

North Broadway
Tax Increment Financing Redevelopment Project Plan

Presented to

City of Pittsburg, Kansas



**NORTH BROADWAY
TAX INCREMENT FINANCING
REDEVELOPMENT
PROJECT PLAN**

Submitted by

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Original Submission: November 10, 2003

This Revision: December 3, 2003

North Broadway Tax Increment Financing Redevelopment Project Plan

Revision Note

This revision differs from the November 10, 2003 original submission primarily as to minor drafting changes. There are no changes as to the physical plan reviewed by the City Plan Commission when it took up the November 10, 2003 submission on that date.

The principal changes in this December 3, 2003 revision include:

- *Referring to this submission as a “project” plan as opposed to a “redevelopment” or “district” plan. Under Kansas tax increment financing parlance, this is really a “project” plan, as opposed to a “district” plan, the latter already having been approved by the City Commission on October 28, 2003 with its Ordinance No. S-894;*
- *On the TIF bond financing, better distinguishing between the TIF bonds’ \$5.7 million project costs amount and \$7.1 million total par amount (pages 8 and 10);*
- *Similarly, on the TDD bond financing, better distinguishing between the TIF bonds’ project costs amount and total par amount (pages 8 and 10), as well as discussing changes in the proposed project fund amount (\$765,000 vs. \$1,000,000 vs. intermediate amount)*

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I. Project Development Team

- D.J. Christie, Inc.
- Canyon Research Southwest, Inc.
- Kaw Valley Engineering, Inc.

II. Project Description Request for Tax Increment Financing

A. The Property

The proposed Redevelopment Project (the “Redevelopment Project”) covers approximately 27.88 acres generally described as follows:

Broadway Street on the east, Highway 69 bypass on the west; on the south, an east-west line commencing 240 feet, more or less, south of the intersection of Broadway and 29th Street; on the north, an east-west line commencing 360 feet, more or less, south of Broadway Street and Atkinson intersection

See Redevelopment Project area map and legal description of Redevelopment Project attached as Exhibit A to this Plan, referred to herein as the “Property”. The Property is currently zoned CP2 and it is included in an Enterprise Zone.

Notable characteristics of the Property include an irregular development pattern with diverse property configurations and incompatible land uses. The area also includes a number of buildings and structures that must be demolished and removed from the site. The internal street system serving the Property is inadequate and prevents the balance of the site from being adequately served by Broadway Street. In general, the Property will need to have all of the existing structures demolished and the entire area graded to make way for the proposed Redevelopment Project.

B. The Project

The Property is all included in the Redevelopment District recently approved by the Pittsburg, Kansas City Council on October 28, 2003 by Ordinance No. S-894 (the “Redevelopment District Ordinance”). In accordance with the Redevelopment District Ordinance, the Redevelopment District “would

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be devoted to the construction of a multi-tenant retail facility of approximately 190,000 square feet consisting of approximately nine buildings for various retail uses and restaurants and associated parking areas” (the “Redevelopment District Plan”).

In accordance with the Redevelopment District Plan, the proposed Redevelopment Project will totally redevelop the site from its current condition to a modern, high service retail commercial center. *See* copy of proposed Site Plan attached hereto as Exhibit B. The center will contain approximately 174,513 square feet of retail space, including two anchor stores and seven retail pad sites. When completed, it is anticipated that there will be 174,513 square feet of new commercial space in the Redevelopment Project. Unlike many redevelopment plans, the Redevelopment Plan contemplates implementation of the Redevelopment Project in one phase.

Several existing facilities and features on the Property will need to be removed and/or relocated to build the Redevelopment Project. These include a restaurant, a vacant ready-mix concrete plant, a discount store, a plumbing supply store and other commercial facilities.

C. Request for Tax Increment Financing – Adverse Site Conditions

As described above, redevelopment of the Property faces significant challenges from a development cost standpoint, not typically experienced by a developer of such a project. These extraordinary costs include, but are not limited to:

- Site acquisition of disparate ownerships
- Relocation of existing users
- Demolition and removal of existing improvements on site
- Removal of foundations and other abandoned improvements on site
- Construction of on-site public street system
- Replacement of inadequate and outmoded storm water detention facilities
- Replacement of inadequate ingress and egress to the Property
- Replacement of inadequate and outmoded subdivision platting

It is because of these development conditions that tax increment financing is requested for a portion of the costs necessary to construct the Redevelopment Project as proposed. An overview of the estimated total cost of the Redevelopment Project and the portion thereof requested for tax increment financing follows in Section III.

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D. District Creation and Utilization

The Kansas Tax Increment Financing Redevelopment Act, K.S.A. § 12-1770, *et seq.*, as amended, allows municipalities to establish tax increment financing redevelopment districts to provide economic assistance for the redevelopment of certain types of properties.

The purpose of the TIF Act, which was initially passed by the Kansas Legislature in 1976, is to:

“Promote, stimulate and develop the general and economic welfare of the state of Kansas and its communities and to assist in the development and redevelopment of blighted areas and deteriorating areas which are not yet blighted but may be soon in the future located within the cities, environmentally contaminated areas located within and without cities and enterprise zones located within cities . . .”

Where the appropriate conditions exist and municipalities take the actions called for in the TIF Act, the statute allows developers to utilize expected increased ad valorem tax revenues and City sales tax revenues (“Captured TIF Increment”) to fund eligible costs in two general categories: (1) infrastructure improvements for the project and (2) land acquisition costs (“Eligible TIF Expenses”).

These costs can be reimbursed one of two ways: (1) with “pay-as-you-go” reimbursement as the additional tax revenues come in from year to year or (2) from bonds sold at the beginning of the project in an amount that makes all the additional year-to-year tax monies available up front., essentially an advance against the additional year-to-year taxes to come in during the future. In the case of bond financing, the bond amount is calculated so the increment of additional taxes generated by the project is sufficient to pay both the bonds’ principal amount and the interest due on the bonds. The North Broadway TIF Plan, like most TIF plans, proposes using bonds as opposed to “pay-as-you-go.”

Procedurally, the TIF process essentially has two steps: (1) Creation of a TIF redevelopment district and approved plan followed by (2) approval of specific redevelopment projects within the district and plan area. The *district* identifies the area to be redeveloped. The *plan* generally describes buildings and other projects to be built under the plan. *Project* plans then spell out the specifics for each project.

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The North Broadway TIF Project is in the second stage of this process. The Pittsburg City Council created the North Broadway TIF Redevelopment *District* and *Plan* with approval of the Redevelopment District Ordinance. This document is the North Broadway TIF Redevelopment *Project Plan*. If approved, the Developer and the City will enter into a Redevelopment Agreement setting forth the rights and obligations of both the Developer and the City as the redevelopment project proceeds forward.

Transportation Development District. This project is also a little different in that it also proposes creation of a “transportation development district” under the Kansas Transportation Development District Act, Ch. 120, 2003 Session Laws of Kansas, as an additional source of revenue to help pay for streets and parking. Under this proposal, a transportation development district (“TDD”) limited to the Redevelopment Project area will be created.

The district will be authorized to have a ¼ cent sales tax on sales within the district only, not city-wide, to raise additional funds for streets and parking. Preliminary projections indicate that a ¼ cent sales tax levied in the North Broadway district would provide approximately \$2.4 million in additional sales tax revenue over the life of the Redevelopment Plan to offset eligible expenses.

The TDD district is separate from the TIF district. Both work independently, but in tandem, to make the redevelopment project financially possible. Most of the funding for the North Broadway project comes from the TIF Plan; the TDD’s role is more modest, intended to be a “back stop” in the event TIF revenues fall short to pay for the streets and parking portion of the Redevelopment Project.

III. Development Costs to be Publicly Funded or Reimbursed Amount and Methodology

A. Project Financial Model – Overview

The following table details the Redevelopment Project’s general financial model. The dollar amounts reflect construction cost estimates for the entire Redevelopment Project at full build-out. The Redevelopment Project will be completed in one phase.

For the purpose of the statutorily required TIF Redevelopment Plan and Feasibility Study, the most significant line item is No. 2 on the table appearing on the next page, which details the Captured TIF Increment (and TDD revenues) for the Redevelopment Project.

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North Broadway Redevelopment Project Financial Model

1.	Total Project Costs (excluding Tenant Finish)	\$	26,175,665
	a. Land and Relocation Expense	\$	3,300,000
	b. Project Infrastructure*		3,235,600
	c. Buildings		18,838,475
	d. Professional Services		801,590
	<i>Total</i>		\$ 26,175,665
2.	Expenditures Eligible for TIF and TDD		
	a. Tax Increment Financing	4,938,360	19%
	b. Transportation Development District	\$ 1,837,240	<u>7%</u>
	<i>Total</i>	\$ 6,775,597	26%
3.	Comparison of Private and Public Cost Allocation		
	a. Total Costs	\$ 26,175,933	
	b. Publicly Financed (and Capped)	6,775,597	26%
	c. Privately Financed	19,400,336	74%

**Infrastructure” refers to development costs (other than land acquisition) authorized by the TIF Act as reimbursable expenses through the tax increment. It includes “hard” site preparation and development costs and “soft” costs such as professional fees. See Exhibit C for more detail.

B. Financial Assistance – Methodology

1. Amount of Requested Reimbursable Expenditures

As the preceding table shows, \$4,938,360 in Eligible TIF Expenses are expected to be incurred by the Developer (the “Eligible TIF Expenses”) (plus \$1,837,240 in Eligible TDD Expenses, for a total of \$6,775,597). These Eligible TIF Expenses are broken down in “line item” detail on the attached Exhibit C and the Developer requests reimbursement funding for these costs.

The Developer is willing to cap reimbursement at \$6,775,597 for Eligible TIF Expenses (and Eligible TDD Expenses – the combined total cannot exceed \$6,775,597), plus the actual bond interest and financing costs on this amount, along with the actual costs of additional any improvements required by the City (collectively the “TIF Reimbursement Cap”). However, the “line item” detail of costs set forth on Exhibit C is

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not proposed as a cap on the amount of any specific *type* of “line item” expenditure for which reimbursement is sought. It is assumed, as with all development projects, that in the end, certain construction items will cost more than estimated and certain construction items will cost less than estimated.

2. Funding of Costs and Methodology for Reimbursement

As more fully discussed in the Feasibility Study, the Developer is to be reimbursed for Eligible TIF Expenses up to the TIF Reimbursement Cap discussed above either through the issuance of bonds or on a year-by-year “pay-as-you-go” basis, in either event funded by the Captured TIF Increment generated by the development.

3. Captured TIF Revenue – Sources of Funds for Reimbursement

The North Broadway Redevelopment Plan proposes to utilize two sources of revenue as follows:

- (a) The incremental increase in *ad valorem* real property taxes within the Redevelopment District as made available pursuant to the TIF Act; and
- (b) One-half of the City’s sales taxes.

For purposes of this Redevelopment Plan, the sum total of the revenue resulting from the above sources is referred to as the “Captured TIF Increment.”

4. Phasing and Developer Financing

It is anticipated that the North Broadway Redevelopment Project will proceed in one phase with all construction being completed by October 2006. Exhibit C to this Redevelopment Plan indicates that TIF eligible infrastructure costs for the Project will be \$4,938,000.

As reflected in the Feasibility Section of this Plan (See Section IV), the development will generate a Captured TIF Increment totaling \$16.4 million over the 20-year life of the Redevelopment Plan. According to the City’s Financial Advisor, this will support and pay off the principal, interest and related expenses for \$7.1 million in bonds (to pay for \$5.7 in Eligible TIF Expenses for the Redevelopment Project), utilizing the assumptions made in the Feasibility Study. See Exhibit G. Therefore, the

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Developer proposes reimbursement from one or more series of bond issues up to this amount, as opposed to taking a “pay-as-you-go” route.

