Increment Financing Plan qualifies as a “blighted area” according to the Real Property Tax Increment Allocation Redevelopment Act – Sections 99.800 to 99.865 R.S.Mo. (the “TIF Act”). The proposed 800 Grand Redevelopment Area consists of three (3) property/tax parcels totaling approximately 1.27 acres and includes the historic 12-story Scarritt Building and 4-story Arcade and a two-story parking garage. The property/tax parcels are located at 800 Grand Boulevard, 819 Walnut Street, and 818 Grand Boulevard. The 800 Grand Redevelopment Area is generally bound by 8th Street on the north, Grand Boulevard on the east, 9th Street on the south, and Walnut Street on the west in Downtown Kansas City, Jackson County, Missouri (as further described herein, the “Study Area”).

The consultant who prepared this Blight Study, Patrick Sterrett of Sterrett Urban, LLC (“Consultant”), is an urban planner who earned a Master of Urban Planning from the University of Kansas and is certified by the American Institute of Certified Planners. Additional qualifications of Mr. Sterrett are included in Appendix D.

The consultant visited the Study Area in October 2025. The effective date of this study is October 3, 2025, the date of inspection.

The Study Area is depicted in the map included on the following pages. The Study Area encompasses three (3) property/tax parcels and approximately 1.27 acres of property.

Definitions

Tax Increment Financing

Tax Increment Financing (“TIF”) is a financing/development tool that allows for new increments of tax revenues resulting from a specified redevelopment above past taxes on the property (payments in lieu of taxes, or “PILOTS”) to be used to pay for approved project-related costs, infrastructure and capital improvements. Projects using TIF must have plans approved by both the Tax Increment Financing Commission (“TIFC”) of the City of Kansas City, Missouri and the City of Kansas City, Missouri City Council (“City”). The TIF Act requires that the TIF redevelopment area consist of properties which would not reasonably be expected to develop without the assistance of TIF (often referred to as “but for”).

In order for the City to implement a tax increment financing plan pursuant to the TIF Act, the City must determine by ordinance that the redevelopment area described by the applicable TIF redevelopment plan (the “TIF Plan”) qualifies under the TIF Act as: 1) a blighted area; 2) a conservation area; or 3) an economic development area; and that such redevelopment area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the TIF Plan.

RSMo. 99.805 provides the following definitions for a blighted area, conservation area, or economic development area:

“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; (RSMo. Ch. 99.805(1)).

“Conservation area”, any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of the three factors required under this subdivision; (RSMo. Ch. 99.805(3)).

“Economic development area”, any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

- (a) Discourage commerce, industry or manufacturing from moving their operations to another state; or*
- (b) Result in increased employment in the municipality; or*
- (c) Result in preservation or enhancement of the tax base of the municipality; (RSMo. Ch. 99.805(5)).*

Since these definitions are a general overview pertaining to all sites, it is important to clarify their intention as it applies to the proposed redevelopment area. According to state law, it is unnecessary for every condition of blight to be present to be eligible as a blighted area. Rather, an area can be qualified as a blighted area when as few as one condition is present. The conditions need not be present in each parcel but must be found in the study area as a whole.

With this understanding, the Blight Study presents an overview of factors within the Study Area including a review of physical, economic, and social conditions sufficient to make a determination of a blighted area. The “Summary of Findings” provides conclusions regarding the analysis and presence of blight in key areas; however, the city will make a final determination of a blighted area for the entire Study Area.

Study Methodology

The purpose of this work was to analyze conditions located within the Study Area to determine if it qualifies as a blighted area as defined in the TIF Act.

The Blight Study includes a detailed analysis of site, building, and public improvement deterioration. Qualifying blight conditions throughout the Study Area were identified and analyzed on a parcel-by-parcel basis to produce a chart showing blight conditions present in the Study Area.

Data was collected from the redevelopment plan proponent to document physical blighting conditions as set out in the state statute. Pertinent Geographic Information Systems (GIS) data was obtained through Jackson County and analyzed. Additional supplemental information was obtained through various documents prepared or commissioned by the City and property owner and interviews with representatives of the property owner.

The consultant visited the Study Area in October 2025. The effective date of the study is October 3, 2025, the date of inspection.

Previous Blight Determinations

Proposed Redevelopment Area

The Study Area exists within two existing redevelopment areas, both of which were approved by the City Council with a finding of blight, including the Central Business District Urban Renewal Plan and the 9th & Grand PIEA General Development Plan.

On November 25, 1968 the city council approved creation of the Central Business District Urban Renewal Area, which includes all of the Study Area. The city council determined it was “desirable and in the public interest that the Land Clearance for Redevelopment Authority of Kansas City, Missouri undertake and carry out the Neighborhood Development Program for the City of Kansas City, Missouri”. The City Council approved a finding of blight as part of the establishment of the Central Business District Urban Renewal Area.

The 9th & Grand PIEA General Development Plan was approved by Ordinance No.200122 on March 5, 2020 with a finding of blight. Only the Scarritt Building (818 Grand Boulevard) and the Scarritt Arcade (819 Walnut Street) are included in the 9th & Grand PIEA General Development Plan.

Adjoining Areas

The Study Area is in proximity (within about one mile) to the following active incentive areas, all of which were approved by the City of Kansas City, Missouri with a finding of blight:

Tax Increment Financing Plans

- 1) Grand Boulevard Corridor;
- 2) Civic Mall;
- 3) East Village;
- 4) Tower Properties;
- 5) New York Life;
- 6) 1200 Main/South Loop;
- 7) Americana Hotel;
- 8) Kansas City Convention Center Headquarters Hotel;
- 9) 13th & Washington;
- 10) W. 17th Street;
- 11) Judicial Square;
- 12) 9th & Central;
- 13) 811 Main;
- 14) Commerce Tower Village; and
- 15) Gailoyd.

Other tax increment financing plans have been approved within one mile of the Study Area but were approved with a finding of “conservation area” rather than blight. Those plans include the following:

- 1) River Market;
- 2) 9th & Main;
- 3) Baltimore Place;
- 4) Downtown Library;
- 5) New England National Bank Building;
- 6) 19th Terrace & Central;
- 7) 22nd & Main;
- 8) Hotel Phillips;
- 9) 11th Street Corridor;
- 10) Grand Reserve; and
- 11) 12th & Wyandotte.

The following plans were approved by the City of Kansas City, Missouri with a finding of blight:

Urban Renewal Areas

- 1) CBD;
- 2) Columbus Park;
- 3) Garfield;
- 4) Eastside;
- 5) 12th & Vine;
- 6) South Humboldt;

Urban Renewal Areas (continued)

- 7) Grand Avenue Office;
- 8) Truman & Wyandotte;
- 9) Grand Avenue – McGee;
- 10) Truman & Oak;
- 11) East Crossroads;
- 12) 18th & Holmes;
- 13) 1915 Main Street;
- 14) 1914 Main Street; and
- 15) 16th & Jefferson.

Chapter 353 Development Plans

- 1) 5th & Harrison Redevelopment;
- 2) Old Town;
- 3) Rivergate;
- 4) Quality Hill;
- 5) Landmarks Broadway Square;
- 6) Lucas Place Lofts;
- 7) Cumberland;
- 8) Waltower Lofts;
- 9) 909 Walnut;
- 10) Commerce Trust;
- 11) Lofts at 917;
- 12) Graphic Arts;
- 13) Library Lofts;
- 14) Mark Twain;
- 15) Block 75;
- 16) Finance Building;
- 17) Hanover Lofts;
- 18) Tower Redevelopment;
- 19) Eleven Main;
- 20) Grand Boulevard Lofts;
- 21) United Missouri Bank;
- 22) 12th and Grand;
- 23) Galleria/Block 93 (AT&T);
- 24) Galleria/One KC Place;
- 25) Twelfth & Wyandotte;
- 26) Cordova;
- 27) Oak Street;
- 28) Walnut Redevelopment;
- 29) 16th & Walnut; and
- 30) Nottingham.

PIEA General Development Plans

- 1) Downtown Loop;
- 2) 14th & Baltimore;
- 3) I-35 & West 13th Street;
- 4) East Downtown;
- 5) The View;
- 6) Old Federal Courthouse;
- 7) 7th & Main;
- 8) Folgers Coffee;
- 9) Central Industrial District;
- 10) Paseo West;
- 11) Paseo Gateway;
- 12) Crossroads Arts;
- 13) 19th & Oak;
- 14) 18th & McGee;
- 15) Crossroads;
- 16) Crossroads Planning;
- 17) 20th & Main;
- 18) Film Row;
- 19) Performing Arts;
- 20) Mulkey Square; and
- 21) Market.

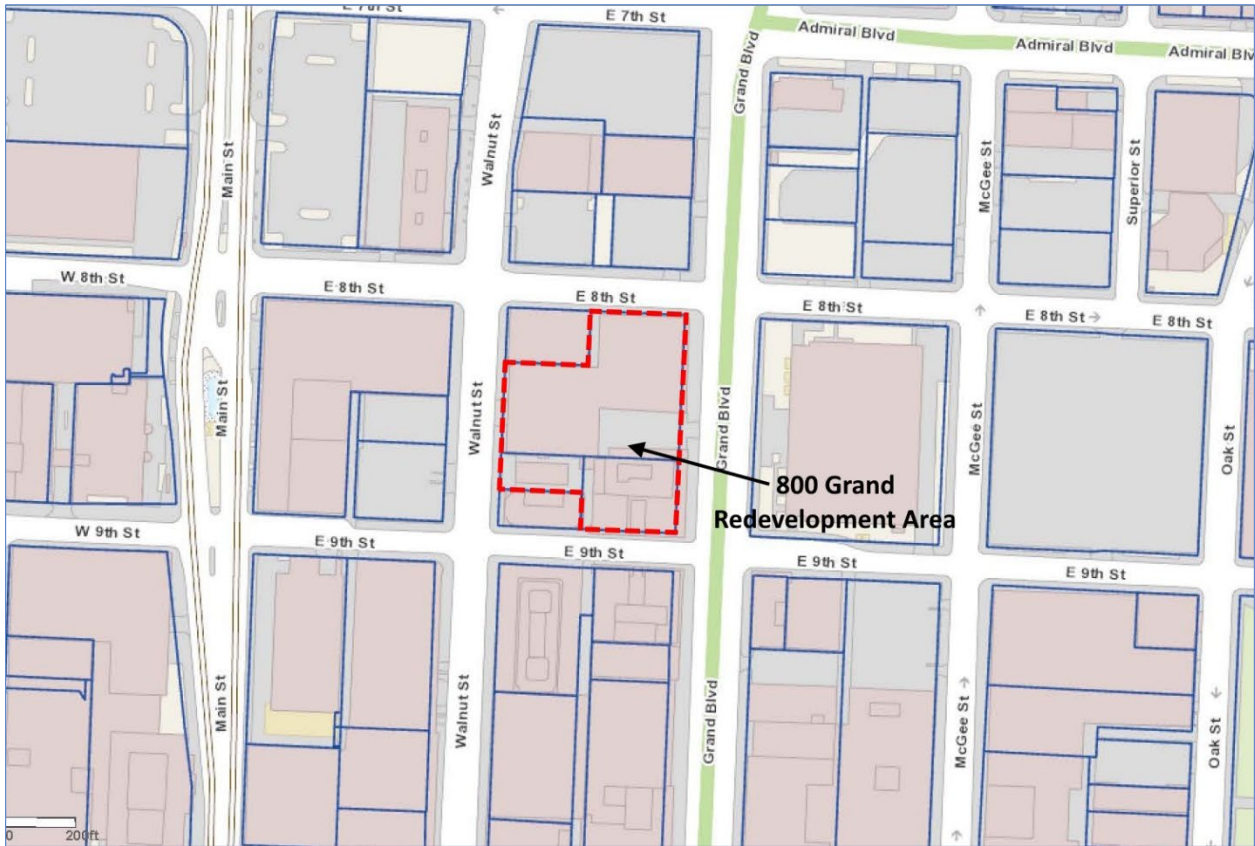
Legal Description

The Study Area consists of three (3) property/tax parcels. Specific legal descriptions (abbreviated) of all parcels within the Study Area are included in Appendix A – Property Ownership & Legal Descriptions.

Ownership

The Study Area contains three (3) property/tax parcels. All the property/tax parcels are identified by the Jackson County Assessor’s office. A complete listing of the property/tax parcels identified by the Jackson County Assessor is included in Appendix A.

Study Area – Boundary Map



Section II

Study Area Overview

Location & Access

The Study Area encompasses approximately 1.27 acres and consists of three property/tax parcels in Kansas City, Missouri in the CBD Downtown neighborhood.

The Study Area has very good access due to its proximity to the regional interstate system from within the Downtown Loop, particularly access from Main Street/Delaware Street located less than 500 feet from the Study Area to the west. The Downtown Loop is just over one mile wide (east-west) and just under one mile deep (north-south). Grand Boulevard borders the eastern boundary of the Study Area and is a major north/south street extending from the Heart of America Bridge and Berkley Parkway on the north to its intersection with Main Street on the south. 9th Street borders the southern boundary of the Study Area and is also a major street. 9th Street consists of two through lanes and a parking lane, and is a one-way street running west from Woodland Avenue on the east to Broadway Boulevard on the west. East of Woodland Avenue, 9th Street is a four-lane two-way street that continues to Winner Road where it then becomes a residential street that terminates at Winchester Avenue just west of the Blue River.