The Developer proposes reimbursement from the TDD up to an additional \$1.0 million, at which point the \$6.7 million Reimbursement Cap will be reached. According to the sales tax calculations in the Feasibility Plan (See Section IV), a ¼ cent TDD sales tax will generate \$2.4 million over the same 20 years as the TIF plan.

According to the City’s Financial Advisor, this will support and pay off the principal, interest and related expenses for \$1.3 million in bonds (to pay for \$1.0 million in project Eligible TDD Expenses). *See Exhibit G*

In an earlier analysis of the projected TDD sales tax revenue stream, the City’s Financial Advisor projected a lower \$765,000 project fund, not \$1.0 million. Because the analysis with the \$765,000 project fund showed very healthy debt service coverage ratios (amount of annual tax revenues each year available for debt service compared to amount of debt service payment required each year), specifically, climbing from 138% (Year 2) up to 148% (Year 20) over the 20-year bond term, the applicant asked the Financial Advisor to evaluate debt service capabilities with a higher \$1.0 million project fund. The Financial Advisor did so and the analysis is in Exhibit G. The higher project fund, of course, reduces the debt service coverage ratios, in this case from 122% (Year 1) down to 111% (Year 20) over the 20-year bond term.

The debt service coverage ratio for the TDD bonds can be improved by transferring some of TDD-funded project expenses over to the TIF bond program, *e.g.*, \$200,000, where debt service coverage ratios are much higher. The applicant intends to do so and will provide a proposed re-allocation of eligible expenses between the TIF and TDD bond programs before the public hearing on this proposal.

Once the Reimbursement Cap is met (from both the Captured TIF Increment and the TDD ¼ cent sales tax), the Captured TIF Increment will be declared surplus and this Redevelopment Plan will terminate.

The total project costs not otherwise reimbursed under this Redevelopment Plan (plus the TDD ¼ cent sales tax) will be financed by the Developer through private financing sources.

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IV. Feasibility Study

As required by the TIF Act, a Feasibility Study was conducted by Canyon Research Southwest, Inc. to verify that the benefits derived from the Redevelopment Project will exceed the costs and that the income therefrom will be sufficient to pay for the Project. *See Exhibit F.* The Feasibility Study makes such a finding. The Captured Tax Increment will exceed the amount of Eligible TIF Expenses that are requested by the Developer for reimbursement.

The Feasibility Study, of course, is based on the best information available at the time of the preparation of the Study as to anticipated sales and other forms of revenue to be expected from the Redevelopment Project. The Feasibility Study is an estimate; it is not a guarantee.

A. Tax Base

The initial step in conducting the Feasibility Study was to establish a realistic and conservative evaluation of the projected TIF Increment, which will be generated by the Redevelopment Project. The first step in estimating this increment is to determine the current *ad valorem* property tax derived from the Property. According to the Crawford County Appraiser's office, the Property currently generates approximately \$28,250 in *ad valorem* property taxes (on an assessed value of approximately \$366,600) per year. Therefore, \$28,250 serves as the tax base in the Increment calculation. *See Exhibit F* to this Plan.

B. Property Tax Increment

The next step in calculating the TIF Increment involves producing and verifying projected *ad valorem* property tax growth due to implementation of the Redevelopment Plan. All *ad valorem* projections utilized for the Feasibility Study were derived based on guidance from the Crawford County Appraiser's office.

C. Sales Tax

The next step in the process involves projecting sales tax generation, specifically the City's half cent sales tax and its portion of the Crawford County sales tax. Sales tax generation estimates were based on guidance from the proposed users and from sales information available from similar users.

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D. Tax Generated by Land Use

Applying the information regarding the project and applicable tax rates, the Feasibility Study (Exhibit F) demonstrates the *ad valorem* property tax and sales taxes projected to be generated by each land use each year. Total additional *ad valorem* property taxes over the life of this plan are projected to be \$12.0 million. Similarly, one-half of the total additional sales taxes are projected to be \$4.4 million. Therefore, the total TIF revenues generated by the Redevelopment Project are \$16.4 million.

E. Feasibility

Based on this background information, the Feasibility Study focuses on one main inquiry. Will there be a sufficient Captured TIF Increment from the operation of the proposed retail users to reimburse the Developer \$6,775,597 for the Reimbursable Expenditures, as discussed in Section III(B)(4)?

The summary of the Captured TIF Increment shows that \$16.4 million will be available to reimburse Developer for the Reimbursable Expenditures.

According to the City's Financial Advisor, this \$16.4 million will support and pay off the principal, interest and related expenses for \$7.1 million in bonds (to pay for \$5.7 in Eligible TIF Expenses for the Redevelopment Project), utilizing the assumptions made in the Feasibility Study. Therefore, the Developer proposes reimbursement from one or more series of bond issues up to this amount, as opposed to taking a "pay-as-you-go" route.

The Developer proposes reimbursement from the TDD up to an additional \$1.0 million, at which point the \$6.7 million Reimbursement Cap will be reached. According to the sales tax calculations in the Feasibility Plan (See Section IV), a ¼ cent TDD sales tax will generate \$2.4 million over the same 20 years as the TIF plan. According to the City's Financial Advisor, this will support and pay off the principal, interest and related expenses for \$1.3 million in bonds (to pay for \$765,000 in Eligible TDD Expenses. However, as stated above, in order to improve the debt service coverage ratio for these TDD bonds, the applicant will submit a proposed re-allocation of eligible project expenses decreasing the amount funded by the TDD and modestly increasing the amount funded by the TIF bonds.

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V. Relocation Assistance Plan

When property is acquired and the business or residential occupant is relocated, the City will cause such relocation to be done in accordance with the relocation assistance plan attached hereto as Exhibit E.

VI. Conclusion

Over the last year, the Development Team has worked to produce a comprehensive plan for meeting the legal, environmental, financial, marketing, traffic, architectural, hydrological and land planning challenges of the Property. A significant number of man-hours and thousands of dollars have gone into the effort and are already at risk whether the Project proceeds or not. This development proposes a high quality alternative to the blight currently affecting the Property. This statement of intent is supported by hard data and concrete proposals.

This Redevelopment Plan demonstrates the need for TIF financing, details the scope of that financing and establishes the feasibility of the tax generation to fund the financing. Three other extremely important points are also pertinent.

First, only private dollars and the additional taxes generated from this Development will be utilized to fund the improvements. Taxes generated by the Redevelopment Project should exceed the amount necessary to retire bonds.

Second, while the Property's difficulties are well documented, reimbursement to the Developer is capped and the anticipated term of the tax increment financing is approximately 18 – 20 years. However, the new sales tax revenue anticipated for the Transportation Development District may shorten this anticipated term. As the Feasibility Study shows, the *ad valorem* property tax increases and the City's sales tax should be more than sufficient to fund that amount, and it is therefore possible that the Captured TIF Increment could be utilized for other public projects.

Third, only one half (1/2) of the City's share of the additional sales tax revenues is captured by the North Broadway TIF Redevelopment Project. The "other" half represents millions of dollars over the life of this project that will go directly to the City. The project will generate other financial benefits to the City, such as additional personal property taxes and franchise taxes.



**North Broadway
Tax Increment Financing Redevelopment Project Plan**

EXHIBIT A

LEGAL DESCRIPTION

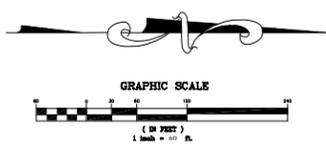
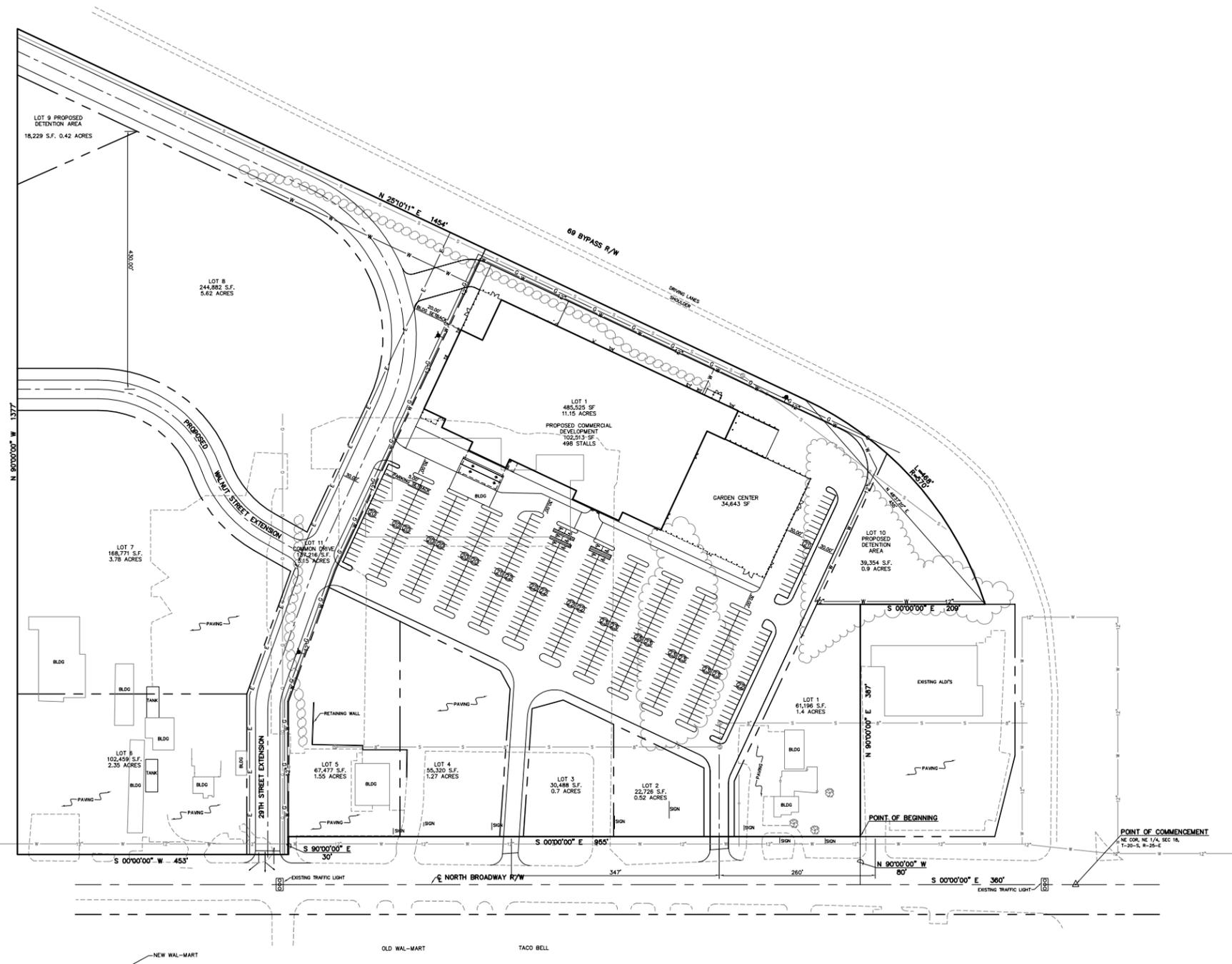
The Surveyed Legal Description will be forwarded under separate cover.

A tract of land located in the northeast quarter of Section 18, Township 30 South, Range 25 East of the 6th Principal Meridian, Pittsburg, Kansas, being more particularly described as follows:

Commencing at the Northeast corner of said Northeast quarter; thence S 00°00'00" E along the East line of said Northeast quarter also being the center line of North Broadway Avenue right-of-way a distance of 360 feet; thence N 90°00'00" W a distance of 80 feet to a point on the west right of way line of said Broadway Avenue said point also being the point of beginning of the tract to be described. Thence S 00°00'00" E along said west right-of-way line a distance of 955 feet; thence S 90°00'00" E along said west right-of-way line a distance of 30 feet; thence S 00°00'00" E along said west right-of-way line a distance of 253 feet; thence N 90°00'00" W a distance of 1,283 feet to a point on the easterly right-of-way line of Highway 69 Bypass; thence N 25°10'11" E along said easterly right-of-way line a distance of 1,233 feet; thence on a curve to the right along said easterly right-of-way line having a radius of 570 feet a chord bearing of N 48°37'20," a distance of 455' and a arc link of 468 feet; thence S 00°00'00" E a distance of 209 feet; thence N 90°00'00" E a distance of 387 feet to the point of beginning;

Containing 1,214,639 sf, 27.88 acres, more or less.