The City’s Major Street Plan (2016) classifies Grand Boulevard as a “Boulevard” thoroughfare with two through lanes running north/south with a bike lane and parking lane on each side of the street. A north-bound turn lane provides access to west-bound 9th Street. The intersection of Grand Boulevard and 9th Street is signalized.

From the north and south the Study Area can be directly accessed via Grand Boulevard which runs north/south along the eastern edge of the Study Area. Access from the east is via 9th Street which is a west-bound one-way street along the southern edge of the Study Area.

Painted bike lanes exist on both sides of Grand Boulevard adjacent to the Study Area and extend north to the River Market and south to 20th Street. The draft revision of the Bike KC Master Plan plans for the lanes on Grand Boulevard to have a “major separation” from vehicular traffic in the future. The nearest planned bike routes near the Study Area with varying degrees of protection include east/west routes on 11th Street and 12th Street, and a north/south route on Walnut Street. The Trails KC Plan does not propose trails within or near the Study Area, and none currently exist. Per walkscore.com the Study Area has a Bike Score of 72/100, which is considered very bikeable – bicycling is convenient for most trips.

Pedestrian access is very good, with sidewalks on all sides of the Study Area. Sidewalks are generally in good condition and provide connections to properties in all directions from the Study Area. Per walkscore.com the Study Area has a Walk Score of 95/100, and the CBD Downtown neighborhood, where the Study Area is located, has a walk score of 87/100 and is the second most walkable neighborhood in Kansas City, Missouri.

Public transit is extremely well-served with four routes directly serving the Study Area and a multitude of others within two to three blocks, particularly on Grand Boulevard at 11th Street and 12th Street. The four routes directly serving the Study Area include the Main Street MAX (bus rapid transit), Route 24 (Independence), Route 29 (Blue Ridge Limited), and Route 85 (Paseo). A bus stop is located directly in front of 906 Grand Boulevard, immediately across the street to the south.

The Streetcar is less than two blocks away to the west on Main Street. Per walkscore.com the Study Area has a Transit Score of 78/100, and is considered good.

Land Area

There are three (3) property/tax parcels within the Study Area. Per information obtained from the geographic information system of Jackson County, Missouri, the Study Area contains a total of approximately 1.27 acres.

Topography

The Study Area slopes downward to the west. The highest point in the Study Area is near the southeastern corner of the Study Area at approximately Kansas City datum 906.0, and the lowest point is located at the northwestern corner at approximately Kansas City datum 882.0. The sidewalk is relatively flat along the eastern and western boundaries of the Study Area, and the sidewalks on the north and south sides of the Study Area have a downward slope to the west of approximately 9.5%.

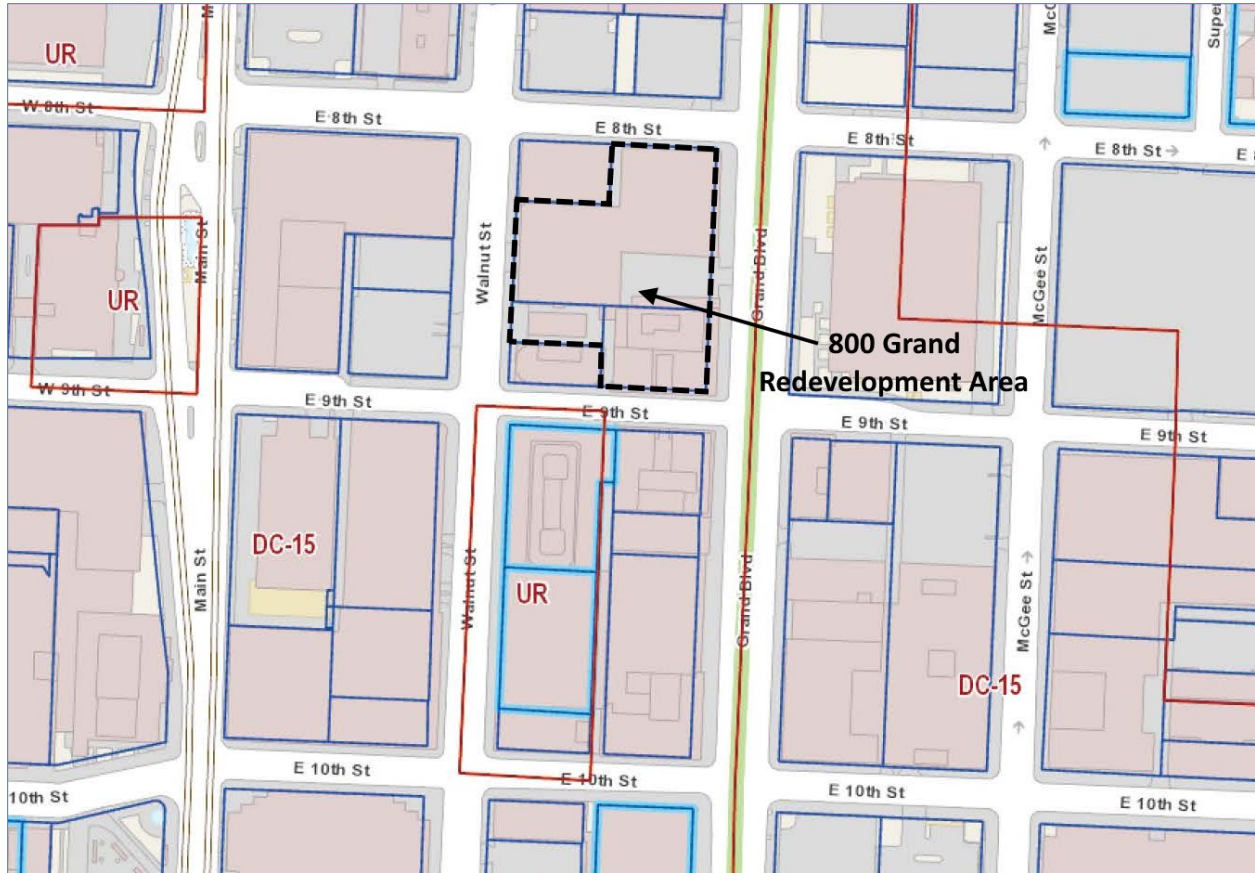
According to maps from the Federal Emergency Management Agency (FEMA), the Study Area is not located in a flood plain.

Utilities

All utilities are available to the subject properties within the Study Area including water, sewers, natural gas and power, and all are adequate for development. Currently all utilities to the property have been shut off. Other building and life systems are disconnected and are not operable.

Zoning

The existing zoning in the Study Area is DC-15 (Downtown Core – 15). The DC, Downtown Core district is primarily intended to promote high-intensity office and employment growth within the downtown core. The DC district regulations recognize and support downtown's role as a center of regional importance and as a primary hub for business, communications, office, government, retail, cultural, educational, visitor accommodations, and entertainment. The district regulations are primarily intended to accommodate a broad mix of office, commercial, public, recreation, and entertainment uses. The DC district also accommodates residential development, both in a stand-alone high-density form and mixed with office and retail uses.



800 Grand Redevelopment Area – Zoning Map

Environmental

A Phase One Environmental Site Assessment (ESA), performed by BBG Assessments, LLC (BBG) and dated October 28, 2022, was provided to the Consultant. BBG did not identify any Recognized Environmental Conditions (RECs) nor any Controlled RECs nor any Historical Recognized Environmental Conditions, and thus recommended no additional investigation was warranted at the time of the report. As noted by BBG, the ESA did not include subsurface or other invasive assessments, vapor intrusion assessments or indoor air quality assessments, business environmental risk evaluations, or other services. BBG included the following recommendations with respect to asbestos containing materials, lead-based paint, and mold, none of which was part of the Phase I ESA:

“ACMs typically do not release measurable amounts of asbestos fibers unless the materials are disturbed or damaged. NESHAP regulations require sampling of potential ACM prior to any renovation or demolition activities likely to disturb the material, regardless of the date of construction. If such activities are planned, an asbestos survey of the entire facility, or the portion slated for the renovation or demolition activities, is warranted prior to initiating these activities. No survey was conducted as part of this assessment. The survey should be conducted by a licensed firm and should include an assessment of all suspect ACM including

those which are not normally accessible. Any material found to be ACM should be handled in accordance with applicable regulations.

Given the poor condition of some of the painted surfaces, property ownership should consult with a certified Lead Risk Assessor to determine if the paint is LBP and to determine options for control and correction of possible LBP hazards. State and local regulations may apply to LBP in association with building demolition or renovation and in association with the worker or occupant protection.

Property management/ownership should promptly identify and eliminate the source of moisture infiltration and buildup supporting mold growth. Areas behind walls and other confined spaces should be inspected. Subsequent to addressing the moisture issue, any damaged materials in these areas should be removed and the area cleaned and sanitized. Given the extensive areas of mold, it may be prudent to have all work done by a qualified mold abatement firm overseen by a certified industrial hygienist.” (p. 2)

The Consultant was provided with clearance letters related to the abatement of asbestos-containing materials from the Scarritt Building at 818 Grand Boulevard. Materials removed included floor tile, mastic, and TSI.

The Consultant did observe suspect asbestos containing materials and microbial growth (mold). No environmental assessment was conducted as a part of this study, and the presence of asbestos and other potential environmental liabilities was not confirmed.

The consultant is unaware of any environmental contamination within the Study Area.

Real Estate Taxes

A six-year history of the assessed values within the Study Area is included in the appendix.

The data in Appendix B is the Assessor’s opinion of Market Value and the resulting assessed value for each of the properties within the Study Area. All property is supposed to be re-assessed in odd-numbered years, except that new construction (including remodeling) can be assessed in any year.

To determine assessed value the assessment ratio for commercial and industrial properties is 32%. The real estate levy for 2024 in the Study Area was \$7.8924 per \$100 of assessed valuation. An additional \$1.437 per \$100 is assessed on commercial and industrial property only (the Merchants and Manufacturers replacement tax). In 2024 (the most recent year in which real estate taxes have been collected), the Study Area generated \$2,787,520 in taxable assessed value, generating a total of \$260,058.89 in real estate taxes.

The total assessed value of the Study Area increased by 56.34% between 2020 and 2024. The highest annual increase during that period was in 2021 when the assessed value of the Study

Area increased by 27.01%. Much of that increase was due to the increase in assessed value of the Scarritt Arcade, which increased by almost 285%, despite vacancy of almost 100% and poor building conditions (per the Qualifications Analysis conducted in connection with the establishment of the 9th & Grand PIEA General Development Plan in 2020). No improvements had been made since the time of the blight study, yet when completely vacant in 2023 the assessed value of the Scarritt Arcade increased by 25% and then by 13% in 2025.

The same year the assessed value of Scarritt Arcade increased 285%, the assessed value of the Scarritt Building declined 23.6% before increasing by 25% in 2023 and by 4.7% in 2025.

In 2021 the assessed value of the parking garage increased slightly by 0.07%, followed by an increase of 12.4% in 2023 and by 19% in 2025. The improvements were assessed at \$0 in 2025.

All real property tax payments are current as of the date of this study.

Existing Improvements

The Study Area consists of three (3) property/tax parcels containing approximately 1.27 acres and is in Downtown Kansas City on a block generally bound by 8th Street on the north, Grand Boulevard on the east, 9th Street on the south and Walnut Street on the west.

The Study Area is improved with the 12-story Scarritt Building, consisting of approximately 130,000 square feet and the four-story Scarritt Building, consisting of approximately 20,720 square feet. A multi-story structured parking garage exists on the northern portion of the Study Area, with two floors above ground. The three structures have been closed to access for several years, and have been 100% vacant for the past two to three years.

The Scarritt Building fronts Grand Boulevard at 818 Grand Boulevard, and was constructed in 1906. The building was placed on the National Register of Historic Places in 1971, along with the Scarritt Arcade, which was constructed in 1900. The style of the two buildings is the best example in Kansas City of the Chicago School. Both buildings have been primarily used for office use since they were completed.



800 Grand Blvd – looking southwest – structured parking garage at SWC 8th & Grand Blvd



800 Grand Blvd (Walnut Entrance) – looking east; Scarritt Arcade on south side (right)



818 Grand Blvd (Scarritt Building) – looking northwest



818 Grand Blvd (Scarritt Building) & 800 Grand Blvd – looking northwest



818 Grand Blvd (Scarritt Building) – looking northwest



819 Walnut Street (Scarritt Arcade) – looking east

Billboards

Billboards do not exist within the Study Area.

CBD Downtown Neighborhood

Location & Access

The CBD-Downtown neighborhood is generally bounded by the interstate highway loop – Interstates 35 and 70 on the north, Interstate 70 and U.S. 71 on the east, Interstate 670 on the south, and Interstate 35 on the west. The neighborhood enjoys excellent access to the regional highway system and the local and regional network of streets.

The main entryways into CBD-Downtown include Broadway Boulevard, Main Street, Grand Boulevard, and Charlotte Street from the north; 7th Street from the east; Oak Street, Baltimore Avenue, Wyandotte Street, Broadway Boulevard, Main Street, and Grand Boulevard from the south; and 12th Street from the west. CBD-Downtown is bordered to the west by the West Bottoms neighborhood, to the north by the River Market and Columbus Park neighborhoods, to the east by the Paseo West neighborhood, and to the south by the Hospital Hill and Crossroads neighborhoods. Access to and from these adjoining neighborhoods is relatively easy by vehicle.

Neighborhood Demographics

Population & Household Income

The following provides population and income trends within a one-, three-, and five-mile radius from the approximate center of the Study Area with an address of 800 Grand Boulevard.

	Median Household Income	
800 Grand Blvd	Forecast	
Radius	2025	2030
One Mile chg. from '25 (1 mile)	69,617	74,939 +7.6%
Three Mile chg. from '25 (3 mile)	55,907	63,409 +13.4%
Five Mile chg. from '25 (5 mile)	55,779	62,466 +12.0%

Source: ESRI; Sterrett Urban, LLC

The median household income forecasted by ESRI for 2025 within one mile of the Study Area is higher than the median household income ESRI forecasts for that area within three miles and within five miles of the Study Area. The median household income within one mile of the Study Area in 2030 is forecasted by ESRI to remain higher than the median household income for that area within three miles and within five miles of the Study Area, but is forecasted to have a lower rate of income growth through 2030 (7.6% within one mile compared to 13.4% within three miles and 12.0% within five miles).

800 Grand Blvd Radius	Population			
	Historic		Forecast	
	2010	2020	2025	2030
One Mile	10,452	15,824	17,869	19,357
percent change (1 mi)		+51.4%	+12.9%	+8.3%
change from '10 (1 mi)		+51.4%	+71.0%	+85.2%
Three Mile	72,380	81,915	88,039	91,909
percent change (3 mi)		+13.2%	+7.5%	+4.4%
change from '10 (3 mi)		+13.2%	+21.6%	+27.0%
Five Mile	209,259	224,792	231,775	237,655
percent change (5 mi)		+7.4%	+3.1%	+2.5%
change from '10 (5 mi)		+7.4%	+10.8%	+13.6%

Source: ESRI; Sterrett Urban, LLC

The population figures indicate a high rate of growth within one mile of the Study Area (+51.4%) compared to those areas within three and five miles of the Study Area (+13.2% and 7.4%, respectively) between 2010 and 2020 with the slowest growth occurring within five miles of the Study Area. Population was forecasted to continue growing at a high rate in 2025 (+12.9%) within one mile of the Study Area and a slower rate of growth nearest the Study Area in 2030 (+8.3%) with modest population growth between three and five miles of the Study Area (+4.4% and +2.5% respectively). Overall, the area nearest the Study Areas is expected to have experienced the highest growth in population between 2010 and 2030 (+85.2%), while modest population growth is expected to have occurred within five miles of the Study Area (+13.6%).

Unemployment

The most recent unemployment data for the Study Area is for the City of Lee’s Summit, Jackson County, Missouri. The following data was provided by the Missouri Economic Research and Information Center (MERIC):

Civilian Labor Force – Kansas City, Jackson County Missouri
August 2025 (not seasonally adjusted)

Labor Force	Labor Force Employed	Labor Force Unemployed	Percentage Unemployed
174,755	166,008	8,747	5.0%

Source: Missouri Economic Research and Information Center (MERIC)

According to the Bureau of Labor Statistics, the preliminary unemployment rate for the Kansas City, MO-KS metropolitan statistical area in August 2025 was 4.3%.

According to the Federal Reserve, an unemployment rate of 5.0% - 5.2% can generally be considered “full employment.”

Section III

Determination of Study Area Conditions

Significant findings of the 800 Grand Redevelopment Area Blight Study are presented in the discussion which follows. These findings are based on a review of documents and reports, interviews, field surveys, and analyses conducted in September and October 2025. Properties and buildings, along with public improvements adjacent to the properties, were evaluated and deficiencies noted. As previously explained, the purpose of this study was to determine whether conditions as defined by the TIF Act in RSMo. 99.805(1) of the Missouri State Statute, as amended, exist in the Study Area.

RSMo. 99.805(1)

The principal blighting factors reported here and in line with the respective statutory definitions include: insanitary or unsafe conditions, deterioration of site improvements, and the existence of conditions which endanger life or property by fire and other causes. The Appendix section of this report includes a table exhibiting the blighting factors present at each property/tax parcel.

Blight Defined

As presented in Section I, blight is defined as follows with respect to the TIF Act:

“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 (RSMo. 99.805(1)).

Several court cases provide additional direction in the consideration of blight:

- It is not necessary for an area to be what commonly would be considered a “slum” in order to be blighted. *Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corporation*, 518 S.W.2d 11, 15 (Mo. 1974).
- An otherwise viable use of a property may be considered blighted if it is an economic underutilization of the property. *Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc.*, 812 S.W.2d 903, 910 (MO.App.E.D. 1991).
- It is not necessary for every property within an area designated as blighted to conform to the blight definition. A preponderance of blight conditions is adequate to designate an area for redevelopment. *Maryland Plaza*

Redevelopment Corporation v. Greenberg, 594 S.W.2d 284, 288 (MO.App.E.D. 1979).

- In order to make a finding of blight for a defined redevelopment area, the total square footage of the area is to be considered and not a preponderance of the individual parcels. Allright Properties, Inc. v. Tax Increment Financing Commission of Kansas City, 240 S.W.3d 777 (MO.App.W.D. 2007).

Cause Component 1: Insanitary or Unsafe Conditions

Unsafe or insanitary conditions can be found throughout the Scarritt Building, Scarritt Arcade and the parking garage in the Study Area. The most prevalent Study Area conditions considered unsafe or insanitary include the absence of or damaged/deteriorated building systems and life safety systems, including electrical power, HVAC, plumbing, automation, communications, and life safety systems. Without functioning building systems and life safety systems, the Scarritt Building and Arcade does not satisfy current building codes and cannot be occupied.

Due to what appears to have been past renovations, or interior demolition as preparation for renovations, portions of many of the building systems do not connect to form a complete functioning system, including plumbing, HVAC, fire suppression, and electrical. Wiring is exposed in many locations. Debris exists on many floors and besides presenting an injury hazard also impedes ingress/egress in some locations.

Electrical power is turned off which impacts vertical transport (without power the elevators are nonfunctioning) in addition to all of the building systems, including emergency lighting.

The building is not entirely watertight and as such has created or has the potential to create localized unhealthy environments and to damage interior improvements. Water intrusion is evidenced throughout the building. Water intrusion has also occurred through the roofs of the Scarritt Building and the Scarritt Arcade.

Vaults underneath the sidewalk along Grand Boulevard are accessible from the building's lower level where exposed, corroded reinforcing steel is evident on the bottom side of the sidewalk. All sidewalks are to be replaced in the Study Area.

Vagrant activity and/or trespass is evidenced inside the building with graffiti and additionally, in the Scarritt Building, with two different fires that have damaged the interior of the building.

No separate environmental assessments were done for this Blight Study. Mold was evident in both buildings and suspect asbestos containing pipe wrap was observed in the Scarritt Building. The consultant is unaware of any confirmed environmental contamination within the building.

Examples of this condition are shown below and on the following pages. The Study Area clearly exhibits insanitary or unsafe conditions and to an extent that endangers property and life.



818 Grand Blvd – interior – deteriorated/broken stairs



800 Grand Blvd – looking south – deterioration of sidewalk/uneven pavement



800 Grand Blvd – looking south – deterioration of sidewalk/uneven pavement



819 Walnut St – interior – mold



819 Walnut St – interior – open elevator; graffiti



818 Grand Blvd – interior – broken glass on floor; failure of finishes



819 Walnut St – interior – mold; failure of finishes



819 Walnut St – interior – mold; failure of finishes



818 Grand Blvd – interior – mold



818 Grand Blvd – interior – mold



819 Walnut St – interior – broken window (vandalism)



819 Walnut St – interior – broken glass panels in roof



819 Walnut St – interior – missing HVAC equipment components



818 Grand Blvd – interior – failure of finishes; suspect pipe wrap



818 Grand Blvd – interior – graffiti



818 Grand Blvd – interior – graffiti; failure of finishes



800 Grand Blvd – looking south – graffiti; broken window; trash/debris



800 Grand Blvd – looking northeast – graffiti; overgrown vegetation; trash/debris



800 Grand Blvd – looking west – graffiti; trash/debris



818 Grand Blvd – looking south – graffiti



818 Grand Blvd – interior – broken glass; debris



818 Grand Blvd – interior – trash/debris; disconnected and nonfunctioning building systems



818 Grand Blvd – interior – disconnected, nonfunctioning building systems



818 Grand Blvd – interior – trash/debris



800 Grand Blvd – looking east – trash/debris; failure of finishes

Cause Component 2: Deterioration of Site Improvements

The condition of deterioration of site improvements was primarily established through field survey work and observation of exterior and interior physical conditions within the Study Area. Building deterioration rating criteria considered included the following: primary structure (roof, walls, foundation); secondary structure (fascia/soffits, gutters/downspouts, exterior finishes, windows and doors, stairways/fire escapes); and exterior structure (mechanical equipment, loading areas, fences/walls/gates, other structures).

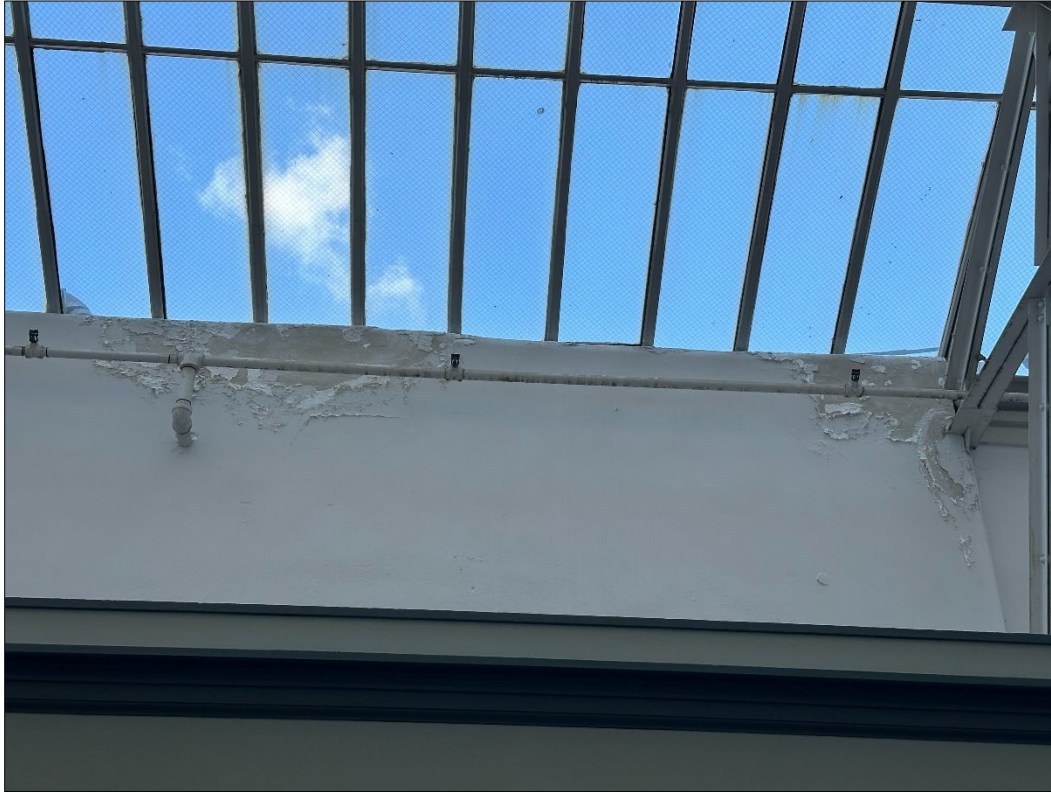
The following observations related to deterioration of the primary structure are listed below, followed by photographs showing a small sample of the deficiencies. The following list is not conclusive due to time and the inaccessibility of a large number of spaces in the buildings.

Deterioration of the primary structure exists throughout the Study Area and includes the following:

- Roofs of both the Scarritt Building and Scarritt Arcade require replacement. Water intrusion through the roofs (and through broken windows) is accelerating the failure of finishes inside both buildings and contributing to mold growth;
- The terra cotta and brick cladding on the Scarritt Building has become dislodged or cracked in areas, and some parts of the cladding have fallen away from the buildings;
- Mortar joints require repair on both buildings in a number of places. Vegetation is growing in some joints, particularly on the north side of the buildings;
- A large number of window frames have experienced a failure of finishes and have begun to rot;
- Glass panes in doors and windows and glass roof panels (Scarritt Arcade) have been damaged by vandals and/or weather and require replacement;
- Doors have been damaged by vandals/thieves gaining access to the buildings and require replacement; and
- Steel supports of the cornice at the top of the Scarritt Building are corroding and require replacement;
- Spalling and deterioration of concrete in the parking garage;
- Water seeping through the concrete beams in the garage as exhibited with the formation of calthemites on the underneath side of the beams; and
- Failure of finishes on the exteriors and interiors of all structures in the Study Area.