End of Legal Description



LEGAL DESCRIPTION:
 A TRACT OF AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 30 SOUTH, RANGE 25 EAST OF THE 6TH PRINCIPAL MERIDIAN, PITTSBURG, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER;
 THENCE S 00°00'00" E ALONG THE EAST LINE OF SAID NORTHEAST QUARTER ALSO BEING THE CENTER LINE OF NORTH BROADWAY AVENUE RIGHT-OF-WAY A DISTANCE OF 360 FEET;
 THENCE N 90°00'00" W A DISTANCE OF 80 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAID BROADWAY AVENUE, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED;
 THENCE S 00°00'00" E ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 955 FEET;
 THENCE S 90°00'00" E ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 30 FEET;
 THENCE S 00°00'00" E ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 453 FEET;
 THENCE N 90°00'00" W A DISTANCE OF 1377 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF HIGHWAY 69 BYPASS;
 THENCE N 25°10'11" E ALONG SAID EASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1454 FEET;
 THENCE ON A CURVE TO THE RIGHT ALONG SAID EASTERLY RIGHT-OF-WAY LINE HAVING A RADIUS OF 570 FEET, A CHORD BEARING OF N 48°37'20" E, A CHORD DISTANCE OF 455', AND AN ARC LENGTH OF 468 FEET;
 THENCE S 00°00'00" E A DISTANCE OF 209 FEET;
 THENCE N 90°00'00" E A DISTANCE OF 387 FEET TO THE POINT OF BEGINNING; CONTAINS 480,606 SF, 33.99 ACRES, MORE OR LESS.
 END OF DESCRIPTION

2319 NORTH JACKSON P.O. BOX 1304 JUNCTION CITY, KANSAS 66441 785-762-5040 FAX 785-762-7744 E-MAIL kveng.com WEB SITE www.kveng.com		REV	DATE	INITIAL	DESCRIPTION
0	8-5-03				
KAW VALLEY ENGINEERING, INC. — CONSULTING ENGINEERS Offices: Junction City, Ks. Kansas City, Mo. Lenexa, Ks.		DSN	DWN	CHK	CHK
PROPOSED HOME DEPOT N. BROADWAY & 69 BYPASS PITTSBURG, KANSAS					
SKETCH PLAN					
PROJ. NO. A03-1149					
DATE AUG 4, 2003					
DESIGNER SDM					
DRAWN BY JT					
CFN 1149SK2					
SHEET 1 OF 1					

THIS DRAWING SHALL NOT BE UTILIZED BY ANY PERSON, FIRM, OR CORPORATION IN WHOLE OR IN PART WITHOUT THE SPECIFIC PERMISSION OF KAW VALLEY ENGINEERING, INC.

PITTSBURG, KANSAS
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT PLAN
ESTIMATED PROJECT COSTS*

DESCRIPTION	TOTAL AMOUNT	TIF/TDD REIMBURSABLE AMOUNT	TIF REIMBURSABLE AMOUNT
PROPERTY ACQUISITION (30% TDD Eligible)			
Acquisition/Relocation	\$ 3,300,000	\$ 990,000	\$ 2,310,000
SITE COSTS			
General Site Work (10% TDD Eligible)			
Mobilization	\$ 35,000	\$ 3,500	\$ 31,500
Demolition	125,000	12,500	112,500
Concrete Disposal	45,000	4,500	40,500
Hazardous Material Abatement - Building	200,000	20,000	180,000
Hazardous Material Abatement - Site	150,000	15,000	135,000
Excavation	36,050	3,605	32,445
Embankment	92,800	9,280	83,520
Contractor Furnished Borrow	210,000	21,000	189,000
Fine Grading	150,000	15,000	135,000
Site Lighting	50,000	5,000	45,000
Landscaping	8,400	840	7,560
Erosion Control	50,000	5,000	45,000
Irrigation	8,400	840	7,560
Site Survey	8,000	800	7,200
Site Engineering	100,000	10,000	90,000
Environmental Studies	30,000	3,000	27,000
Geotechnical Engineering	40,000	4,000	36,000
Site Construction Testing	45,000	4,500	40,500
Parking Lot (10% TDD Eligible)			
Regular Duty Pavement	300,000	30,000	270,000
Heavy Duty Asphalt Pavement	137,500	13,750	123,750
Heavy Duty Concrete	375,000	37,500	337,500
Curb & Gutter	71,500	7,150	64,350
Storm Sewer	131,000	13,100	117,900
Inlets / Junction Boxes	57,000	5,700	51,300
Water/Sewer-Utility (0% TDD Eligible)			
Water Main	66,250	6,625	59,625
Fire Hydrants	12,500	1,250	11,250
Sanitary Sewer	20,000	2,000	18,000
Sanitary Sewer Manholes	3,000	300	2,700
Gas Main Relocation	3,000	300	2,700
Contingencies	200,000	20,000	180,000
		\$ -	
<i>Total On-Site Costs</i>	<u>\$ 2,760,400</u>	<u>\$ 276,040</u>	<u>\$ 2,484,360</u>

PITTSBURG, KANSAS
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT PLAN
ESTIMATED PROJECT COSTS*

DESCRIPTION	TOTAL AMOUNT	TIF/TDD REIMBURSABLE AMOUNT	TIF REIMBURSABLE AMOUNT	
OFF SITE ROAD CONSTRUCTION				
Broadway Street Improvements	\$ 30,000	\$ 30,000	\$ -	
29th Street Extension	193,700	193,700	-	
29th Street Storm Sewer	39,500	39,500	-	
29th Street Storm Sewer Structures	30,000	30,000	-	
Walnut Street Extension	40,000	40,000	-	
Walnut St. Storm Sewer	17,000	17,000	-	
Walnut St. Storm Sewer Structures	6,000	6,000	-	
Street Lights	30,000	30,000	-	
Signal Modification	50,000	50,000	-	
Off Site Survey	4,000	4,000	-	
Off Site Engineering	<u>35,000</u>	<u>35,000</u>	<u>-</u>	
<i>Total Off-Site Costs</i>	<u>\$ 475,200</u>	<u>\$ 475,200</u>	<u>\$ -</u>	
	<u>\$ 3,235,600</u>	<u>\$ 751,240</u>	<u>\$ 2,484,360</u>	
BUILDING CONSTRUCTION COSTS				
Anchor Retail	\$ 7,688,475	\$ -	\$ -	
Retail Lot 1	1,250,000	-	-	
Retail Lot 2	450,000	-	-	
Retail Lot 3	450,000	-	-	
Retail Lot 4	1,250,000	-	-	
Retail Lot 5	1,750,000	-	-	
Retail Lot 6	1,250,000	-	-	
Retail Lot 7	1,750,000	-	-	
Retail Lot 8	<u>3,000,000</u>	<u>-</u>	<u>-</u>	
<i>Total Building Construction Costs</i>	<u>\$ 18,838,475</u>	<u>\$ -</u>	<u>\$ -</u>	
PROFESSIONAL SERVICES	<u>\$ 801,590</u>	<u>\$ 96,000</u>	<u>\$ 144,000</u>	
TOTAL ESTIMATED PROJECT COSTS	<u>\$ 26,175,665</u>	<u>\$ 1,837,240</u>	<u>\$ 4,938,360</u>	Total Reimbursable
				\$ 6,775,600
REIMBURSABLE PERCENTAGE OF TOTAL COSTS		7.02%	18.87%	

* The foregoing does not include any Costs of Financing, Interest, City Expenses or any Cost of Additional Required Improvements, all of which shall be reimbursable to the Developer in accordance with the Plan. Further, while every effort has been made project realistic costs for this project, these costs are based upon the best available estimates at the time of preparation of this information, do not account for unexpected site or project conditions and, therefore, are not guaranteed or maximum costs for this project.

North Broadway
Tax Increment Financing Redevelopment Project Plan

EXHIBIT D

CURRENT TAXES AND TAX INCREMENT

The Property currently generates approximately \$28,500 in taxes (on an assessed value of approximately \$366,600) per year according to the Crawford County Appraiser's office. These calculations are strictly in reference to the subject Property and the preliminary Redevelopment Plan on the Property and are intended to illustrate an approximation of the actual increment to be generated.

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

EXHIBIT E

**NORTH BROADWAY
RELOCATION ASSISTANCE PLAN**

Original Submission: November 10, 2003

Revised Submission: December 3, 2003

1. **Plan Required.** In accordance with Kansas law, relocation assistance must be provided to specified persons and business displaced by redevelopment projects undertaken pursuant to the State's tax increment financing redevelopment laws. *See* K.S.A. Sec. 17-1777. The North Broadway Tax Increment Financing Project is such a project and relocation assistance will be provided. The relocation assistance plan for the North Broadway Tax Increment Financing Redevelopment Project (the "Redevelopment Project") will be administered by the City of Pittsburg, Kansas by and through its duly appointed staff and agents. The City may contract with the developer of the Redevelopment Project as its agent to administer this relocation assistance plan. Such relocation activities shall be administered at all times to accomplish the following:

(a) Provide for relocation assistance payments to persons, families and businesses who move from Property or who move personal property from Property as a result of the acquisition of the Property by the City in carrying out the provisions of the Redevelopment Project. With respect to any redevelopment project other than one which includes an auto race track facility, such payments shall not be less than \$500;

(b) Provide that no persons or families residing in the Redevelopment Project Area of the North Broadway Tax Increment Financing Redevelopment Project Area (the "Redevelopment Project Area") shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents within their ability to pay. Such housing units shall be suitable to the needs of such displaced persons or families and must be a decent, safe, sanitary and otherwise standard dwelling; and

(c) Provide for the payment of any damages sustained by a retailer, as defined by K.S.A. Sec. 79-3702, and amendments thereto, by reason of the liquidation of inventories necessitated by relocation under the North Broadway Tax Increment Financing Redevelopment Project. Sec. K.S.A. 12-1777(c).

In order to implement the foregoing within the Redevelopment Project Area, the City hereby adopts the North Broadway Tax Increment Financing Relocation Assistance Plan (the "Plan") that follows.

2. **Definitions.**

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

(a) Business – Any lawful activity that is conducted by a person, as defined below, primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities, or primarily for the sale of services to the public.

(b) City – The City of Pittsburg, Kansas and such staff and/or agent duly appointed to implement this Plan.

(c) Displaced Business – Any Business that moves from real property owned or leased by it for purposes of conducting its business, or moves its personal property from real property used for purposes of conducting its business, permanently and as a direct result of the acquisition of such real property, whether by condemnation or otherwise, by the City in carrying out the provisions of K.S.A. Secs. 12-1770 – 12-1779, as amended, for implementing the Redevelopment Project.

(d) Displaced Occupant – Any individual or family who moves from real property owned or leased by him, her or them and occupied as his, her or their principal residence, or who moves his, her or their personal property from real property occupied as his, her or their personal residence, permanently and as a direct result of the acquisition of such real property, whether by condemnation or otherwise, by the City in carrying out the provisions of K.S.A. Secs. 12-1770 – 12-1779, as amended, for implementing the Redevelopment Project. In the event of a family, the family as a whole shall be the Displaced Occupant; separate family members using the same real property as their principal residence shall not be separately eligible for relocation assistance under this Plan.

(e) Occupant – Any individual or family who occupies real property owned, leased, or otherwise occupied as his, her or their principal residence;

(f) Person – Any individual, family, partnership, corporation, limited liability company or unincorporated association.