818 Grand Blvd – interior – deterioration of basement, foundation, underneath side of sidewalk



819 Walnut St – looking north – failure of finishes due to water intrusion from roof



819 Walnut St – looking north – damaged glass panels in roof; failure of finishes



819 Walnut St – looking east – deterioration of terra cotta mouldings



819 Walnut St – looking south – deterioration of window frame, masonry, lintel



818 Grand Blvd – deterioration of steel cornice supports, masonry, and windows



818 Grand Blvd – looking east – deterioration of brick veneer, windows, equipment



819 Walnut St – looking east – deterioration of terra cotta



818 Grand Blvd – looking east – deterioration of brick veneer, terra cotta, and mortar joints



800 Grand Blvd – deterioration of brick veneer, fence



800 Grand Blvd – looking northeast – failure of finishes



800 Grand Blvd – failure of finishes; deterioration of garage floor



800 Grand Blvd – looking north – presence of calthemites due to water seeping through concrete beams



800 Grand Blvd – looking west – spalling concrete; graffiti



800 Grand Blvd – deterioration of garage structure; failure of finishes



800 Grand Blvd – deterioration of garage structure



800 Grand Blvd – looking north – deterioration of pavement, wall



818 Grand Blvd – interior – failure of finishes; deterioration of fixtures



818 Grand Blvd – interior – failure of finishes; graffiti



818 Grand Blvd – interior – failure of finishes



818 Grand Blvd – interior – failure of finishes

A variety of blight conditions were observed within the Study Area related to the deterioration of the site and non-primary improvements. These conditions which negatively affect the appearance and utilization of the area, most commonly include deterioration of sidewalks and pavement.

Examples of site deterioration problems are found along the perimeter of the Study Area and as part of the parking garage, as shown in the photographs below.



800 Grand Blvd – looking east – rusting mechanical equipment



800 Grand Blvd – looking north – uneven sidewalk



800 Grand Blvd – looking south – uneven sidewalk



800 Grand Blvd – looking southwest – spalled concrete; failure of finishes



800 Grand Blvd – looking north – deterioration of parking garage floor



800 Grand Blvd – looking south – deterioration of pavement



800 Blvd – looking south – deterioration of pavement, railing; broken windows; trash/debris



800 Grand Blvd – looking southwest – deterioration of pavement

The Study Area exhibits deterioration of site improvements. The most common conditions included the deterioration of the roofs, deterioration of brick and terra cotta veneers, the failure of finishes, and deterioration of equipment, the sidewalks, parking garage structure and pavement. The deterioration of site improvements, both primary and secondary, and exterior improvements, impacts 100.0% of the Study Area and is a major contributor to blight.

Cause Component 3: Existence of Conditions which Endanger Life or Property by Fire and Other Causes

Data regarding fire calls to the Study Area was not available, although the Scarritt Building has been damaged on two different floors due to fire.

An examination of crime data for the past twelve months (accessed from trulia.com with data provided by spotcrime.com and crimereports.com), indicates the Study Area – along with much of the CBD Downtown Neighborhood – has the highest crime rates in Kansas City. A closer examination of crime incidents within the Study Area, however, indicates no reported crime incidents.

The building has been without power, water and other utilities. Without water and power the building and lives are at greater risk in the event of a building fire.

The lack of functioning building systems and life safety systems, including inoperable elevators due to the lack of power, prevents the building from being occupied.

Conditions exist throughout the Scarritt Building and the Scarritt Arcade that endanger life or property by fire and other causes, particularly due to the exhibited lack of secure entry to the buildings at times.



800 Grand Blvd – interior – fire damage



800 Grand Blvd – interior – fire damage

Summary of Blighting Factors

The following table summarizes the three blighting factors analyzed during the inspection of property within the Study Area.

As evidenced from the table below, the parcels within the Study Area satisfy each of the three blighting cause factors, and a predominance of blighting factors in 100.0% of the Study Area.

**800 Grand
Redevelopment Area
Summary of Blighting Factors**

Study Area	Parcels	Pct.	Area (acres)	Pct.
Total	3	100%	1.26	100%
<u>Blighting Factors</u>				
Insanitary or unsafe conditions	3	100.0%	1.26	100.0%
Deterioration of site improvements	3	100.0%	1.26	100.0%
Existence of conditions which endanger life or property by fire and other causes	3	100.0%	1.26	100.0%
Parcels with Predominance of Blighting Factors	3	100.0%	1.26	100.0%

As evidenced from the table above, the entirety of the Study Area satisfies each of the three blighting factors. In addition, the percentage of the Study Area that has at least one blighting factor is 100.0%. The percentage of the Study Area that exhibits a predominance of blighting factors is 100.0%.

Effect Component 1: Economic or Social Liability

Economic Liability

The following are generally considered economic characteristics of blighted areas:

- Reduced or negligible income;
- Impaired economic value;
- Depreciated values;
- Impaired investments;
- Negligible income

The Missouri Supreme Court has determined that “the concept of urban redevelopment has gone far beyond ‘slum clearance’ and the concept of economic underutilization is a valid one.”

As indicated in Appendix B: Property Valuation and Taxes, the assessed value of the Study Area has increased by approximately 72.8% since 2020. Much of that increase occurred in 2021 when the total assessed value increased approximately 27.0% as a result of the Scarritt Arcade (819 Walnut St) assessed valuation increasing 285%, despite the Scarritt Building’s assessed valuation declining that same year at a time when both buildings were in poor condition and almost 100% vacant. Despite the increased valuation since 2020, the valuation per building square foot remained quite low compared to other occupied commercial properties. The table below illustrates the disparity in valuation between that of the Study Area and that of other operating hospitality properties in the Downtown area that are renovated properties. All are operated under different flags, and most target a different clientele than the other hotels. Average nightly rates range from as low as approximately \$105 to more than \$200, and the number of rooms varies from 43 to 217. All of the hotel properties are listed on the National Register. Despite the differences in the properties, their assessed values per building square foot clusters within a fairly tight range.

In addition to the low assessed value indicated below for the Scarritt Building, the parking garage in the Study Area has been assessed at \$0 for its improvements in 2025.

<u>Address/Property</u>	<u>Bldg SF</u>	<u>Assessed Value</u>	<u>AV/SF</u>
818 Grand Boulevard <i>Scarritt Building</i>	130,000	\$ 1,172,640	\$ 9.02
1111 Grand Boulevard <i>Ambassador Hotel</i>	43,787	\$ 1,559,834	\$ 35.62
106 W. 12 th Street <i>Phillips Hotel</i>	148,900	\$ 5,516,960	\$ 37.05
1329 Baltimore Avenue <i>Hilton President Kansas City</i>	195,255	\$ 7,570,240	\$ 38.77
219 W. 9 th Street <i>21c Museum Hotel</i>	107,500	\$ 5,311,789	\$ 49.41
417 E. 13 th Street <i>Holiday Inn Express</i>	40,500	\$ 1,442,262	\$ 35.61
2101 Central Avenue <i>Crossroads Hotel</i>	120,000	\$ 7,118,848	\$ 59.32
2020 Grand Boulevard <i>Hotel Indigo – Crossroads</i>	60,000	\$ 2,262,192	\$ 37.70

Source: Jackson County; Sterrett Urban, LLC

As demonstrated in the above table, improved hospitality properties have an assessed value per building square foot ranging between \$35.61 and \$59.32. The assessed value per building square foot of the Study Area, at \$9.02, is just 15%-25% of the valuation of the hospitality properties

that occupy historic or older properties. Much of the disparity is due to two conditions – 1) the high vacancies in the Study Area, as the Scarritt Building and Scarritt Arcade have been 100% vacant for the last two to three years and more than 90% vacant since 2020; and 2) the extensive building rehabilitation that is required to eliminate the blighting conditions in the Study Area and to prepare the buildings for occupancy. Clearly the 100% vacant buildings within the Study Area has a detrimental impact on the collection of tax revenues. In addition to depressed property tax revenues, economic activity taxes such as sales and utility taxes are non-existent.

The Study Area’s inability to generate reasonable and sustained revenue places the City and other taxing jurisdictions in a position where budgets for such services as police, fire, schools, vector and rodent control, parks, and other municipal or district services translates into an economic liability for the residents of Kansas City and the beneficiaries of those jurisdictions typically funded by property, sales and business taxes.

The redevelopment of the Area has been hindered by several dominating factors, including unsafe conditions (lack of power, impaired accessibility, inadequate fire/life/safety systems) that can endanger life or property, physical deterioration (lack of building systems or nonoperational systems such as fire suppression, HVAC, plumbing, and the deterioration of roofs, windows, exterior stone cladding, and failure of finishes). These are costs that are prohibitive for a private sector developer (or property owner) to take on independently. Doing nothing will only result in further deterioration of building and site improvements, resulting in increased redevelopment costs and an increased likelihood that an historic building will not be redeveloped, creating a negative impact on neighboring properties. Some form of external financial assistance that is not currently being utilized will be required in order to make improvement of the Study Area economically feasible.

Improvement of the Study Area would result in new employment opportunities in the area. The potential increase in activity would also generate new sales, personal property, employment, and utility taxes.

Factors such as those described in this section render the Area an economic liability to the City and other affected taxing jurisdictions. Economic underutilization – low assessed values and taxes, high vacancies, deterioration of improvements and the presence of unsafe conditions that endangers life and property – indicates the Study Area is blighted.

Social Liability

The social liabilities associated with the Study Area are related to the presence of various hazardous conditions that threaten or endanger the health, safety and welfare of the community. Specific liabilities include:

1. The theft and/or the destruction of major building systems of the Scarritt Building and the Scarritt Arcade has left the structures with non-functioning or nearly non-functioning heating, ventilation, air-conditioning, plumbing, fire suppression systems, and vertical transport.

2. Evidence of vandalism and trespass inside the building.

Given the presence of the conditions outlined above, the Study Area has become a social liability in that such conditions are conducive to ill health, transmission of disease, and crime. Additionally, the presence of these conditions dictates that the City pursue redevelopment opportunities that are consistent with its Comprehensive Plan.

Conclusion

A predominance of the components that make up the definition of blight per the TIF Act (RSMo. 99.805(1)) was present in the proposed 800 Grand Redevelopment Area.

The dominant blighting factor is the insanitary and unsafe conditions present in the redevelopment area, and site deterioration. Two of the three properties will continue to have low valuations if not redeveloped. The low property values due to the underutilization of the properties and the lack of economic activity over the past five years indicates blight is present within the 800 Grand Redevelopment Area. The above combine to create economic underutilization and an inability to pay reasonable property and sales taxes, thereby creating an economic liability for the City and other taxing jurisdictions. The deterioration of site improvements and unsafe conditions violates the City’s nuisance and building codes, creating a social liability within the community.

Therefore, the Consultant has determined that the proposed 800 Grand Redevelopment Area, as of October 3, 2025, is a “blighted area” according to the definition provided in the TIF Act and constitutes an economic liability and social liability in its present condition and use.

Appendix A

Property Ownership & Legal Descriptions

No.	Site Address	Parcel ID No.	Owner	Legal Description
1	819 WALNUT ST	29-220-21-04-00-0-00-000	AXIS KC LLC	ROSS & SCARRITTS ADD LOTS 88 & 89 & W 1/2 VAC ALLEY LY E OF & ADJ
2	818 GRAND BLVD	29-220-21-06-00-0-00-000	AXIS KC LLC	ROSS & SCARRITTS ADD LOTS 94-97 & E 1/2 OF VAC ALLEY LY W OF & ADJ (EX PT IN ST)
3	800 GRAND BLVD	29-220-21-07-00-0-00-000	800 GRAND KCMO LLC	ROSS & SCARRITTS ADD---LOTS 83-87 & 98-105 (EX PT IN RD) & ALL VAC ALLEY LYING E OF LOTS 83-87

Appendix B

Property Valuation & Taxes

800 Grand
Redevelopment Area
Blight Study

No.	Parcel ID Number	2020	2021	2022	2023	2024	2025	Taxes		NOTES
								2024	Delinquent	
1	29-220-21-04-00-0-00-000	266,176	1,024,000	1,024,000	1,280,000	1,280,000	1,446,400	119,416.32	0.00	1,3
2	29-220-21-06-00-0-00-000	1,172,448	896,000	896,000	1,120,000	1,120,000	1,172,640	104,489.28	0.00	2,3
3	29-220-21-07-00-0-00-000	344,411	344,640	344,640	387,520	387,520	461,149	36,153.29	0.00	4
Total		1,783,035	2,264,640	2,264,640	2,787,520	2,787,520	3,080,189	260,058.89	0.00	
Annual Change %			27.01%	0.00%	23.09%	0.00%	10.50%			
Cumulative Change %			27.01%	27.01%	56.34%	56.34%	72.75%			

NOTES:

1 Scarritt Arcade (819 Walnut St)

2025 Market Value of Land is \$549,180; 2025 Market Value of Improvement is \$3,970,820 (per Jackson County Assessor).

2 Scarritt Building

2025 Market Value of Land is \$1,130,760; 2025 Market Value of Improvement is \$2,533,740 (per Jackson County Assessor).

3 Real property taxes for the Scarritt Building and the Scarritt Arcade had been delinquent for 2022 and 2023 until recent sale of the property to the TIF plan proponent, who paid the real property taxes for 2022, 2023 and 2024. The amount of the tax payments noted above does not include assessments levied for the Downtown Community Improvement District, the assessments levied for the KC Streetcar Transportation Development District, nor interest, penalties and fees associated with the past due payments.

4 Parking Garage

2025 Market Value of Land is \$1,441,090; 2025 Market Value of Improvement is \$0 (per Jackson County Assessor).

Appendix C

Summary of Properties & Blighting Factors Present

No.	Parcel Address	Parcel APN (County)	Insanitary or unsafe conditions	Deterioration of site improvements	Endangerment of life or property by fire, other causes	TOTAL	Acreage	Predominance of Blighting Factors Present
1	819 WALNUT ST	29-220-21-04-00-0-00-000	■	■	■	3	0.12	■
2	818 GRAND BLVD	29-220-21-06-00-0-00-000	■	■	■	3	0.28	■
3	800 GRAND BLVD	29-220-21-07-00-0-00-000	■	■	■	3	0.86	■
TOTALS			3	3	3	9	1.26	3
			1.26	1.26	1.26			1.26
			100.0%	100.0%	100.0%			100.0%

Appendix D

Certification / Assumptions & Limiting Conditions / Qualifications

Certification

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, 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 I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
6. I made a personal inspection of the property that is the subject of this report on October 3, 2025.
7. This study is not based on a requested result or a specific conclusion.
8. I have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.



Patrick Sterrett
Sterrett Urban, LLC

Assumptions & Limiting Conditions

This Blight Study is subject to the following limiting conditions and assumptions:

1. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are Sterrett Urban's unbiased professional analyses, opinions, and conclusions.
2. Information provided and utilized by various secondary sources is assumed to be accurate. Sterrett Urban cannot guarantee information obtained from secondary sources.
3. The nature of real estate development is unpredictable and often tumultuous. In particular, the natural course of development is difficult to predict and forecast. Sterrett Urban deems our projections as reasonable considering the current and obtained information.
4. Sterrett Urban has considered and analyzed the existing conditions concerning the subject property within the redevelopment area. We have considered these existing conditions when forming our analyses and conclusions. However, it should be understood that conditions are subject to change without warning, and potential changes could substantially affect our recommendations.
5. Our analyses, opinions and conclusions were prepared in conformance with the Code of Professional Ethics and Standards of the American Institute of Certified Planners.

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

Sterrett Urban LLC is an urban planning and real estate development advisory firm which counsels an array of public and institutional clients, as well as private investors and developers, interested in bringing development projects and revitalization efforts to fruition. **Sterrett Urban LLC** has unmatched experience and expertise providing redevelopment, community planning, and economic development strategies and implementation services for a wide variety of product types and settings.

The firm, founded in 2006, is led by Patrick Sterrett, a certified urban planner who has more than twenty-five years of experience forging partnerships, managing complex real estate development projects, and creating vibrant, sustainable urban plans and designs. Current and recent work includes creating a development program and financing strategies for a \$20 million mixed-use project on Troost Avenue; developing a strategy to unwind the original financing framework Mr. Sterrett helped originate for the LAMP nonprofit campus that involves tax abatement, New Markets tax credits, and Historic Preservation tax credits; land use planner for the redevelopment of the three million square foot former Bannister Federal Complex; continued management of two community improvement districts originally formed by Mr. Sterrett for others; and the development of financing strategies for a \$20 million charter school in Kansas City, Missouri and a \$5.5 million social service center and health clinic in Kansas City, Kansas, both of which may include the use of tax credits and tax abatement.

Prior to forming **Sterrett Urban LLC** in 2006, Mr. Sterrett spent eleven years at the Economic Development Corporation of Kansas City, Missouri (EDC) and initiated and/or managed for the public sector some of the largest pioneering redevelopment projects in recent memory in Kansas City and in the country. During his tenure at the EDC, Mr. Sterrett provided staffing to each of the redevelopment agencies and also served as Executive Director of the Port Authority, where he managed land development, the negotiation of redevelopment agreements and creation of mixed-use development programs for the Kansas City Riverfront, former Richards-Gebaur Airport as an intermodal hub, a mixed-use village within the Columbus Park Neighborhood, and creation/implementation of a redevelopment strategy for the Crossroads Arts District.

Mr. Sterrett's work has been featured in local and national publications, and his work in the Crossroads Arts District and the Power & Light District in Kansas City has been recognized by the International Economic Development Council as exemplary of the most advanced redevelopment methods to revitalize distressed areas, including brownfields.

Mr. Sterrett earned a Bachelor Architecture and a Master of Urban Planning with a concentration in housing and community development from the University of Kansas.

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

Select Professional Experience

Sterrett Urban LLC

2006 – Current

Owner/Principal

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES

Blight Study

Independence Marketplace (TIF); WNQE Independence VI, LLC; Independence, MO

Blight Study

11828 NW Plaza Circle Community Improvement District; Yashoda Hotels, LLC; Kansas City, MO

Blight Study

7611 NW 97th Terrace Community Improvement District; BVM PLATT CITY, LLC; Kansas City, MO

*Blight Study

Ten Main Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study

Brookfield Building (Chapter 353); Brookfield Hotel Investment, LLC; Kansas City, MO

*Blight Study

Kansas City Convention Center Headquarters Hotel (TIF); TIF Commission of Kansas City, MO; Kansas City, MO

*Blight Study

Mt. Cleveland Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

*Blight Study

63rd & Holmes Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study

23rd & Sterling Community Improvement District; McKeever Enterprises, Inc.; Independence, MO

General Development Plan and Qualifications Analysis (Blight)

17th & Madison (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

63rd Street Corridor (PIEA); PIEA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

General Development Plan and Qualifications Analysis (Blight)
Green Village (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

32nd Street Place (TIF); Woodsonia Joplin, LLC; Joplin, MO

Blight Study

32nd Street Place Community Improvement District; Woodsonia Joplin, LLC; Joplin, MO

*Blight Study

Linwood/Prospect (TIF); TIF Commission of Kansas City, MO; Kansas City, MO

*Blight Study

Oak Park Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study

16 Main Street (Chapter 353); PC Homes, LLC; Parkville, MO

Blight Study

NE 58th Street & N. Oak Trafficway (Chapter 353); North Eagle Properties, LLC; Gladstone, MO

Blight Study

Twin Creeks Center Community Improvement District; White Goss, Attorneys at Law; Kansas City, MO

Blight Study

325 E. 31st Street Community Improvement District; Syndicate Property Holdings 1, LLC; Kansas City, MO

Blight Study

612 W. 47th Street Community Improvement District; JH Investors, LLC; Kansas City, MO

Blight Study

801 Westport Road Community Improvement District; GLI Hospitality & ADMJM WP1, LLC; Kansas City, MO

Development Plan & Blight Study

1411 Quebec (Chapter 353); MetroPark Warehouses, Inc.; North Kansas City, MO

Urban Renewal Plan & Blight Study

3200 Gillham Road Urban Renewal Area (LCRA); Exact Acme, LLC; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

*Blight Study

40 Highway & Noland Road (TIF); TIF Commission of Kansas City, MO; Kansas City, MO

Blight Study

89th & State Line Community Improvement District; State Line Corner, LLC; Kansas City, MO

Blight Study

Boomtown Central (TIF); Denali Summit, LLC; Joplin, MO

Blight Study – Court Testimony

Armour/Gillham Corridor (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Economic Development Area

Aviara (TIF); City of Liberty, MO; Liberty, MO

Blight Study

4080 W. State Highway 76 (TIF); Fee/Hedrick Family Entertainment; Branson, MO

Blight Study

Creekside (TIF & CID); Parkville Development 38, LLC, Parkville Development 140, LLC, Parkville Development 50, LLC, Parkville Development VV1, LLC; Parkville, MO

Blight Study

Johnson Drive & Renner Road (TIF); Kingdom Real Estate, LLC & Paru, LLC; Shawnee, KS

Blight Study

Merriam Corners (TIF); Merriam Corners, LLC et al.; Merriam, KS

Urban Renewal Plan & Blight Study

Midtown Infill Multifamily Housing Urban Renewal Area (LCRA); FFV Development, LLC; Kansas City, MO

Blight Study

NW 112th Street & I-29 Community Improvement District; Bank of Weston & WB Seventeen, LLC; Kansas City, MO

Blight Study

NW Prairie View Road & NW 72nd Street (TIF & CID); North K I-29 2004, LLC; Kansas City, MO

*Blight Study

3800 Block of Prospect Ave Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

Blight Study

Riverside Red X Community Improvement District; Riverside Red X, Inc.; Riverside, MO

Conservation Area Study

Stag's Spring (TIF); Stag's Spring, LLC; Shawnee, KS

Blight Study

8th & Grand Boulevard (TIF, CID, LCRA, PIEA, Ch. 353); New Generation Construction; Kansas City, MO

Blight Study

Turner Vista (TIF); College Park Developers, LLC; Kansas City, KS

Blight Study

Villa West (TIF); 29th Street Partners, LLC; Topeka, KS

Blight Study

Vivion Point Community Improvement District; Lockard Kansas City Holdings, LLC; Kansas City, MO

Blight Study

Ward Parkway Plaza Community Improvement District; Greensboro Property Company, LLC; Kansas City, MO

Blight Study

Tiffany Landing Community Improvement District; Tiffany Landing, LLC; Kansas City, MO

General Development Plan and Qualifications Analysis (Undeveloped Industrial Area)

Frontage at Executive Park (PIEA), PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

22nd/23rd Street Connector (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

2nd Amended Ellison/Knickerbocker (PIEA), PIEA of Kansas City, MO; Kansas City, MO

*Blight Study

Second & Delaware Development Plan (Chapter 353); Chapter 353 Advisory Board of Kansas City, MO; Kansas City, MO

*Blight Study

Commerce Tower Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

*Blight Study

Key Coalition Neighborhood Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)

Victory Court (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

I-35 & W. 13th Street (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

Troost Bannister (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)

Seven301 (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

Oxford on the Blue (PIEA); PIEA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

1st Amended Ellison/Knickerbocker (PIEA); PIEA of Kansas City, MO; Kansas City, MO

*Blight Study

Bannister & I-435 (TIF); TIF Commission of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Blight)

1st Amended Armour/Gillham Corridor (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study Addendum (Social Liabilities)

Armour/Gillham Corridor (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Liberty Commons (TIF); City of Liberty, MO; Liberty, MO

Blight Study

Hospital Hill III Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

General Development Plan and Qualifications Analysis (Insanitary Area)

Hawthorne Road (PIEA); PIEA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING/BUILDING CONDITION STUDIES (CONTINUED)

General Development Plan

Amended/Restated Folgers Coffee Company (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Inter-State Building Development Plan (Chapter 353); Abbot Properties; Kansas City, MO

General Development Plan & Blight Study

39th Terrace (PIEA), PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Truman-Hardesty (TIF); TIF Commission of Kansas City, MO; Kansas City, MO

Blight Study

Oak Barry Community Improvement District; MD Management; Kansas City, MO

General Development Plan & Blight Study

Metro North Mall (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Metro North Square Community Improvement District; MD Management; Kansas City, MO

General Development Plan & Blight Study

155th & Kensington (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Hospital Hill III Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study Update

Columbus Park Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

General Development Plan & Blight Study

Troost-Rockhill (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Feasibility & Redevelopment Boundary Analysis

Northwest Briarcliff Road Corridor, City of Kansas City, MO

General Development Plan & Blight Study

Valentine-Broadway (PIEA); PIEA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Patrick Sterrett, AICP

Principal



Urban Planning & Development Services

REDEVELOPMENT PLANNING / BUILDING CONDITION STUDIES (CONTINUED)

General Development Plan & Blight Study

Westport–Main (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Indiana Corridor Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study

Troost/Paseo Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

General Development Plan & Blight Study

Blue Valley (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study

Martin City Corridor Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

Blight Study

Longfellow–Dutch Hill Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

General Development Plan & Blight Study

Stuart Hall/HD Lee (PIEA); PIEA of Kansas City, MO; Kansas City, MO

Blight Study & Urban Renewal Plan

Columbus Park Urban Renewal Area (LCRA); LCRA of Kansas City, MO; Kansas City, MO

*In conjunction with APD Urban Planning & Management, LLC

Economic Development Corporation of Kansas City, Missouri

1995 – 2006

Executive Director, Port Authority of Kansas City, Missouri

Planner / Senior Planner

Author of the following plans and studies:

Riverfront TIF Plan / Blight Study

74th & Wornall TIF Plan / Blight Study (plan not approved)

19th Terrace TIF Plan / Conservation Study

22nd & Main St. TIF Plan / Conservation Study

47th & Roanoke TIF Plan

Prospect North TIF Plan

Jazz District TIF Plan

Pershing Road TIF Plan

Eastwood Urban Renewal Plan / Blight Study

South 31st Street Urban Renewal Plan / Blight Study

Longfellow–Dutch Hill Urban Renewal Plan

EXHIBIT 12

EVIDENCE OF COMMITMENT OF FINANCING

TERM SHEET

May 16, 2025

The BR Companies
2250 Lindsay Way
Glendora, CA 91740
Attention: Greg Cotton
C/O: Larry Bain

Re: 800 Grand Tower ("Project")

Dear Mr. Cotton:

Thank you for considering us to fund your project located at 800 Grand Blvd, Kansas City, MO 64106 (the "Property"). Greenworks Lending LLC (known as "Nuveen Green Capital" or "NGC") is pleased to present this summary of proposed terms ("Term Sheet") for Commercial Property Assessed Clean Energy ("C-PACE") financing (the "Financing").