(g) Property. Real property owned, leased or occupied by a person for use either as his or her principal residence or for conducting his, her or its business.

(h) Suitable Housing Unit – A dwelling which meets applicable City housing and occupancy codes. The dwelling shall:

(i) Be structurally sound, weather tight and in good repair;

(ii) Contain a safe electrical wiring system;

(iii) Contain an adequate heating system;

(iv) Be adequate in size with respect to the number of rooms needed to accommodate Displaced Occupants; and

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

(v) For a handicapped Displaced Occupant, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling.

3. Required Notices.

(a) Notification of Displacement – At least sixty (60) days prior to the date that a Displaced Occupant or Business will be required to vacate Property, the City shall provide each such occupant or business subject to relocation with a written Notice of Displacement. This Notice shall include the following information:

(i) Explain that the North Broadway Tax Increment Financing Redevelopment Project has been approved by the City and that it intends to acquire the Displaced Occupant's or Business' real property therefore;

(ii) Generally describe the relocation assistance for which the Displaced Occupant or Business may be eligible, the basic conditions of eligibility and the procedures for obtaining assistance;

(iii) Generally describe the relocation assistance to which such Displaced Occupant or Business may be entitled, including referral to a replacement property;

(iv) Generally describe that relocation assistance shall not be provided to any person who purposely resides in or locates his, her or its business in a redevelopment project area for the purpose of obtaining relocation assistance benefits;

(v) Provide the name, address and telephone number of the person who will be handling relocation for the City; and

(vi) Generally describe the review procedure as set forth in the Review Section below.

(b) Notice to Vacate. A Notice to Vacate shall be provided to a Displaced Occupant or Business either following or concurrently with a Notice of Displacement and shall include:

(i) The specific date by which the Property must be vacated; or

(c) Notice Not Required. The Notice to Vacate need not be issued if:

(i) There is no occupied structure and no personal property on the Property;

(ii) The Displaced Occupant or Business makes an informed decision to relocate and vacates the Property prior to the time such notice is to be provided;

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

(iii) The Displaced Occupant or Business with full knowledge of his/her/its right to receive such notice, enters into a negotiated agreement for delivering possession of the Property; or

(iv) The Occupant or Business does not qualify as a Displaced Occupant or Business as defined in this Plan.

(d) Notice of Termination of Intent to Acquire. The City may terminate any further obligation to provide the relocation payments and assistance provided in this Plan by providing to each Displaced Occupant or Business occupying Property a notice that it is terminating its intent to acquire such property; provided, however, that if the City shall reinstate negotiations for such Property within one (1) year of such termination, the eligibility of all Displaced Occupants and Businesses who were eligible for payments and/or assistance at the time of such termination shall resume and the eligibility of any other Displaced Occupants or Businesses shall be determined with reference to this Plan; and, provided further, that the City shall be obligated to pay any documented actual, but reasonable and necessary, moving and related expenses incurred by each such Displaced Person or Business prior to the date of the Notice of Termination, to the extent such expenses would be eligible for payment under the provisions of this Plan.

(e) Manner of Notices. Each notice which the City is required to provide to a Displaced Occupant or Business under this Plan shall be personally served or sent by certified or registered first-class mail, return receipt requested. If notice is sent by certified or registered first-class mail, the notice shall also be sent by first-class mail, postage prepaid. Proof that the notice was so sent shall be sufficient to satisfy the City's obligation hereunder, notwithstanding a Displaced Occupant's or Business' failure to accept the notice sent by certified or registered first-class mail.

4. Eligibility.

(a) Eligibility for Payments. A Displaced Occupant or Business shall be eligible for payments for moving and related expenses provided such Occupant or Business has occupied the Property continuously for not less than one hundred eighty (180) days prior to:

- (i) The date the Notice of Displacement is sent; or
- (ii) The date of acquisition of the Property by the City.

(b) Ineligible Persons.

(i) Any Occupant or Business who purposely resides in or locates a business in the Redevelopment Project Area solely for the purpose of obtaining relocation assistance benefits shall not be eligible for such benefits.

**North Broadway
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(ii) No owner of Property within the Redevelopment Project Area shall lease any premises to a tenant after the owner's receipt of a Notice of Displacement without giving prior written notice to such tenant that the property is subject to acquisition by the City, and that such tenant shall not be eligible for relocation assistance. A copy of the owner's notice shall be provided to the City.

(iii) An Occupant or Business who does not occupy property in the Redevelopment Project Area on the date of the City's Notice of Displacement shall not be eligible for relocation assistance.

(iv) Any Occupant or Business who moves before receiving a Notice to Vacate, if such property is for any reason not acquired by the City pursuant to the Redevelopment Project shall not be eligible for relocation assistance.

(v) A subtenant of an Occupant or Business, unless such subtenant demonstrates, with documentation satisfactory to the City's legal counsel, that it is a separate legal entity from the Occupant or Business and otherwise satisfies the eligibility requirements of this Plan shall not be eligible for relocation assistance.

(vi) Any Occupant or Business which the City determines had prior plans to relocate for reasons independent of the Redevelopment Project shall not be eligible for relocation assistance.

(vii) Multiple lease agreements for different or the same leaseholds for the same Property shall not be considered as evidence of multiple Occupants if the City makes a determination that the leaseholds are used in the operation of a single Business.

(viii) Any Displaced Business that is operating in violation of applicable law shall not be eligible for relocation expenses pursuant to this Plan. This shall include, but shall not be limited to, Businesses operating without required licenses or in violation of applicable land use laws and regulations.

5. Reimbursement Payments.

(a) Reimbursement Payments to Displaced Occupants. A Displaced Occupant eligible for relocation assistance shall be provided with relocation reimbursement payments based upon one of the following, at the option of the Displaced Occupant:

(i) A five hundred dollar (\$500) fixed payment; or

(ii) Reimbursement for actual, but reasonable and necessary, costs of relocation including:

(1) Moving costs;

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

- (2) Utility deposits;
- (3) Key deposits;
- (4) Storage of personal property for up to one month;
- (5) Utility transfer costs; and

(6) Connection fees and other initial housing deposits including first and last month's rent and security deposit, as may be required by a lease for the replacement premises, provided such Displaced Occupant pays to the City any rent or other security deposit received by the Displaced Occupant for the displacement property being vacated.

(b) Reimbursement Payments to Displaced Businesses. All Displaced Businesses eligible for relocation assistance shall be provided with relocation reimbursement payments based upon the following, at the option of the Displaced Business.

(i) A one thousand five hundred dollar (\$1,500) fixed payment; or

(ii) Reimbursement for actual, but reasonable and necessary, costs of moving, including costs for:

(1) Transportation of personal property;

(2) Packing, crating, unpacking and uncrating of personal property;

(3) Disconnecting, dismantling, removing, reassembling and reinstalling all relocated personal equipment;

(a) Including connection to utilities available at the replacement site and modification to the personal property necessary to adapt it to the replacement structure or utilities at the replacement site; but

(b) Not including provision of utilities from the public right-of-way to the building or improvement or utility upgrade at the replacement location;

(4) Re-lettering signs and replacing stationery on hand at the time of displacement that are made obsolete as a result of the move;

**North Broadway
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(5) Replacing any license, permit or certificate required of the Displaced Business at the replacement location; payment may be based on the remaining useful life of the existing license, permit or certification; and

(6) Other moving related expenses that are not listed as ineligible but which are determined by the City on a case-by case basis to be reasonable and necessary.

(iii) In addition, actual loss and/or damages sustained by a Displaced Business that is a retailer, as defined by K.S.A. Sec. 79-3702, and amendments thereto, by reason of the liquidation of inventories necessitated by relocation (“Liquidation Losses”).

(iv) A Displaced Business that is a tenant of the Property in question shall not be compensated for the loss of Property fixtures installed on the premises unless the Displaced Business provides evidence that the Displaced Business installed the fixtures and that the Displaced Business, not the owner of the premises, owns the fixtures. If such evidence is provided, the value of the fixtures shall be established by an appraiser selected by the City, subject to the reduction for depreciation calculated by such appraiser. The value reimbursed to the Displaced Business shall be only for the Business’ remaining lease term in the premises.

(c) Ineligible Moving and Related Expenses. A Displaced Occupant or Business is not entitled to reimbursement for:

(i) The cost of moving any structure or other real property improvement in which the Displaced Occupant or Business reserves ownership;

(ii) Interest on a loan to cover moving expenses;

(iii) Loss of goodwill or other intangible business assets ;

(iv) Loss of profits, except for Liquidation Losses, as that term is defined in this Plan;

(v) Loss of trained employees;

(vi) Any additional operating expenses of a Displaced Business incurred because of operating in a new location;

(vii) Any legal fee or other cost for preparing a claim for or review of a relocation payment or for otherwise representing the claimant before the City or a court, whether in law or equity;

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(viii) Configuration or physical changes to the real property at the replacement location;

(ix) Personal injury;

(x) Taxes;

(xi) Any expense or payment for which the Displaced Business receives reimbursement or compensation from another source or pursuant to any other law, rule or regulation;

(xii) Personal property that must be upgraded to comply with health or building codes or other applicable regulations;

(xiii) Interest on amounts expended by a Displaced Occupant or Business for relocation costs for which reimbursement is sought; or

(xiv) Any expenses not specifically listed as eligible for payment in this Plan.

(d) Initial Determination of Eligible Relocation Assistance. The City shall provide a Displaced Occupant or Business with a written Initial Determination of Eligible Relocation Assistance setting forth the full amount of relocation reimbursement payment to be offered by the City to the Displaced Occupant or Business, based upon the terms of this Plan and other applicable laws and regulations.

(e) Advance Payments. If a Displaced Occupant or Business demonstrates the need for an advance relocation payment in order to avoid or reduce a hardship, the City shall issue the payment subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished. Payment of an advance relocation payment request found satisfactory and acceptable to the City shall be made within thirty (30) days following the City's receipt of sufficient documentation from the Displaced Occupant or Business to support the claim.

(f) Deadline for Claims. All claims for relocation assistance shall be filed with the City within ninety (90) days after:

(i) The date of displacement, in the case of tenants; and

(ii) The date of displacement or the final payment for the acquisition of the Property, whichever is later, in the case of owners.

(g) Waiver of Relocation Assistance. Any Displaced Occupant or Business, who is also the owner of the premises, may waive relocation assistance as part of the negotiations for acquisition of the interest held by such person. Such waiver shall be in writing, shall

**North Broadway
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disclose the person's knowledge of the provisions of this section and his/her entitlement to payment and shall be filed with the City.

(h) Requirements for Receipt of Payments. The following requirements shall apply to reimbursement for actual, but reasonable and necessary, moving and related expenses:

(i) The Displaced Occupant or Business shall provide such documentation as may be reasonably required by the City to establish the actual expenses incurred, such as invoices, receipts, certified prices, appraisals, or other evidence of such expenses.

(ii) The Displaced Occupant or Business must provide the City with not less than ten (10) days advance written notice of the approximate date of the start of the move or disposition of the personal property and a list of the items to be moved.

(iii) The Displaced Occupant or Business must permit the City to make reasonable and timely inspections of the personal property at both the displacement and replacement sites and to monitor the move.

(i) Cessation of Business, Unspecified Relocation Site, Moving Out of the Area. If a Displaced Business decides to cease doing business or delays a decision on a relocation site, the Business shall be deemed to have elected to receive a lump sum as otherwise set forth in the Plan without regard to the actual costs attributable to such relocation. If a Displaced Business chooses a relocation site that requires a move in excess of 10 miles or outside of the corporate limits of Pittsburg, Kansas, the City will pay moving costs pursuant to this Plan based on a move not to exceed 10 miles away.