The terms quoted herein are meant for illustrative and discussion purposes only. This Term Sheet does not constitute or create any legally binding or enforceable obligation (except as stated below in "Miscellaneous") and should not be construed as a binding commitment to provide any type of financing to the Borrower or related to the Property. The Financing contemplated herein is subject to satisfactory completion of due diligence, final documentation and credit committee approvals.

FINANCING

C-PACE Total Financed Amount	Estimated at \$99,881,709 Not to exceed 35% LTC, 35% LTV, or the amount determined by the senior mortgage lender. Calculated as: C-PACE Net Proceeds + NGC Fees + Transaction Costs + Program Fees + Capitalized Interest – Deposits
C-PACE Net Proceeds	\$82,211,782 (Subject to individual program requirements, must be less than or equal to the cost of measures that qualify for C-PACE).
Total Development Cost	Estimated at: \$285,376,311 All in costs for the entire development, inclusive of hard and soft costs, FF&E, TI, C-PACE and non C-PACE funded improvements.
Interest Rate	The estimated blended interest rate will be approximately 10-year UST + 347bps. The rate will float until locked 15 days prior to closing with a floor of 7.50%. Interest will be calculated on an actual/360-day convention. The interest shall be calculated as 10-year UST + 325 on the TFA allocated to the Multi-family portion of the project and 10-year UST + 400 on the TFA allocated to the condominium portion of the project. \$1,250 annual ongoing servicing fee + any additional Ongoing County Collection Fees.
Term	20 years. The total term shall be equal to or less than the weighted average estimated useful life of C-PACE measures.
Annual Payment	Estimated at \$10,200,891
Capitalized Interest and Repayment Start Date	The first payment is assumed to be due on December 31, 2028. NGC requires capitalized interest reserves ("Capitalized Interest") to last until the estimated stabilization date, not to exceed five (5) years from the close date. Interest accrued through construction and pre-stabilization periods will be capitalized into the Total Financed Amount. NGC has a variety of options available to limit negative interest carry through the capitalized interest period, to be discussed. As currently structured, Capitalized Interest is estimated to be \$20,498,759 and will be capitalized into the Financing. Please note, the capitalized interest amount is subject to change pending the timing of each tranche, confirmation of C-PACE eligible costs, and final disbursement schedule.
Good Faith Deposit	\$125,000 due upon execution of this Term Sheet. NGC may require that borrower deposit additional funds prior to ordering required third party reports or incurring outside legal expenses.

FEES & EXPENSES

NGC Fee	\$1,498,225 (1.5% of C-PACE Total Financed Amount)
Transaction Costs	<p>Estimated at \$154,819, including legal fees, energy model, and technical review.</p> <p>The borrower shall be responsible for the payment of all costs and expenses incurred by us in connection with the underwriting and closing of the C-PACE financing whether or not the same is covered by the Good Faith Deposit or whether or not the C-PACE financing closes. Transaction Costs net of any deposits (including the Good Faith Deposit) will be capitalized into the Total Financed Amount.</p>
Program Fees	<p>\$181,879 – Upfront C-PACE Program Fee \$1,250 – On-going C-PACE Program Fee (reflected in the Annual Payment)</p> <p>Program Fees are disclosed for borrower’s knowledge but are charged by the relevant municipality C-PACE Program, not NGC. Such Program Fees are included in the Total Financed Amount.</p>
Prepayment	<p>Prepayment in full or in part is allowed at any time during the Term, subject to the following prepayment premium:</p> <p>Year 1 – 5% Year 2 – 4% Year 3 – 3% Year 4 – 2% Year 5 – 7 – 1% Thereafter 0%</p>

REQUIREMENTS & CONDITIONS TO CLOSE

Guaranty	A C-PACE Payment and Performance Guaranty will be required from an individual acceptable to us through completion of the development. The guaranty will (i) be subject to standard financial covenants; (ii) include recourse carve outs for customary bad acts; (iii) require completion of the Property, not just scope of work being financed through C-PACE, and (iv) be released upon completion. To the extent the guarantor resides in a community property state a spousal consent to the guaranty is required.
Insurance	Greenworks Lending LLC will be named as a loss payee or additional insured on any insurance policy held by borrower for the Property, in accordance with our requirements.
Disbursement	<p><u>For New Development Financing:</u></p> <p>NGC will prepare a schedule of C-PACE disbursements based on projected overall construction milestones and Total Development Cost incurred to date. Borrower must certify that available funds are sufficient to complete the development with each C-PACE disbursement request. NGC will require updates through construction to ensure the Project remains in balance. In instances where C-PACE costs are incurred before meeting other agreed upon milestone requirements there may be a delay in disbursement of funds.</p> <p>NGC requires that C-PACE funds be disbursed:</p> <ul style="list-style-type: none"> - After all Borrower equity; - After any EB-5, TIF, tax credits, or other incentive financing, as applicable; - No earlier than pro-rata with senior lender disbursements and so long as sources and uses remaining for the Project are still “in balance;” - Against C-PACE eligible costs incurred and agreed-upon broader development construction milestones; and - Subject to a final disbursement of no less than 10% of the C-PACE Net Proceeds, which shall not occur until receipt of (A) evidence that the senior lender has advanced all funds necessary for development completion, and (B) a Certificate of Occupancy or TCO, or final construction inspection.

NOTE: C-PACE financing proceeds will not be distributed until the assessment has been recorded in the land records after closing.

Standard for transactions of this type, including, but not limited to, the following:

Conditions

For New Development Financing:

- Total Financed Amount to be no greater than the amount that provides:
 - Maximum stabilized loan to value (LTV) of 35%;
 - Maximum loan to cost (LTC) of 35%;
 - Minimum DSCR of 1.1x; (inclusive of senior loan and any other debt obligations)
 - Minimum borrower cash equity (GP & LP) of 10% of Total Development Cost; and
 - Maximum combined loan to value (CLTV) of 95% and debt to cost of 90%.
Combined debt includes C-PACE Total Financed Amount and secured lines of credit, as confirmed by the title search.
 - As-stabilized NOI and as-complete or as-stabilized real property value for the calculations above will be based on a FIRREA-compliant appraisal, as adjusted and accepted by us in our sole discretion.
- Executed consent to the C-PACE assessment from all lienholders secured by the Property.
- Satisfactory review of all third-party reports and due diligence materials, including, but not limited to organizational documents, appraisal, environmental reports, third party technical review of C-PACE measures, financial statements, sponsor experience, background search and title search.
- Satisfactory review of construction documentation, including, but not limited to, sources & uses, draw schedule, budget for overall Project, construction contracts, term sheets and loan documents from other funding sources (i.e. senior loan, tax credits), permits and zoning approvals as applicable.
- Satisfactory completion of our underwriting including credit committee approval.
- Contractor completion of our standard contractor registration.
- Approval by the applicable C-PACE Program.
- Standard annual reporting requirements over the Term may apply. Annual reporting may include, but is not limited to, operating statements and budgets.
- Execution of our standard documentation.

ADDITIONAL REQUIREMENTS

if the property involves any residential condominiums, co-operatives, ground leases, or commercial condominiums please disclose to us as additional requirements will apply. NGC is currently unable to finance gas stations, heavy manufacturing facilities, properties with onsite dry cleaners, or properties which engage in the growth, testing, production, or distribution of marijuana.

Residential Condominium NGC will need to review the condominium documents and find them satisfactory, particularly regarding: general marketability of the subject unit and condo regime; approvals required from other Unit Owners, the Association, or Mortgagees of other Unit Owners; NGC will need standard lender rights; and any restrictions on the use of the Property.

The C-PACE financing of residential condominiums must be in compliance with the C-PACE program and rules, regulations and/or guidelines, as well as State and local law.

Releases of Condominium collateral shall be subject to a 2% prepayment fee.

MISCELLANEOUS

Modifications A first repayment date extension and other loan modifications post-closing may be considered on a case-by-case basis at our discretion.

Disclosure of Information & Sale of Loan Borrower acknowledges that NGC may share Borrower’s information with, including, but not limited to our partners, service providers, and future lien holders at our sole discretion. NGC reserves the right to sell or assign the assessment in our sole discretion.

Termination Borrower can terminate the credit process with us at any time for any reason by providing written notice to us, provided NGC will retain any Good Faith Deposit. NGC can terminate this Term Sheet at any time for any reason by providing written notice to the Borrower.

Limitation of Liability Notwithstanding anything to the contrary contained in this Term Sheet, our aggregate liability arising from this Term Sheet shall not exceed the Good Faith Deposit received except for claims which arise or result from fraudulent or unlawful acts, or willful misconduct.

- Exclusivity** Borrower shall work on an exclusive basis with us as it relates to financing the Project with PACE financing unless or until (i) NGC provides written notice of termination, or (ii) NGC is not able to meet the terms provided herein. This paragraph shall survive the termination of this Term Sheet for a period of one year.
- Confidentiality** Each party may be given access to information that: (i) relates to the past, present, and future research, development, business activities, products, services, and technical knowledge of the other party; and (ii) has been identified as confidential by the other party (collectively, "Confidential Information"). The Confidential Information of one party may be used by the receiver only in connection with the C-PACE financing and only so long as this Term Sheet is in full force and effect. Each party agrees to protect the confidentiality of the Confidential Information of the other in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind.
- Rate Lock** The Interest Rate may be locked via a Commitment Letter or a Rate Lock Letter, no earlier than fifteen (15) days prior to a closing.

The terms quoted herein expire if this Term Sheet is not signed within seven (7) days or if the proposed C-PACE financing does not close within sixty (60) days from the date above. NGC reserves the right to reprice this Project if the baseline UST and/or the spreads move by more than 25 basis points, in the sole discretion of NGC.

We look forward to working with you to finance your Project.

Sincerely,
Greenworks Lending LLC

By: Christopher R. Lawton
Title: Managing Director, Head of Originations

REVIEWED & ACCEPTED:

THE BR COMPANIES

Signature: _____

Printed Name: _____

TERM SHEET

May 16, 2025

The BR Companies
2250 Lindsay Way
Glendora, CA 91740
Attention: Greg Cotton
C/O: Larry Bain

Re: Kansas City UMusic Hotel ("Project")

Dear Mr. Cotton:

Thank you for considering us to fund your project located at 818 Grand Blvd, Kansas City, MO 64106 (the "Property"). Greenworks Lending LLC (known as "Nuveen Green Capital" or "NGC") is pleased to present this summary of proposed terms ("Term Sheet") for Commercial Property Assessed Clean Energy ("C-PACE") financing (the "Financing").

The terms quoted herein are meant for illustrative and discussion purposes only. This Term Sheet does not constitute or create any legally binding or enforceable obligation (except as stated below in "Miscellaneous") and should not be construed as a binding commitment to provide any type of financing to the Borrower or related to the Property. The Financing contemplated herein is subject to satisfactory completion of due diligence, final documentation and credit committee approvals.

FINANCING

C-PACE Total Financed Amount	Estimated at \$44,400,000 Not to exceed 35% LTC, 35% LTV on an as-stabilized basis, or the amount determined by the senior mortgage lender. Calculated as: C-PACE Net Proceeds + NGC Fees + Transaction Costs + Program Fees + Capitalized Interest – Deposits
C-PACE Net Proceeds	\$36,245,731 (Subject to individual program requirements, must be less than or equal to the cost of measures that qualify for C-PACE).
Total Development Cost	Estimated at: \$171,943,762 All in costs for the entire development, inclusive of hard and soft costs, FF&E, TI, C-PACE and non C-PACE funded improvements.
Interest Rate	The interest rate will be 10-year UST + 370bps. The rate will float until locked 15 days prior to closing with a floor of 7.50%. Interest will be calculated on an actual/360-day convention. \$1,250 annual ongoing servicing fee + any additional Ongoing County Collection Fees.
Term	20 years. The total term shall be equal to or less than the weighted average estimated useful life of C-PACE measures.
Annual Payment	Estimated at \$5,102,569 during the amortization period.
Capitalized Interest and Repayment Start Date	The first payment is assumed to be due on December 31, 2028. NGC requires capitalized interest reserves ("Capitalized Interest") to last until the estimated stabilization date, not to exceed five (5) years from the close date. Interest accrued through construction and pre-stabilization periods will be capitalized into the Total Financed Amount. NGC has a variety of options available to limit negative interest carry through the capitalized interest period, to be discussed. As currently structured, Capitalized Interest is estimated to be \$7,337,717 and will be capitalized into the Financing. Please note, the capitalized interest amount is subject to change pending the timing of each tranche, confirmation of C-PACE eligible costs, and final disbursement schedule.
Good Faith Deposit	\$86,000 due upon execution of this Term Sheet. NGC may require that borrower deposit additional funds prior to ordering required third party reports or incurring outside legal expenses.

FEES & EXPENSES

NGC Fee	\$666,000 (1.5% of C-PACE Total Financed Amount)
Transaction Costs	<p>Estimated at \$81,007, including legal fees, energy model, and technical review.</p> <p>The borrower shall be responsible for the payment of all costs and expenses incurred by us in connection with the underwriting and closing of the C-PACE financing whether or not the same is covered by the Good Faith Deposit or whether or not the C-PACE financing closes. Transaction Costs net of any deposits (including the Good Faith Deposit) will be capitalized into the Total Financed Amount.</p>
Program Fees	<p>\$160,545 – Upfront C-PACE Program Fee \$1,250 – On-going C-PACE Program Fee (reflected in the Annual Payment)</p> <p>Program Fees are disclosed for borrower’s knowledge but are charged by the relevant municipality C-PACE Program, not NGC. Such Program Fees are included in the Total Financed Amount.</p>
Prepayment	<p>Prepayment in full or in part is allowed at any time during the Term, subject to the following prepayment premium:</p> <p>Year 1 – 5% Year 2 – 4% Year 3 – 3% Year 4 – 2% Year 5 – 7 – 1% Thereafter 0%</p>

REQUIREMENTS & CONDITIONS TO CLOSE

Guaranty	A C-PACE Payment and Performance Guaranty will be required from an individual acceptable to us through completion of the development. The guaranty will (i) be subject to standard financial covenants; (ii) include recourse carve outs for customary bad acts; (iii) require completion of the Property, not just scope of work being financed through C-PACE, and (iv) be released upon completion. To the extent the guarantor resides in a community property state a spousal consent to the guaranty is required.
Insurance	Greenworks Lending LLC will be named as a loss payee or additional insured on any insurance policy held by borrower for the Property, in accordance with our requirements.
Disbursement	<p><u>For New Development Financing:</u></p> <p>NGC will prepare a schedule of C-PACE disbursements based on projected overall construction milestones and Total Development Cost incurred to date. Borrower must certify that available funds are sufficient to complete the development with each C-PACE disbursement request. NGC will require updates through construction to ensure the Project remains in balance. In instances where C-PACE costs are incurred before meeting other agreed upon milestone requirements there may be a delay in disbursement of funds.</p> <p>NGC requires that C-PACE funds be disbursed:</p> <ul style="list-style-type: none"> - After all Borrower equity; - After any EB-5, TIF, tax credits, or other incentive financing, as applicable; - No earlier than pro-rata with senior lender disbursements and so long as sources and uses remaining for the Project are still “in balance;” - Against C-PACE eligible costs incurred and agreed-upon broader development construction milestones; and - Subject to a final disbursement of no less than 10% of the C-PACE Net Proceeds, which shall not occur until receipt of (A) evidence that the senior lender has advanced all funds necessary for development completion, and (B) a Certificate of Occupancy or TCO, or final construction inspection.

NOTE: C-PACE financing proceeds will not be distributed until the assessment has been recorded in the land records after closing.

Conditions

Standard for transactions of this type, including, but not limited to, the following:

For New Development Financing:

- Total Financed Amount to be no greater than the amount that provides:
 - Maximum stabilized loan to value (LTV) of 35%;
 - Maximum loan to cost (LTC) of 35%;
 - Minimum DSCR of 1.25x; (inclusive of senior loan and any other debt obligations)
 - Minimum borrower cash equity (GP & LP) of 10% of Total Development Cost; and
 - Maximum combined loan to value (CLTV) of 95% and debt to cost of 90%.
Combined debt includes C-PACE Total Financed Amount and secured lines of credit, as confirmed by the title search.
 - As-stabilized NOI and as-complete or as-stabilized real property value for the calculations above will be based on a FIRREA-compliant appraisal, as adjusted and accepted by us in our sole discretion.
- Executed consent to the C-PACE assessment from all lienholders secured by the Property.
- Satisfactory review of all third-party reports and due diligence materials, including, but not limited to organizational documents, appraisal, environmental reports, third party technical review of C-PACE measures, financial statements, sponsor experience, background search and title search.
- Satisfactory review of construction documentation, including, but not limited to, sources & uses, draw schedule, budget for overall Project, construction contracts, term sheets and loan documents from other funding sources (i.e. senior loan, tax credits), permits and zoning approvals as applicable.
- Satisfactory completion of our underwriting including credit committee approval.
- Contractor completion of our standard contractor registration.
- Approval by the applicable C-PACE Program.
- Standard annual reporting requirements over the Term may apply. Annual reporting may include, but is not limited to, operating statements and budgets.
- Execution of our standard documentation.

ADDITIONAL REQUIREMENTS

if the property involves any residential condominiums, co-operatives, ground leases, or commercial condominiums please disclose to us as additional requirements will apply. NGC is currently unable to finance gas stations, heavy manufacturing facilities, properties with onsite dry cleaners, or properties which engage in the growth, testing, production, or distribution of marijuana.

MISCELLANEOUS

Modifications

A first repayment date extension and other loan modifications post-closing may be considered on a case-by-case basis at our discretion.

Disclosure of Information & Sale of Loan

Borrower acknowledges that NGC may share Borrower's information with, including, but not limited to our partners, service providers, and future lien holders at our sole discretion. NGC reserves the right to sell or assign the assessment in our sole discretion.

Termination

Borrower can terminate the credit process with us at any time for any reason by providing written notice to us, provided NGC will retain any Good Faith Deposit. NGC can terminate this Term Sheet at any time for any reason by providing written notice to the Borrower.

Limitation of Liability

Notwithstanding anything to the contrary contained in this Term Sheet, our aggregate liability arising from this Term Sheet shall not exceed the Good Faith Deposit received except for claims which arise or result from fraudulent or unlawful acts, or willful misconduct.

Exclusivity

Borrower shall work on an exclusive basis with us as it relates to financing the Project with PACE financing unless or until (i) NGC provides written notice of termination, or (ii) NGC is not able to meet the terms provided herein. This paragraph shall survive the termination of this Term Sheet for a period of one year.

Confidentiality

Each party may be given access to information that: (i) relates to the past, present, and future research, development, business activities, products, services, and technical knowledge of the other party; and (ii) has been identified as confidential by the other party (collectively, "Confidential Information"). The Confidential Information of one party may be used by the receiver only in connection with the C-PACE financing and only so long as this Term Sheet is in full force and effect. Each party agrees to protect the

confidentiality of the Confidential Information of the other in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind.

Rate Lock

The Interest Rate may be locked via a Commitment Letter or a Rate Lock Letter, no earlier than fifteen (15) days prior to a closing.

The terms quoted herein expire if this Term Sheet is not signed within seven (7) days or if the proposed C-PACE financing does not close within sixty (60) days from the date above. NGC reserves the right to reprice this Project if the baseline UST and/or the spreads move by more than 25 basis points, in the sole discretion of NGC.

We look forward to working with you to finance your Project.

Sincerely,
Greenworks Lending LLC

By: Christopher R. Lawton
Title: Managing Director, Head of Originations

REVIEWED & ACCEPTED:

THE BR COMPANIES

Signature: _____

Printed Name: _____

WALKER & DUNLOP

Direct Dial: (212-970-0151)

November 10, 2025

Lawrence D. Bain
Managing Partner & CEO
UMH Development, LLC.
7001 N. Scottsdale Rd., Suite 2050
Scottsdale, AZ 85253

RE: UMusic Hotel – Kansas City (the “Property”)

Dear Mr. Bain:

Walker & Dunlop, LLC (“**W&D**”) through its New York City Capital Markets office, is serving as exclusive agent to UMH Development, LLC, in connection with securing financing (the “**Financing**”) for the construction of a commercial real estate project commonly known as the UMusic Hotel Kansas City (the “**Property**”).

W&D is one of the largest commercial real estate finance and advisory services firms in the United States and internationally. Our ideas and capital create communities where people live, work, shop, and play. Our innovative people, breadth of our brand, and our technological capabilities make us one of the most insightful and client-focused firms in the commercial real estate industry.

In 2024 W&D originated over \$30 billion of financing volume. So far in 2025, W&D’s NYC Capital Markets office has closed over 120 financings totaling approximately \$8 billion in loan principal. We project this group will close a total of 175 financings by year end 2025, roughly \$14 billion in financing volume. A majority of these financings are construction and bridge loans similar in size and profile to the contemplated Financing.

W&D has approached a broad range of lenders for this Financing including banks, insurance companies, private equity firms, and debt funds. Based on lender feedback and interest to date, the demand drivers for this product in Kansas City, and current market conditions, W&D is highly confident in its ability to arrange attractive senior financing for the UMusic Hotel Kansas City, located at 818 N Grand Avenue. Any bank financing is conditioned upon receiving all the necessary City Approvals and City and EDC incentives contemplated.

Sincerely,
Walker & Dunlop, LLC



Ari Hirt
Managing Director | Capital Markets

WALKER & DUNLOP

Direct Dial: (212-970-0151)

November 10, 2025

Lawrence D. Bain
Managing Partner & CEO
UMH Development, LLC.
7001 N. Scottsdale Rd., Suite 2050
Scottsdale, AZ 85253

RE: *UMusic Residences – Kansas City (the “Property”)*

Dear Mr. Bain:

Walker & Dunlop, LLC (“W&D”), through its New York City Capital Markets office, is serving as exclusive agent to UMH Development, LLC, in connection with securing financing (the “Financing”) for the development of a multifamily residential project commonly known as *UMusic Residences – Kansas City* (the “Property”), located at 800 Grand Avenue.

W&D is one of the largest commercial real estate finance and advisory services firms in the United States and internationally. Our ideas and capital create communities where people live, work, shop, and play. Our innovative professionals, the breadth of our brand, and our technological capabilities make us one of the most insightful and client-focused firms in the commercial real estate industry.

In 2024, W&D originated over \$30 billion of financing volume across all asset classes, with a significant portion in the multifamily sector. The \$30 billion of multifamily financings leverages our long-standing relationships with banks, life companies, agencies, private equity firms, and debt funds.

The current liquidity and competitive dynamics in the multifamily financing market position W&D to achieve attractive terms for the *UMusic Residences* development. Based on market conditions, lender appetite, and the strength of the project’s fundamentals, we are highly confident in our ability to arrange a compelling LP equity and senior construction financing package for this exciting Kansas City development. Any bank financing is conditioned upon receiving all the necessary City Approvals and City and EDC incentives contemplated.

Sincerely,



Walker & Dunlop, LLC

Ari Hirt

Managing Director | Capital Markets

EXHIBIT 13

RELOCATION ASSISTANCE

Policy Name: Relocation Assistance Policy

Date Approved: May 26, 1988

Resolution Number: 88-09

Policy Statement: Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

- (a) The following terms, whenever used or referred to herein, shall have the following meanings:
- (i) Designated Occupants. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon standards established by the Department of Housing and Community Development of Kansas City, Missouri.
 - (ii) Displaced Business. "Displaced Business" shall mean any business that moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.
 - (iii) Displaced Occupant. "Displaced Occupant" shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.
 - (iv) Handicapped Occupant. "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.
 - (v) Occupant. "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant.

- (vi) Person. “Person” shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in a urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

- (b) Plan Requirement. Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

- (c) Contents of Plan. The relocation plan shall provide for the following:
 - (i) Payments to all displaced occupants and displaced businesses in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required to vacate the premises by the developer, its assigns or any person seeking acquisition powers under the Tax Increment Financing plan pursuant to RSMo. 99.800 et. seq., as amended; and
 - (ii) Program for identifying needs of displaced occupants and displaced businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities; and
 - (iii) Program for referrals of displaced occupants and displaced businesses with provisions for a minimum of three (3) suitable referral sites, a minimum of ninety (90) days’ notice of referral sites for handicapped displaced occupants and sixty (60) days’ notice of referral sites for all other displaced occupants and displaced businesses, prior to the date such displaced occupant or displaced business is required to vacate the premises; and arrangements for transportation to inspect referral sites to be provided to designated occupants.
 - (iv) Every displaced occupant and every displaced business shall be given a ninety (90) day notice to vacate; provided, however, that the developer may elect to reduce the notice time to sixty (60) days if the developer extends the relocation payments and benefits set forth in subsections (d), (e) and (f) below to any displaced occupant or displaced business affected by said reduction in time.

- (d) Payments to Occupants. All displaced occupants eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon one of the following, at the option of the occupant:
 - (i) A \$500.00 payment to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or

- (ii) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage or personal property up to one month, utility transfer and connection fees, and other initial rehousing deposits including first and last month's rent and security deposit.
- (e) Handicapped Displaced Occupant Allowance. In addition to the payments provided in subsection (d) hereof, an additional relocation payment shall be provided to handicapped displaced occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars (\$400.00).
- (f) Payment to Businesses. All displaced businesses eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon the following, at the option of the business:
 - (i) A \$1,500.00 payment to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or
 - (ii) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installing all personal equipment and costs for relettering signs and replacement stationery.
- (g) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.
- (h) Notice of Relocation Benefits. All occupants and businesses eligible for relocation benefits hereunder shall be notified in writing of the availability of such relocation payments and assistance, such notice to be given concurrent with the notice of referral sites required by subsection (c)(iii) hereof.
- (i) Persons Bound by the Plan. Any developer, its assigns or transferees, provided assistance in land acquisition by the Tax Increment Financing Commission, is required to comply with the Executive Director of the Commission. Such certification shall include, among other things, the addresses of all occupied residential buildings and structures within the redevelopment plan area and the names and addresses of occupants and businesses displaced by the developer and specific relocation benefits provided to each occupant and business, as well as a sample notice provided each occupant and business.
- (j) Minimum Requirements. The requirements set out herein shall be considered minimum standards. In reviewing any proposed redevelopment plan, the Commission shall determine the adequacy of the proposal and may require additional elements to be provided therein.