6. Final Determination of Relocation Assistance. Within ten (10) days of making a final relocation reimbursement payment, the City shall provide a Displaced Occupant or Business with a Final Determination of Relocation Assistance that itemizes:

(a) All eligible costs that were reimbursed; and

(b) Any costs submitted for reimbursement that were denied, along with the reason for denial.

7. Review.

(a) Initiation of Review and Time Period. A Displaced Occupant or Business who seeks review of a relocation assistance determination of the City shall provide a written Notice of Request for Review to the City Clerk (of the City of Pittsburg, Kansas) within thirty (30) days of receiving a Final Determination of Relocation Assistance from the City, along with any documentation deemed relevant by such occupant or business. Reviews of any Initial Determination of Relocation Assistance shall be premature and not permitted.

North Broadway Tax Increment Financing Redevelopment Project Plan

The right of review shall not lie until such time as the City provides its Final Determination of Relocation Assistance.

(b) Scope of Review. Reviews shall be limited to a determination of the propriety of relocation assistance expenses or other measures included or not included by the City in the Final Determination of Relocation Assistance, in each instance eligibility and amount being governed by the provisions of this Plan and any further resolutions or actions of the City establishing eligible expenses and the amounts thereof.

(c) Hearing Officer. The City shall designate a Hearing Officer to consider and rule on the request for review.

(d) Right to Representation. A Displaced Occupant or Business requesting a review hereunder may be represented by legal counsel in connection with the review, but solely at such occupant's or business' own expense.

(e) Review of Files by Occupant or Business. The City shall permit a Displaced Occupant or Business requesting a review hereunder to inspect and copy (at such occupant's or business' expense) all City files and records pertinent to the review subject to applicable law including, but not limited to, open meetings and records laws.

(f) Supporting Documentation. All supporting documentation for a review hereunder, whether relied upon by (i) the appealing Occupant or Business or (ii) the City shall be supplied by each to the other at least ten (10) days prior to the hearing or, if no hearing is requested, within fifteen (15) days of filing of the Notice of Request for Review.

(g) Hearing. If a hearing is requested, it shall be scheduled before the Hearing Officer within thirty (30) days of the City's receipt of the Notice of Request for Review. If no hearing is desired, the Hearing Officer shall decide the review based on the documentation provided by all parties to the review.

(h) Matters to Be Considered. In deciding the review, the Hearing Officer shall consider:

(i) All applicable rules and regulations;

(ii) All pertinent justification and written materials submitted by the appealing Occupant or Business;

(iii) All material upon which the City based its Final Determination of Relocation Assistance;

(iv) Any other available information that is needed to assure a full and fair review of the appeal; and

**North Broadway
Tax Increment Financing Redevelopment Project Plan**

(v) Formal rules of evidence shall not apply. However, the Hearing Officer shall give effect to rules of privilege recognized by law. Evidence need not be excluded solely because it is hearsay. The Hearing Officer shall give the parties reasonable opportunity to be heard and to present evidence. The Hearing Officer shall act reasonably and without partiality to any party.

(i) Determination by Hearing Officer. The Hearing Officer shall make a signed and written Determination of Relocation Assistance Review within thirty (30) days of the hearing, or if no hearing is requested, within forty-five (45) days of receipt of the request for review.

(i) The Determination of Relocation Assistance Review shall include:

(1) Factual findings of the Hearing Officer relevant to his or her final determination;

(2) Conclusions of the Hearing Officer as to what relocation assistance and amounts are proper under the facts and the provisions of this Plan; and

(3) If payment or other relief is granted, a description and the amount due from the City to the appealing Occupant or Business

(ii) Copies of the Hearing Officer's Determination of Relocation Assistance Review shall be mailed by first class mail, postage prepaid, to (a) the appealing Occupant or Business and (b) the City within five business days of the Hearing Officer's Determination of Relocation Assistance Review.

8. Funding

(a) Reimbursable TIF Expenditure. All monies expended to pay relocation assistance monies to Displaced Occupants and Displaced Businesses under this Plan by the redeveloper selected and designated by the City to develop and implement the North Broadway Tax Increment Financing Redevelopment Project shall be Eligible Tax Increment Financing Expenditures to the redeveloper under the Kansas Tax Increment Financing Redevelopment Act, K.S.A. Secs. 12-1770, *et seq.*, as amended.

**TIF AND TDD REVENUE FEASIBILITY STUDY
PROPOSED ANCHOR SHOPPING CENTER
29th STREET & HIGHWAY 69 BYPASS
PITTSBURG, KANSAS**

December 2003

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

**TIF AND TDD REVENUE FEASIBILITY STUDY
PROPOSED ANCHOR SHOPPING CENTER
29th STREET & HIGHWAY 69 BYPASS
PITTSBURG, KANSAS**

December 2003

Prepared for:

D.J. Christie, Inc.
10777 Barkley Street, Suite 120
Overland Park, Kansas

Prepared by:

Canyon Research Southwest, Inc.
220 South River Drive
Tempe, Arizona 85281

PR# 03-10-03

**EXHIBIT F
FEASIBILITY STUDY**

200 SOUTH RIVER DRIVE / TEMPE, AZ 85281 / (480) 966-0994

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

December 5, 2003

David J. Christie
D.J. Christie, Inc.
10777 Barkley Street, Suite 120
Overland Park, KS 66211

Re: TIF and TDD Revenue Feasibility Study
Anchored Shopping Center; Pittsburg, Kansas

Dear Mr. Christie;

Per our agreement, attached are our findings concerning the *TIF and TDD Revenue Feasibility Study* which forecasts TIF revenues for the proposed 27.88-acre Redevelopment Project Area located at 29th Street and 69 Highway bypass in Pittsburg, Kansas. The objective of the study was to verify that the proposed Redevelopment Project Area will generate revenues sufficient to reimburse the TIF-eligible bond proceeds of \$7,115,000 and TDD-eligible bond proceeds of \$1,050,000. The proposed TIF Plan calls for development of a 174,513 square foot anchored shopping center including seven retail pad sites.

Permission is granted to incorporate the findings and conclusions of this report into any bond offering documents or reports that you may deem necessary.

Upon review of the report, should any questions arise or additional information requested, I can be reached directly at (480) 966-0994.

Respectfully submitted,

CANYON RESEARCH SOUTHWEST, INC.

Eric S. Lander, Principal

Enclosure

EXHIBIT F
FEASIBILITY STUDY

200 SOUTH RIVER DRIVE / TEMPE, AZ 85281 / (480) 966-0994

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Canyon Research Southwest, Inc.	

Project Description

Dated November 10, 2003, and revised December 3, 2003, the *North Broadway Tax Increment Financing Redevelopment Project Plan* (the “Redevelopment Plan”) requests Tax Increment Financing for an approximately 27.88-acre site generally described as follows: Broadway Street to the east; Highway 69 bypass on the west; on the south an east-west line commencing 240 feet south of the intersection of Broadway and 29th Street; and on the north an east-west line commencing 360 feet south of the intersection of Broadway Street and Atkinson. The Redevelopment Plan calls for the construction of a 174,513 square foot anchored shopping center including seven retail pad sites. The project components are summarized in the table below.

TIF Project Area Site Plan Components

Lot	Project Component	Building Area Sq. Ft.
Anchor	Home Improvement Retailer	102,513
Lot 1	Sit-down Restaurant	5,000
Lot 2	Fast Food Restaurant	1,500
Lot 3	Fast Food Restaurant	1,500
Lot 4	Sit-down Restaurant	5,000
Lot 5	Sit-down Restaurant	7,000
Lot 6	Sit-down Restaurant	4,500
Lot 7	Sit-down Restaurant	7,500
Jr. Anchor	Retail Shops	40,000
Total		174,513

The Redevelopment Plan contemplates construction of the proposed anchored shopping center in one phase tentatively scheduled to commence by March 2004 with completion by October 2004. Construction of the seven retail pad sites will be phased over a 2-year period following completion of the anchored shopping center. All construction is scheduled for completion by October 2006.

TIF Revenue Projections

The proposed *Redevelopment Plan* provides for the redevelopment of a 27.88-acre property at 29th Street and 69 Highway bypass in Pittsburg, Kansas. Total project costs have been estimated at \$26,175,933, with requested reimbursable TIF-related costs capped at \$6,775,597. The total project costs include land acquisition and relocation (\$3,300,000); site infrastructure (\$3,324,800); vertical improvements (\$18,838,475); and professional services (\$802,658). The Developer is to be reimbursed for TIF-related costs up to the reimbursement cap amount of Canyon Research Southwest, Inc,

\$6,775,597 plus actual interest and financing costs on either a pay-as-you-go basis or through the issuance of special obligation bonds, funded by the captured tax revenue generated by the Project Area. When the reimbursement cap is met, captured tax revenues will be declared surplus and the TIF Plan will terminate.

Certain eligible expenses associated with the Project Area are proposed to be funded through use of tax increment financing (TIF). The TIF Act defines the types of revenues that can be captured to pay for TIF-eligible costs. These revenues as outlined by the *Redevelopment Plan* are:

- 100 percent of incremental real property taxes generated by the tax rates of all property tax jurisdictions within the proposed Project Area (State 1.5 mills and School District 20 mills are excluded from capture for TIF) and
- 50 percent of incremental local sales taxes received by the City within the proposed Project Area, which in this case consists of the combined city and county retail sales tax rate of 0.93 percent.

The real property tax increments are herein defined as PILOTS. Local sales taxes received by the City are collectively referred herein as EATS.

The incremental revenues from PILOTS and EATS are determined by projecting the annual tax revenues from these sources and, then, subtracting a certified base amount of revenues which were generated within the proposed Project Area in the calendar year immediately prior to approval of the TIF Plan. These pre-TIF revenues continue to accrue to all jurisdictions as before; they are not subject to capture for TIF. The assumptions used to calculate TIF revenues are summarized in Exhibit A of the Addenda.

I. Real Estate Property Tax Revenues (PILOTS)

To calculate incremental real estate property tax revenues, the market value of the property prior to approval of the TIF Plan are subtracted from the market value of the new development. According to the County Appraiser's Office, the 27.88-acre Project Area's current market valuation is \$1,602,860. Therefore, for the purpose of calculating PILOTS revenues the incremental increase for the proposed anchored shopping center has been established by subtracting out the existing basis of \$1,602,860 from the estimated market value of the new improvements.

PILOTS revenues were forecast for the time period from 2003 to 2023. Based on the Project Area's construction schedule, no PILOTS revenues will be collected from 2003 through 2005. PILOTS revenues will commence in January 2006.

PILOTS revenues were calculated based on the net increase in the assessed valuation of the Project Area upon construction of the proposed 174,513 square foot shopping center including seven retail pad sites. The Market Value for each Project Area component was based on the developer's cost estimates as well as consulting Marshall Valuation Services. Market values

were determined to be \$85 per square foot for the retail center; \$1.7 million for the fast food restaurants (Lots 2 & 3) and \$300 per square foot for the sit-down restaurants (Lots 4-7). Market values were appreciated at a rate of 3.0 percent every two years. The assessment ratio in Crawford County for commercial property is 25 percent. Assessed value can only be determined by the Crawford County Appraiser's Office and the estimates of future assessed value concluded to in this report will likely vary from actual future assessments. The Mill Levy subject to TIF is \$106.5040 per \$1,000, consisting of the City of Pittsburg (\$42.2050); Crawford County (\$34.8770); and USD 250 (\$29.4220).

As outlined in the table on page 4, at a 100 percent allocation, total PILOTS revenues generated and deposited over the 20-year projection period have been estimated at \$11,992,482.

II. Economic Activity Tax Revenues (EATS)

Half of the sales taxes levied by the City of Pittsburg and half of the sales taxes levied by Crawford County and received by the City are eligible for retirement of TIF bonds. The effective sales tax rate for the Redevelopment Plan is 0.465 percent.

The incremental EATS generated by the Project Area for use in retirement of TIF obligations is determined by subtracting the base level of retail sales taxes from the new level of taxation generated by the Project Area. The 10-acre Project Area is currently occupied by three businesses that; collectively, generated retail sales tax revenues for the City of Pittsburg and Crawford County of \$1,269,288 during the year prior to creation of the TIF District. Therefore, for the purpose of this report the base level of retail sales tax revenues has been set at \$1,269,288. Components of the Project Area that will generate EATS revenue include the 174,513 square foot shopping center including seven retail pad sites. The retail pad sites are designed to support fast food and sit-down restaurants.

Retail sales volumes for the shopping center and restaurant components were estimated based on several sources, including: 1) *Dollars & Cents of Shopping Centers* published by the Urban Land Institute; 2) data published by the International Council of Shopping Centers; and 3) annual reports published by publicly-held retailers. Based on these sources, annual retail sales for the proposed shopping center were estimated at \$200 per square foot for the shop space; \$325 to \$375 per square foot for the fast food restaurants; and \$280 to \$350 per square foot for the sit-down restaurants. For the purpose of this analysis the anchor tenant space was assumed to be occupied by a home improvement or building materials retailer. Retail sales for this tenant type is expected to require a two year ramp-up period, garnering first year sales of \$23 million and stabilized sales of \$25 million in year two. These retail sales forecasts took into account the proposed shopping center's rural location as well as trade area demographics.

Retail sales were escalated at an average annual rate of 2.0 percent throughout the 20-year projection period. For the purpose of this report, EATS revenues are forecast to commence on October 1, 2004 upon completion of the shopping center and Lots 1-3. Meanwhile, Lots 4 and 5 are scheduled for completion on October 1, 2005 with the remaining Lots 6 and 7 completed by October 1, 2006.

As outlined in the table on page 5, at a 50 percent allocation, total EATS revenues over the 20-year projection period have been estimated at \$4,398,890.

North Broadway Tax Increment Financing Plan PILOTS Revenue Projections

Year	Estimated Market Value							Total Market Valuation	PILOTS Incremental Increase	Estimated Assessed Value	YEAR PILOTS Deposited	
	Retail Center	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot 6					Lot 7
2003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2004	0	0	0	0	0	0	0	0	0	0	0	
2005	12,113,605	1,500,000	1,700,000	1,700,000	0	0	0	0	17,013,605	15,410,745	3,852,686	0
2006	12,113,605	1,500,000	1,700,000	1,700,000	1,500,000	2,100,000	0	0	20,613,605	19,010,745	4,752,686	410,326
2007	12,477,013	1,545,000	1,751,000	1,751,000	1,545,000	2,163,000	1,350,000	2,250,000	24,832,013	23,229,153	5,807,288	506,180
2008	12,477,013	1,545,000	1,751,000	1,751,000	1,545,000	2,163,000	1,350,000	2,250,000	24,832,013	23,229,153	5,807,288	618,499
2009	12,851,324	1,591,350	1,803,530	1,803,530	1,591,350	2,227,890	1,390,500	2,317,500	25,576,974	23,974,114	5,993,528	618,499
2010	12,851,324	1,591,350	1,803,530	1,803,530	1,591,350	2,227,890	1,390,500	2,317,500	25,576,974	23,974,114	5,993,528	638,335
2011	13,236,863	1,639,091	1,857,636	1,857,636	1,639,091	2,294,727	1,432,215	2,387,025	26,344,283	24,741,423	6,185,356	638,335
2012	13,236,863	1,639,091	1,857,636	1,857,636	1,639,091	2,294,727	1,432,215	2,387,025	26,344,283	24,741,423	6,185,356	658,765
2013	13,633,969	1,688,263	1,913,365	1,913,365	1,688,263	2,363,569	1,475,181	2,458,636	27,134,611	25,531,751	6,382,938	658,765
2014	13,633,969	1,688,263	1,913,365	1,913,365	1,688,263	2,363,569	1,475,181	2,458,636	27,134,611	25,531,751	6,382,938	679,808
2015	14,042,988	1,738,911	1,970,766	1,970,766	1,738,911	2,434,476	1,519,437	2,532,395	27,948,650	26,345,790	6,586,447	679,808
2016	14,042,988	1,738,911	1,970,766	1,970,766	1,738,911	2,434,476	1,519,437	2,532,395	27,948,650	26,345,790	6,586,447	701,483
2017	14,464,278	1,791,078	2,029,889	2,029,889	1,791,078	2,507,510	1,565,020	2,608,367	28,787,109	27,184,249	6,796,062	701,483
2018	14,464,278	1,791,078	2,029,889	2,029,889	1,791,078	2,507,510	1,565,020	2,608,367	28,787,109	27,184,249	6,796,062	723,808
2019	14,898,206	1,844,811	2,090,786	2,090,786	1,844,811	2,582,735	1,611,971	2,686,618	29,650,722	28,047,862	7,011,966	723,808
2020	14,898,206	1,844,811	2,090,786	2,090,786	1,844,811	2,582,735	1,611,971	2,686,618	29,650,722	28,047,862	7,011,966	746,802
2021	15,345,152	1,900,155	2,153,509	2,153,509	1,900,155	2,660,217	1,660,330	2,767,216	30,540,244	28,937,384	7,234,346	746,802
2022	15,345,152	1,900,155	2,153,509	2,153,509	1,900,155	2,660,217	1,660,330	2,767,216	30,540,244	28,937,384	7,234,346	770,487
2023	15,805,507	1,957,160	2,218,114	2,218,114	1,957,160	2,740,024	1,710,140	2,850,233	31,456,451	29,853,591	7,463,398	770,487
Total												\$11,992,482

Source: Canyon Research Southwest, Inc.; November 2003.

North Broadway Tax Increment Financing Plan EATS Revenue Projections

Year	Estimated Retail Sales								Estimated Retail Sales	Retail Sales Base	Incremental Retail Sales	EATS 50%
	Retail Center	Lot 1 Sit-down	Lot 2 Fast Food	Lot 3 Fast Food	Lot 4 Sit-down	Lot 5 Sit-down	Lot 6 Sit-down	Lot 7 Sit-down				
2003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2004	7,813,550	441,088	122,874	141,778	0	0	0	0	8,519,290	1,269,288	7,250,002	33,713
2005	31,000,000	1,750,000	487,500	562,500	441,088	529,305	0	0	34,770,393	1,269,288	33,501,105	155,780
2006	33,160,000	1,785,000	497,250	573,750	1,750,000	2,100,000	396,979	529,305	40,792,284	1,269,288	39,522,996	183,782
2007	33,823,200	1,820,700	507,195	585,225	1,785,000	2,142,000	1,575,000	2,100,000	44,338,320	1,269,288	43,069,032	200,271
2008	34,499,664	1,857,114	517,339	596,930	1,820,700	2,184,840	1,606,500	2,142,000	45,225,086	1,269,288	43,955,798	204,394
2009	35,189,657	1,894,256	527,686	608,868	1,857,114	2,228,537	1,638,630	2,184,840	46,129,588	1,269,288	44,860,300	208,600
2010	35,893,450	1,932,141	538,239	621,045	1,894,256	2,273,108	1,671,403	2,228,537	47,052,180	1,269,288	45,782,892	212,890
2011	36,611,319	1,970,784	549,004	633,466	1,932,141	2,318,570	1,704,831	2,273,108	47,993,223	1,269,288	46,723,935	217,266
2012	37,343,546	2,010,200	559,984	646,136	1,970,784	2,364,941	1,738,927	2,318,570	48,953,088	1,269,288	47,683,800	221,730
2013	38,090,417	2,050,404	571,184	659,058	2,010,200	2,412,240	1,773,706	2,364,941	49,932,150	1,269,288	48,662,862	226,282
2014	38,852,225	2,091,412	582,608	672,240	2,050,404	2,460,485	1,809,180	2,412,240	50,930,793	1,269,288	49,661,505	230,926
2015	39,629,270	2,133,240	594,260	685,684	2,091,412	2,509,694	1,845,364	2,460,485	51,949,409	1,269,288	50,680,121	235,663
2016	40,421,855	2,175,905	606,145	699,398	2,133,240	2,559,888	1,882,271	2,509,694	52,988,397	1,269,288	51,719,109	240,494
2017	41,230,292	2,219,423	618,268	713,386	2,175,905	2,611,086	1,919,916	2,559,888	54,048,165	1,269,288	52,778,877	245,422
2018	42,054,898	2,263,812	630,633	727,654	2,219,423	2,663,308	1,958,315	2,611,086	55,129,128	1,269,288	53,859,840	250,448
2019	42,895,996	2,309,088	643,246	742,207	2,263,812	2,716,574	1,997,481	2,663,308	56,231,711	1,269,288	54,962,423	255,575
2020	43,753,916	2,355,270	656,111	757,051	2,309,088	2,770,905	2,037,430	2,716,574	57,356,345	1,269,288	56,087,057	260,805
2021	44,628,994	2,402,375	669,233	772,192	2,355,270	2,826,324	2,078,179	2,770,905	58,503,472	1,269,288	57,234,184	266,139
2022	45,521,574	2,450,422	682,618	787,636	2,402,375	2,882,850	2,119,743	2,826,324	59,673,541	1,269,288	58,404,253	271,580
2023	46,432,005	2,499,431	696,270	803,389	2,450,422	2,940,507	2,162,137	2,882,850	60,867,012	1,269,288	59,597,724	277,129
Total												\$4,398,890

Source: Canyon Research Southwest, Inc.; November 2003.

III. Total TIF Revenues

The table below summarizes the incremental TIF revenues forecast for the proposed Project Area available for deposit into the special TIF fund of the City. Throughout the time period from 2003 through 2023 the Pittsburg, Kansas Project Area is forecast to generate total TIF revenues of approximately \$16.4 million. Sources of TIF funds include \$11,992,482 in PILOTS and \$4,398,890 in EATS. Based on these study findings, it has been concluded that the proposed Project Area will generate PILOTS and EATS revenues sufficient to reimburse the listed TIF-eligible expenditures up to the cap of \$6,775,597.

North Broadway Tax Increment Financing Plan Total TIF Revenue Projections

Year	PILOTS 100%	EATS 50%	Total TIF Revenues
2003	\$0	\$0	\$0
2004	0	33,713	33,713
2005	0	155,780	155,780
2006	410,326	183,782	594,108
2007	506,180	200,271	706,451
2008	618,499	204,394	822,893
2009	618,499	208,600	827,099
2010	638,335	212,890	851,225
2011	638,335	217,266	855,601
2012	658,765	221,730	880,495
2013	658,765	226,282	885,047
2014	679,808	230,926	910,734
2015	679,808	235,663	915,471
2016	701,483	240,494	941,977
2017	701,483	245,422	946,905
2018	723,808	250,448	974,256
2019	723,808	255,575	979,383
2020	746,802	260,805	1,007,607
2021	746,802	266,139	1,012,941
2022	770,487	271,580	1,042,067
2023	770,487	277,129	1,047,616
Totals	\$11,992,482	\$4,398,890	\$16,391,372

Notes: Columns may not add due to rounding.
Source: Canyon Research Southwest, Inc.

TDD Revenue Projections

Transportation Development District (TDD) revenue will also be available to fund transportation improvements outlined by the *Redevelopment Plan*. The purpose of this section of the report is to generate TDD Sales Tax revenue forecasts for the 174,513 square foot anchored shopping center including seven retail pad sites.

Methodology and Calculations

Transportation Development District Act

Chapter 105 of the 2002 Kansas Session Laws (the “Act”) authorizes the governing body of any city or county to create transportation development districts (TDD) within such jurisdiction, to acquire interests in property and to construct any project or undertaking relating thereto to improve any bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hanger, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility and any similar or related project or infrastructure.

The Act further authorizes said government body, in order to pay the costs of such transportation projects, to impose a transportation district excise tax on the selling of tangible personal property at retail or rendering or furnishing services within transportation districts in any increment of 0.10 percent, not to exceed 1.0 percent and/or levy of special assessments upon property within such transportation districts, and to issue revenue bonds payable from such excise taxes and/or special assessments. The *Redevelopment Plan* allows for a 0.25 percent transportation development district sales tax to be levied within the Project Area.