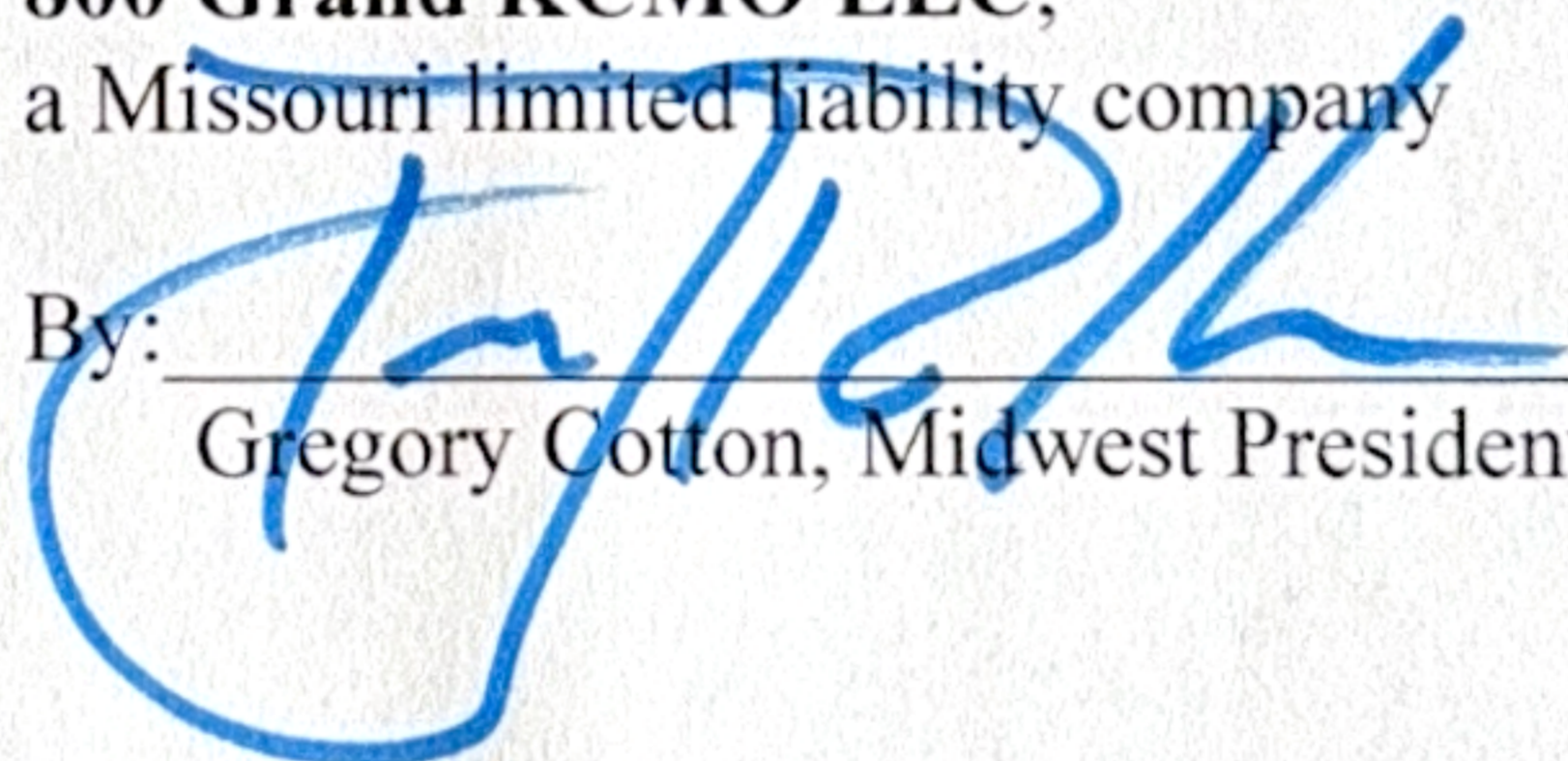
REDEVELOPER AFFIDAVIT

STATE OF Missouri)
) ss.
COUNTY OF Jackson)

COMES NOW, Gregory Cotton, and being first duly sworn, on his/her oath states:

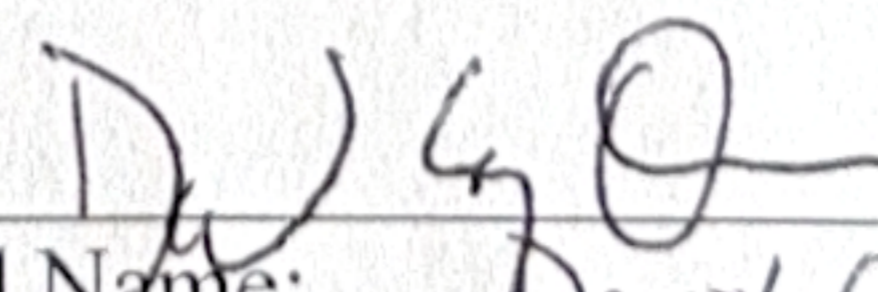
1. At all times relevant herein, I am the Midwest President of 800 Grand KCMO LLC, a Missouri limited liability company (the "Redeveloper"), and I make this statement on behalf of the Redeveloper.
2. The Redevelopment Area is legally described on Exhibit 1A of the 800 Grand Tax Increment Financing Plan.
3. The provisions of RSMo. § 99.810.1(1) have been met through the information submitted by the Redeveloper to the Tax Increment Financing Commission of Kansas City, Missouri and the City of Kansas City, Missouri, and, based upon such information, it is the opinion of the undersigned that the Redevelopment Area is located in a blighted area and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.
4. The information, statements and averments in this Affidavit are, to the best of my knowledge and belief, true, accurate and complete in all material respects.

800 Grand KCMO LLC,
a Missouri limited liability company

By: 
Gregory Cotton, Midwest President

STATE OF Missouri)
) ss.
COUNTY OF Jackson)

On this day of November 2025, before me, a Notary Public in and for said State, personally appeared Gregory Cotton, Midwest President of 800 Grand KCMO LLC, a Missouri limited liability company, known to me to be the person who executed the within Affidavit in behalf of said limited liability company and acknowledged to me that he or she executed the same for the purposes therein stated.


Printed Name: David Corey Owen
Notary Public in and for said County and State

(Notary Seal)
My Commission Expires: 01-17-2027



COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 251042

Approving the recommendations of the Tax Increment Financing Commission of Kansas City, Missouri as to the 800 Grand Tax Increment Financing Plan and approving the 800 Grand Tax Increment Financing Plan; approving the City's contribution of Additional EATs generated in the Plan Area; and authorizing the City Manager to enter into a Tax Contribution and Disbursement Agreement with the Kansas City TIF Commission and 800 Grand KCMO LLC.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), the City Council of Kansas City, Missouri (the "City Council"), by Ordinance No. 54556 passed on November 24, 1982, and thereafter amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, Ordinance No. 100089, as amended, passed on January 28, 2010, and Ordinance No. 130986, passed on December 19, 2013, Committee Substitute for Ordinance No. 140823, as amended on June 18, 2015, Committee Substitute for Ordinance No. 230524, passed on June 22, 2023, and by Committee Substitute for Ordinance No. 240045 on March 21, 2024, created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, the 800 Grand Tax Increment Financing Plan (the "Redevelopment Plan") was proposed to the Commission; and

WHEREAS, the Redevelopment Plan provides for the construction of a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units, approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events, and approximately 574 parking spaces (collectively, the "Residential Building Improvements"), and the rehabilitation of the adjacent Scarritt and Arcade buildings, which rehabilitation shall provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces (the "Hotel Improvements" and together with the Residential Building Improvements, the "Project Improvements"), along with related public and private infrastructure and site improvements, including but not limited to, roads, streets, curbing, sidewalks and any other similar public improvements that support the Project Improvements (collectively, the "Infrastructure Improvements"); and

WHEREAS, the proposed Redevelopment Area described by the Redevelopment Plan in which the Project Improvements and Public Improvements shall be constructed is located in an area that is generally bounded by Walnut Street on the west, 8th Street on the north, Grand Boulevard on the east, and 9th Street on the south, all in Kansas City, Jackson County, Missouri; and

WHEREAS, after all proper notice was given, the Commission met in a public hearing regarding the Redevelopment Plan and the Redevelopment Project Area described therein at 9:30 AM on November 12, 2025, at which time, after receiving the comments of all interested persons

and taxing districts, the Commission approved Resolution No. 11-2-25 (the "Resolution") recommending to the City Council the approval of the Redevelopment Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council hereby approves the recommendations of the Commission concerning the Redevelopment Plan as set forth in the Resolution.

Section 2. That all terms used in this ordinance, not otherwise defined herein, shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act").

Section 3. That the following described area is hereby designated the Redevelopment Area:

TRACT 1: All of LOTS 94, 95, 96, AND 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded April 30, 1857, in Plat Book A-1 at Page 29 in the Office of the Recorder of Deeds of Jackson County, Missouri, at Kansas City.

TRACT 2: The East 1/2 of the vacated alley lying West of and adjacent to Lots 94, 95, 96, and 97, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plot thereof.

TRACT 3: All that tract or parcel of land lying and being in Kansas City, Jackson County, Missouri and being Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof recorded April 30, 1857, in Plot Book A- I at Page 29, in the Recorders Office, Kansas City, Jackson County, Missouri, and as depicted on Certificate of Survey, prepared by The Tuttle-Ayers-Woodward Co., Surveyors, a division of Shafer, Kline & Warren, PA., Kansas City, Missouri, dated December 11, 1984, which Certificate of Survey is incorporated herein by reference, and being more particularly described as follows: Beginning at the intersection of the Southeast corner of Lot 89 of the aforesaid subdivision and the West right of way line of a 12 foot alley; thence running North 89 degrees 24 minutes 36 seconds West along the south line of Said Lot 89, a distance of 107.29 feet to a point on the East right of way line of Walnut Street, as now established, 80 feet wide (said point is located North a distance of 48 feet along the East right of way line of Walnut Street from its intersection with the North right of way line of 9th Street); thence running North 0 degrees 21 minutes 58 seconds East along said East right of way line of Walnut Street a distance of 48.66 feet to a point on the North line of said Lot 88; thence running North 89 degrees 33 minutes 12 seconds East along said North line of Lot 88 of the aforesaid subdivision a distance of 106.98 feet to a point on the West line of the aforesaid 12-foot alley; thence running South 0 degrees 00 minutes West along the West line of said 12-foot alley and the East lines of Lots 88 and 89 a distance of feet to the Point of Beginning.

TRACT 4: The West 1/2 of the vacated alley lying East of and adjacent to Lots 88 and 89, ROSS & SCARRITT'S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof. Lots 83, 84, 85, 86 And 87, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof, Together With The West One-Half (1/2) Of The Vacated North-South Alley East Of, And Adjoining Said Lots 83, 84, 85, 86 And 87, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri; And Lots 98, 99, 100, 101 And 102, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof, Together With The East One-Half (1/2) Of The Vacated North-South Alley West Of, And Adjoining, Said Lots 98, 99, 100, 101, And 102, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri; And Lots 103, 104 And 105, Ross & Scarritt's Addition, A Subdivision In Kansas City, Jackson County, Missouri, According To The Recorded Plat Thereof.

Section 4. That the City Council hereby finds that:

- (a) The Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan;
- (b) The Redevelopment Plan sets forth in writing a general description of the program to be undertaken to accomplish the objectives of the Redevelopment Plan and includes the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes, an estimate as to the equalized assessed valuation after implementation of the improvements contemplated by the Redevelopment Plan, and the general land uses to apply in the Redevelopment Area;
- (c) The Redevelopment Plan conforms to the City's KC Spirit Playbook and the applicable Area Plan;
- (d) The area selected for the Redevelopment Project Area includes only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Infrastructure Improvements and Project Improvements;
- (e) The estimated dates of completion of the respective Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project Costs have been stated in the Redevelopment Plan, and are not more than twenty-three (23)

251042

requirement to pay Prevailing Wages, as set forth in § 3-622 of the City's Code of Ordinances (the "Prevailing Wage Requirements") for the labor associated with the Hotel Improvements.

Section 9. That the City Manager is authorized to execute a Tax Contribution and Disbursement Agreement with the Commission and 800 Grand KCMO LLC regarding the utilization of tax contributions for the payment of Redevelopment Project Costs and including delivery of music education programs with any public school district operating fully within the boundaries of Kansas City. A copy of the Tax Contribution and Disbursement Agreement is attached hereto in substantial form.

Section 10. That in accordance with Code § 74-12, City Council sets the date for substantial completion of the Public Improvements and the Project Improvements as December 31, 2030.

Section 11. That the City Clerk shall send a copy of this ordinance to the County Clerk and County Commission of Jackson County, Missouri.

Approved as to form:


Emalea Kohler
Associate City Attorney



Authenticated as Passed


Quinten Lucas, Mayor


Marilyn Sanders, City Clerk

DEC 11 2025

Date Passed