The Kansas Legislature passed SB 178, which has been signed by the Governor and becomes effective on July 1, 2003. SB 178 makes certain amendments to the Transportation Development Act. The new law provides for the collection of the transportation development district excise tax by the State Department of Revenue instead of the City of Pittsburg, Kansas. Therefore, this report assumes that the State Department of Revenue will collect the transportation development district excise tax and will remit such revenues to the City of Pittsburg, Kansas.

Timing of Transportation District Sales Tax Revenue

For the purpose of this report transportation development district sales tax revenues associated with the *Redevelopment Plan* have been estimated over the initial 20 years of operation of the proposed anchored shopping center. For the purpose of this report TDD revenues were estimated from 2003 through 2023.

Transportation Development District Revenue Projections

Taxable retail sales volumes for the proposed anchored shopping center were estimated based on consulting: 1) *Dollars & Cents of Shopping Centers* published by the Urban Land Institute; 2) data published by the International Council of Shopping Centers; 3) financial data published in the annual reports for publicly-held retailers and 4) the consultant's internal data base.

Based on these sources, annual retail sales were estimated at \$200 per square foot for the shop space; \$275 to \$375 per square foot for the fast food restaurants; and \$280 to \$350 per square foot for the sit-down restaurants. For the purpose of this analysis the anchor tenant space was assumed to be occupied by a home improvement or building materials retailer. Retail sales for this tenant type is expected to require a two year ramp-up period, garnering first year sales of \$23 million and stabilized sales of \$25 million in year two.

Retail sales were escalated at an average annual rate of 2.0 percent throughout the 20-year projection period. For the purpose of this report, TDD revenues are forecast to commence on October 1, 2004 upon completion of the shopping center and Lots 1-3. Meanwhile, Lots 4 and 5 are scheduled for completion on October 1, 2005 with the remaining Lots 6 and 7 completed by October 1, 2006.

As outlined in the table on page 9, total TDD revenues available to the *Redevelopment Plan* over the 20-year projection period have been estimated at \$2,428,459.

Conclusions

Based on the report findings total TIF and TDD revenues available to the *Redevelopment Plan* over the 20-year projection period have been estimated at \$18,819,831, including \$16,391,372 in TIF revenues and \$2,428,459 in TDD revenues. Consult the table on page 10 for annual TIF and TDD revenue forecasts from 2003 through 2023.

The TIF bond proceeds have been set at \$7,115,000. According to a debt service schedule prepared by Kirkpatrick Pettis, principal and debt service payments over the 20-year bond repayment period total \$11,756,625. The forecast TIF revenues of \$16,391,372 equates to an average debt service coverage of 138 percent. Therefore, this report concludes that the proposed TIF district is forecast to generate sufficient revenue throughout the 20-year repayment period to satisfy the TIF bond obligations.

The TDD bond proceeds have been set at \$1,050,000. According to a debt service schedule prepared by Kirkpatrick Pettis, principal and debt service payments over the 20-year bond repayment period total \$1,708,500. The forecast TDD revenues of \$2,428,459 equates to an average debt service coverage of 142 percent. Therefore, this report concludes that the proposed TDD district is forecast to generate sufficient revenue throughout the 20-year repayment period to satisfy the TDD bond obligations.

North Broadway Tax Increment Financing Plan TDD Revenue Projections

Year	Estimated Retail Sales							Estimated Retail Sales	TDD Revenue	
	Retail Center	Lot 1 Sit-down	Lot 2 Fast Food	Lot 3 Fast Food	Lot 4 Sit-down	Lot 5 Sit-down	Lot 6 Sit-down			Lot 7 Sit-down
2003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2004	7,813,550	441,088	122,874	141,778	0	0	0	0	8,519,290	\$21,298
2005	31,000,000	1,750,000	487,500	562,500	441,088	529,305	0	0	34,770,393	\$86,926
2006	33,160,000	1,785,000	497,250	573,750	1,750,000	2,100,000	396,979	529,305	40,792,284	\$101,981
2007	33,823,200	1,820,700	507,195	585,225	1,785,000	2,142,000	1,575,000	2,100,000	44,338,320	\$110,846
2008	34,499,664	1,857,114	517,339	596,930	1,820,700	2,184,840	1,606,500	2,142,000	45,225,086	\$113,063
2009	35,189,657	1,894,256	527,686	608,868	1,857,114	2,228,537	1,638,630	2,184,840	46,129,588	\$115,324
2010	35,893,450	1,932,141	538,239	621,045	1,894,256	2,273,108	1,671,403	2,228,537	47,052,180	\$117,630
2011	36,611,319	1,970,784	549,004	633,466	1,932,141	2,318,570	1,704,831	2,273,108	47,993,223	\$119,983
2012	37,343,546	2,010,200	559,984	646,136	1,970,784	2,364,941	1,738,927	2,318,570	48,953,088	\$122,383
2013	38,090,417	2,050,404	571,184	659,058	2,010,200	2,412,240	1,773,706	2,364,941	49,932,150	\$124,830
2014	38,852,225	2,091,412	582,608	672,240	2,050,404	2,460,485	1,809,180	2,412,240	50,930,793	\$127,327
2015	39,629,270	2,133,240	594,260	685,684	2,091,412	2,509,694	1,845,364	2,460,485	51,949,409	\$129,874
2016	40,421,855	2,175,905	606,145	699,398	2,133,240	2,559,888	1,882,271	2,509,694	52,988,397	\$132,471
2017	41,230,292	2,219,423	618,268	713,386	2,175,905	2,611,086	1,919,916	2,559,888	54,048,165	\$135,120
2018	42,054,898	2,263,812	630,633	727,654	2,219,423	2,663,308	1,958,315	2,611,086	55,129,128	\$137,823
2019	42,895,996	2,309,088	643,246	742,207	2,263,812	2,716,574	1,997,481	2,663,308	56,231,711	\$140,579
2020	43,753,916	2,355,270	656,111	757,051	2,309,088	2,770,905	2,037,430	2,716,574	57,356,345	\$143,391
2021	44,628,994	2,402,375	669,233	772,192	2,355,270	2,826,324	2,078,179	2,770,905	58,503,472	\$146,259
2022	45,521,574	2,450,422	682,618	787,636	2,402,375	2,882,850	2,119,743	2,826,324	59,673,541	\$149,184
2023	46,432,005	2,499,431	696,270	803,389	2,450,422	2,940,507	2,162,137	2,882,850	60,867,012	\$152,168
Total										\$2,428,459

Source: Canyon Research Southwest, Inc.; November 2003.

**North Broadway Tax Increment Financing Plan
Projected TIF & TDD Revenue Revenues**

Year	PILOTS 100%	EATS 50%	Total TIF Revenues	TDD Revenues	Total Revenues
2003	\$0	\$0	\$0	\$0	\$0
2004	\$0	\$33,713	\$33,713	\$21,298	\$55,011
2005	\$0	\$155,780	\$155,780	\$86,926	\$242,706
2006	\$410,326	\$183,782	\$594,108	\$101,981	\$696,089
2007	\$506,180	\$200,271	\$706,451	\$110,846	\$817,297
2008	\$618,499	\$204,394	\$822,893	\$113,063	\$935,956
2009	\$618,499	\$208,600	\$827,099	\$115,324	\$942,423
2010	\$638,335	\$212,890	\$851,225	\$117,630	\$968,855
2011	\$638,335	\$217,266	\$855,601	\$119,983	\$975,584
2012	\$658,765	\$221,730	\$880,495	\$122,383	\$1,002,878
2013	\$658,765	\$226,282	\$885,047	\$124,830	\$1,009,877
2014	\$679,808	\$230,926	\$910,734	\$127,327	\$1,038,061
2015	\$679,808	\$235,663	\$915,471	\$129,874	\$1,045,345
2016	\$701,483	\$240,494	\$941,977	\$132,471	\$1,074,448
2017	\$701,483	\$245,422	\$946,905	\$135,120	\$1,082,025
2018	\$723,808	\$250,448	\$974,256	\$137,823	\$1,112,079
2019	\$723,808	\$255,575	\$979,383	\$140,579	\$1,119,962
2020	\$746,802	\$260,805	\$1,007,607	\$143,391	\$1,150,998
2021	\$746,802	\$266,139	\$1,012,941	\$146,259	\$1,159,200
2022	\$770,487	\$271,580	\$1,042,067	\$149,184	\$1,191,251
2023	\$770,487	\$277,129	\$1,047,616	\$152,168	\$1,199,784
Totals	\$11,992,482	\$4,398,890	\$16,391,372	\$2,428,459	\$18,819,831

Notes: Columns may not add due to rounding.

Source: Canyon Research Southwest, Inc.; November 2003.

ADDENDA

EXHIBIT A

TIF Revenue Assumptions

2002 Ad Valorem Mill Levies

Taxing District	Mill Levy	Levies Subject to TIF
State	1.5000	0.0000
County	34.8770	34.8770
City	42.2050	42.2050
USD 250	49.4220	29.4220
Totals	128.0040	106.5040

Market Values

Project Component	Base	Market Value	Incremental Increase
Retail Center	\$0	\$12,113,605	
Lot 1 - Sit-down Rest.	0	1,500,000	
Lot 2 - Fast Food	0	1,700,000	
Lot 3 - Fast Food	0	1,700,000	
Lot 4 - Sit-down	0	1,500,000	
Lot 5 - Sit-down	0	2,100,000	
Lot 6 - Sit-down	0	1,350,000	
Lot 7 - Sit-down	0	2,250,000	
Total Market Value	\$1,602,860	\$24,213,605	\$22,610,745
Annual Value Appreciation Rate		1.50%	

Forecast Year 1 Retail Sales

Retail Components	Square Feet	Sales Per Sq. Ft.	Total Sales
Anchor Tenant*	102,513		\$23,000,000
Shops	40,000	\$200	\$8,000,000
Lot 1	5,000	\$350	\$1,750,000
Lot 2	1,500	\$325	\$487,500
Lot 3	1,500	\$375	\$562,500
Lot 4	5,000	\$350	\$1,750,000
Lot 5	7,000	\$300	\$2,100,000
Lot 6	4,500	\$350	\$1,575,000
Lot 7	7,500	\$280	\$2,100,000
Total Retail Sales			\$33,237,500

Notes: * Denotes 2-year ramp-up in retail sales (Year 2: \$25,000,000).

Sales Tax Rate

Tax District	Tax Rate	TIF Share
City	0.500%	0.250%
County (City portion)	0.430%	0.215%
Total Tax Rate	0.930%	0.465%

Canyon Research Southwest, Inc,

EXHIBIT B

Canyon Research Southwest, Inc., Client Roster

CLIENT ROSTER

During its period of operation, Canyon Research Southwest, Inc. has provided real estate consulting services for a number of leading organizations including:

Abigail Properties
Appraisal Technology, Inc.
Arizona Attorney General's Office
Arizona Cardiology Group
Arizona State Land Department
Aspen Enterprises
Bain & Company, Inc. (Boston, Massachusetts)
Bashas' Markets, Inc.
Baxter Corporation (Chicago, Illinois)
Beardsley Miller (Denver, Colorado)
Berg Corporation (Houston, Texas)
Belz-Burrow (Jonesboro, Arkansas)
Biskind, Hunt & Taylor
Brook Group
Browning-Ferris Industries
Burch & Cracchiolo PA
Burke Hansen, Inc.
CB Commercial
Cavan Real Estate Investments
Church of Jesus Christ of Latter Day Saints
Circle G Development
City of Belton, Missouri
City of Fenton, Missouri
City of Glendale Economic Development Department
City of Independence, Missouri
City of Lee's Summit, Missouri
City of Liberty, Missouri
City of Osage Beach, Missouri
City of Mesa Economic Development Department
City of Mesa Real Estate Services
City of Phoenix Economic Development Department
City of Phoenix Real Estate Department
City of Tucson Community Services Department
City of Warsaw, Missouri
City of Webster Grove, Missouri
Danny's Family Car Wash
Diamond Ventures (Tucson, AZ)
DMB Associates, Inc.
DMJM Arizona, Inc.

Canyon Research Southwest, Inc,

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Ebert & Rehorn
Ellman Companies
Gammage & Burnham
W.M. Grace Development
Greenberg & Associates, Inc. (Tucson, Arizona)
Greystone Group (Newport Beach, California)
Hanford/Healy Advisory Company
Heyl Corp
Holiday Hospitality Corporation (Atlanta, Georgia)
JPI Develop
Kaiser Permanente (Oakland, California)
Kansas City Tourism District (Kansas City, Kansas)
LandGrant Development (San Diego, California)
Landmark Organization, Inc. (Austin, Texas)
Lee's Summit Economic Development Council (Lee's Summit Missouri)
Lewis and Roca
Lincoln Property Company
Marriott International, Inc. (Washington, D.C.)
AJ Martinez & Associates (Prescott, Arizona)
MCO Properties
Microtel Inns
Miller, Klutznick, Davis, Gray (Denver, Colorado)
Navajo Nation Division of Economic Development
Northern Trust Bank
Opus West Corporation
Pederson Group, Inc.
Phelps Dodge Corporation
Pivotal Group
Pizza Hut (Denver, Colorado)
Pulte Home Corporation
Ralph J. Brekan & Company
RED Capital Development (Kansas City, Missouri)
River Run Development (Boise, Idaho)
Royal Properties (Champaign, Illinois)
Ryanco, Inc. (Aspen, Colorado)
Stern Brothers (Kansas City, Missouri)
SWD Holdings, Inc. (San Francisco, California)
Tetra Tech, Inc. (Tucson, Arizona)
The Innova Group Tucson
The University of Arizona Department of Economic Development
The University of Arizona Medical Center
Touchstone Community Inc.
Tucson Realty (Tucson, Arizona)
Union Homes (Salt Lake City, Utah)
United Properties
USbancorp Piper Jaffray (Kansas City, Missouri)
Wal-Mart, Inc. (Bentonville, Arkansas)
Canyon Research Southwest, Inc,

Waste Management
Westinghouse Communities
Wolfswinkel Group
Yavapai-Apache Nation (Camp Verde, Arizona)

EXHIBIT C

Resume of Eric S. Lander, Principal
Canyon Research Southwest, Inc.

EDUCATION

In May, 1981, Mr. Lander received a B.S. in Marketing from the Arizona State University College of Business Administration. He attended Arizona State University from September 1977 to May 1981, and received honors status for his superior cumulative grade point average. During this time, he was an active member of the Marketing Club and National AMA as well as a participant in several research projects involving both local and national firms. In May, 1992, Mr. Lander received a Masters in Real Estate Development and Investment from New York University, graduating with honors.

BUSINESS EXPERIENCE

Canyon Research Southwest, Inc. President (October 1984 to Present)

Established Canyon Research Southwest, Inc. as a multi-disciplined real estate consulting firm designed to provide comprehensive research and analysis to the development, financial, investment, and municipal communities. Responsibilities include direct marketing, project management, staffing, and client relations. The firm has performed in excess of 400 major consulting assignments with over 75 local and national clients. Fields of expertise include market and feasibility analysis of large-scale master planned communities, freeway oriented mixed-use projects, retail centers, office complexes, business parks, and hotels. Additional services include fiscal impact studies, property valuation, and development plan analysis.

Mountain West Research

Associate (December 1988 to January 1990)
Senior Consultant (October 1983 to October 1984)

Assisted in managing the Commercial Real Estate Services Division of Mountain West, Arizona's largest real estate and economic development consulting firm. Responsibilities included direct marketing, personnel management, client relations, and consulting on large-scale commercial, office, industrial, and hotel projects. Also contributed to several real estate publications and assisted in the management and marketing of the firm's commercial, office, and industrial (COI) data base.

Iloff, Thorn & Company

Marketing Assistant (January 1982 to December 1983)

Joined Iloff, Thorn & Company during its infancy and became solely responsible for providing in-house marketing support services to its commercial real estate brokers. These services included demographic research, office/industrial/retail market studies, raw land sales packages, site selection analysis, client relations, and property research. Major accomplishments included establishing and implementing office and industrial absorption studies, devised central office market and available raw land files, and organized the development of an industrial/retail map. Also, during this time, Mr. Lander obtained a real estate sales license and became involved in commercial brokerage activities.

RANGE OF EXPERIENCE

In 1987, Mr. Lander, in cooperation with the Drachman Institute of Regional Land Planning, published a working paper titled "Land Development as Value Added in the Development Process and Appropriate Criteria to Rank Sites for Selection of Master Planned Satellite Communities." Since the publication of this working paper, Mr. Lander has conducted numerous market feasibility studies on existing and proposed, large-scale, master planned communities in the Southwestern United States, totaling over 80,000 acres. The working paper was also evaluated and utilized by such prestigious universities as Harvard, M.I.T. and the University of North Carolina as part of their Masters program in Real Estate, City and Regional Planning, and Business.

Designed and managed the East Valley Retail Guide, a survey which tracked tenant movement, development activity, and project characteristics for retail centers in excess of 10,000 square feet. The study was utilized by brokers, developers, and property management firms in evaluating the performance of their individual properties and designing marketing strategies. Mr. Lander is also the author of the Metropolitan Phoenix Area Master Planned Community Analysis which is published bi-annually. The report tracks the residential and commercial development activity for 75 existing master planned communities as well as inventory all proposed master planned communities within the metropolitan Phoenix area.

From 2001 through 2003 taught classes in Real Estate Market Analysis and Commercial Property Valuation for the Commercial Real Estate Institute.

Developed multi-variable industrial demand and construction model for the metropolitan Phoenix market and its various submarkets. Key variables of the model included employment growth and composition, average employee space requirements by employment sector and building type, current inventory of total and unoccupied industrial space, anticipated level of obsolescence, and forecasted vacancy rate by the end of the projection period. The model also segregated demand and tenant profile by product type.

Participated in the planning effort of several freeway-oriented, commercial projects anchored by regional malls, business parks, office complexes, and hotels. Recommended land use mix, product allocations and positioning, phasing schedule, marketing plan, and projected absorption.

Developed a model designed to evaluate and rank the development potential of freeway interchanges. The methodology for ranking freeway properties is based on twenty-five (25) development criteria which provide a framework to efficiently compare the strengths and weaknesses of various freeway sites. Seven (7) criteria have been established which apply to metropolitan area economics and development environment, five (5) criteria evaluate the region influenced by the presence of the freeway in question, and thirteen (13) interchange and site-specific criteria are aimed at determining future real estate development opportunities. This model has been utilized in evaluating large-scale developments in the Phoenix, San Diego, Tucson and Albuquerque metropolitan areas.

BOND DEBT SERVICE

Development District Pittsburg
Tax Increment Bonds 04

Dated Date 03/01/2004
Delivery Date 03/01/2004

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2004	-	-	177,875	177,875
09/01/2005	-	-	355,750	355,750
09/01/2006	75,000	5.000%	355,750	430,750
09/01/2007	170,000	5.000%	352,000	522,000
09/01/2008	250,000	5.000%	343,500	593,500
09/01/2009	275,000	5.000%	331,000	606,000
09/01/2010	285,000	5.000%	317,250	602,250
09/01/2011	300,000	5.000%	303,000	603,000
09/01/2012	325,000	5.000%	288,000	613,000
09/01/2013	340,000	5.000%	271,750	611,750
09/01/2014	365,000	5.000%	254,750	619,750
09/01/2015	385,000	5.000%	236,500	621,500
09/01/2016	425,000	5.000%	217,250	642,250
09/01/2017	440,000	5.000%	196,000	636,000
09/01/2018	495,000	5.000%	174,000	669,000
09/01/2019	520,000	5.000%	149,250	669,250
09/01/2020	560,000	5.000%	123,250	683,250
09/01/2021	590,000	5.000%	95,250	685,250
09/01/2022	640,000	5.000%	65,750	705,750
09/01/2023	675,000	5.000%	33,750	708,750
	7,115,000		4,641,625	11,756,625

BOND SOLUTION

Development District Pittsburg
Tax Increment Bonds 04

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2004	-	177,875	177,875	-	-177,875	-
09/01/2005	-	355,750	355,750	155,780	-199,970	43.78918%
09/01/2006	75,000	430,750	430,750	594,108	163,358	137.92409%
09/01/2007	170,000	522,000	522,000	706,451	184,451	135.33544%
09/01/2008	250,000	593,500	593,500	822,893	229,393	138.65088%
09/01/2009	275,000	606,000	606,000	827,099	221,099	136.48498%
09/01/2010	285,000	602,250	602,250	851,225	248,975	141.34081%
09/01/2011	300,000	603,000	603,000	855,601	252,601	141.89071%
09/01/2012	325,000	613,000	613,000	880,495	267,495	143.63703%
09/01/2013	340,000	611,750	611,750	885,047	273,297	144.67462%
09/01/2014	365,000	619,750	619,750	910,734	290,984	146.95184%
09/01/2015	385,000	621,500	621,500	915,471	293,971	147.30024%
09/01/2016	425,000	642,250	642,250	941,905	299,655	146.65707%
09/01/2017	440,000	636,000	636,000	946,905	310,905	148.88443%
09/01/2018	495,000	669,000	669,000	974,256	305,256	145.62870%
09/01/2019	520,000	669,250	669,250	979,383	310,133	146.34038%
09/01/2020	560,000	683,250	683,250	1,007,607	324,357	147.47267%
09/01/2021	590,000	685,250	685,250	1,012,941	327,691	147.82065%
09/01/2022	640,000	705,750	705,750	1,042,067	336,317	147.65384%
09/01/2023	675,000	708,750	708,750	1,047,616	338,866	147.81178%
	7,115,000	11,756,625	11,756,625	16,357,584	4,600,959	

BOND SOLUTION

Development District Pittsburg
Transpo Development District 04

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2004	-	32,750	32,750	-	-32,750	-
09/01/2005	5,000	70,500	70,500	86,000	15,500	121.98582%
09/01/2006	25,000	90,250	90,250	101,981	11,731	112.99834%
09/01/2007	35,000	99,000	99,000	110,846	11,846	111.96566%
09/01/2008	35,000	97,250	97,250	113,063	15,813	116.26015%
09/01/2009	40,000	100,500	100,500	115,324	14,824	114.75025%
09/01/2010	45,000	103,500	103,500	117,630	14,130	113.65217%
09/01/2011	50,000	106,250	106,250	119,983	13,733	112.92518%
09/01/2012	55,000	108,750	108,750	122,383	13,633	112.53609%
09/01/2013	60,000	111,000	111,000	124,830	13,830	112.45946%
09/01/2014	65,000	113,000	113,000	127,327	14,327	112.67876%
09/01/2015	70,000	114,750	114,750	129,874	15,124	113.17996%
09/01/2016	75,000	116,250	116,250	132,471	16,221	113.95355%
09/01/2017	85,000	122,500	122,500	135,120	12,620	110.30204%
09/01/2018	90,000	123,250	123,250	137,823	14,573	111.82394%
09/01/2019	100,000	128,750	128,750	140,579	11,829	109.18757%
09/01/2020	105,000	128,750	128,750	143,391	14,641	111.37165%
09/01/2021	115,000	133,500	133,500	146,259	12,759	109.55730%
09/01/2022	125,000	137,750	137,750	149,184	11,434	108.30054%
09/01/2023	130,000	136,500	136,500	152,168	15,668	111.47839%
	1,310,000	2,174,750	2,174,750	2,406,236	231,486	