INDEPENDENCE
MISSOURI
A GREAT AMERICAN STORY

CITY COUNCIL Study Session

November 12, 2024
6:00 PM, Council Chambers - 111 E. Maple Ave.

To view a Council meeting agenda, visit https://independencemo.portal.civicclerk.com/ and select 'Most Recent Council Agenda'.

PRESENTATIONS

1. Independence Square Redevelopment Plan Final Report
2. General Obligation Bond Citizen's Advisory Committee Final Report
3. Independence Tourism Recommendations

INFORMATION ONLY

1. ***Please Note:*** *In accordance with RSMo. 610.021, the City Council may convene in an Executive Session during or after the meeting, in the Council Chambers and move to Conference Room D for the closed meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).*

CITY COUNCIL STUDY SESSION

RESHAPING THE SQUARE

INDEPENDENCE, MO

OVERVIEW AND SUMMARY REPORT

NOVEMBER 12, 2024

AGENDA

PURPOSE:

Review final master plan and redevelopment opportunities to guide future development.

AGENDA:

Process To Date – *"Research & Discovery"*

Development Strategy – *"Underpinnings of Success"*

- Master Business Plan
- Master Development Plan
- Master Economic Plan

Implementation – Now Let's *"Reshape the Square"*

RESHAPING THE SQUARE INDEPENDENCE, MO

PROCESS

March 2023 | RFP → September 2023 | Contract Approved → City formed Steering Committee → September 2023 – Fall 2024 | Master Plan Development

PROJECT TEAM:

- Copaken Brooks
- Olsson/Olsson Studio
- Tressere
- McGown Gordon

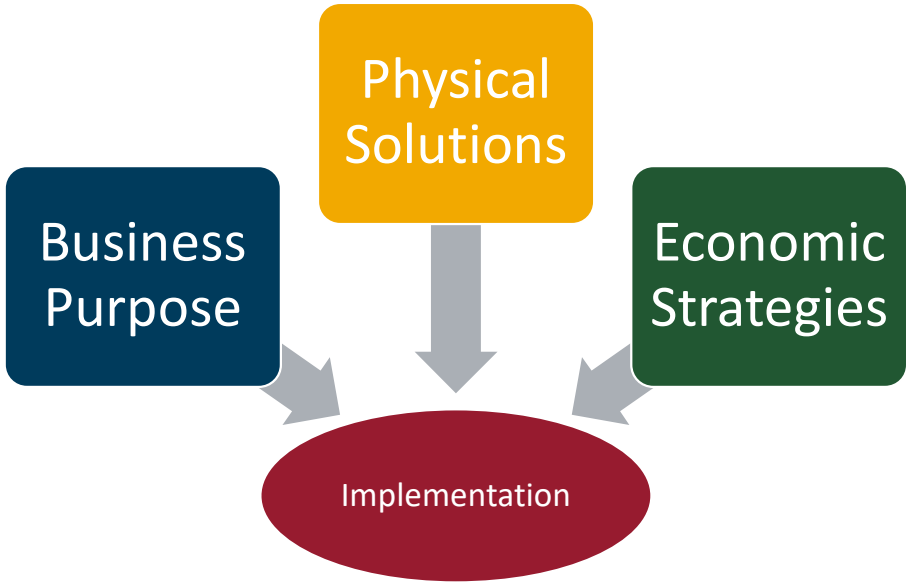
INCLUDES:

- City Council
- City Staff
- Planning Commission
- Civic Partners (e.g., Independence Square Association, Chamber of Commerce, Local Business Leaders)

RESHAPING THE SQUARE
INDEPENDENCE, MO

FOUNDATIONS OF THE PLAN – 2017 Downtown Citizen's Redevelopment Committee

Community driven redevelopment plans to, induce private investment and build an "Actionable Plan".



"Underpinnings of Success"

Interest and passion will lead to investment

RESHAPING THE SQUARE INDEPENDENCE, MO

MASTER BUSINESS PLAN

RESHAPING THE SQUARE

INDEPENDENCE, MO

MASTER BUSINESS PLAN

- AWARENESS & OWNERSHIP:
  - 2017 Citizen Downtown Redevelopment Committee acknowledged that the *Square District was underutilized*.
  - Elected Officials and Staff knew that it must *take control of development* in order to have a more prosperous future
  - Need for *professional assistance and guidance* to move forward
- WHY MASTER DEVELOPER:
  - Facilitate and cause *change in investment and economic vitality* of the Square District
  - Community recognized the depth and richness of the *"one-of-a-kind asset"* of the Square District
  - Change the trajectory of the Square district *leveraging the movement and return to an urban experience*
- OVERLAY DISTRICT to FACILIATE DEVELOPMENT:
  - Enable new investment with rezoning and a more *efficient development process*
  - Market Study indicates *target opportunities are Multifamily and/or Retail*; Play to your strengths

RESHAPING THE SQUARE INDEPENDENCE, MO

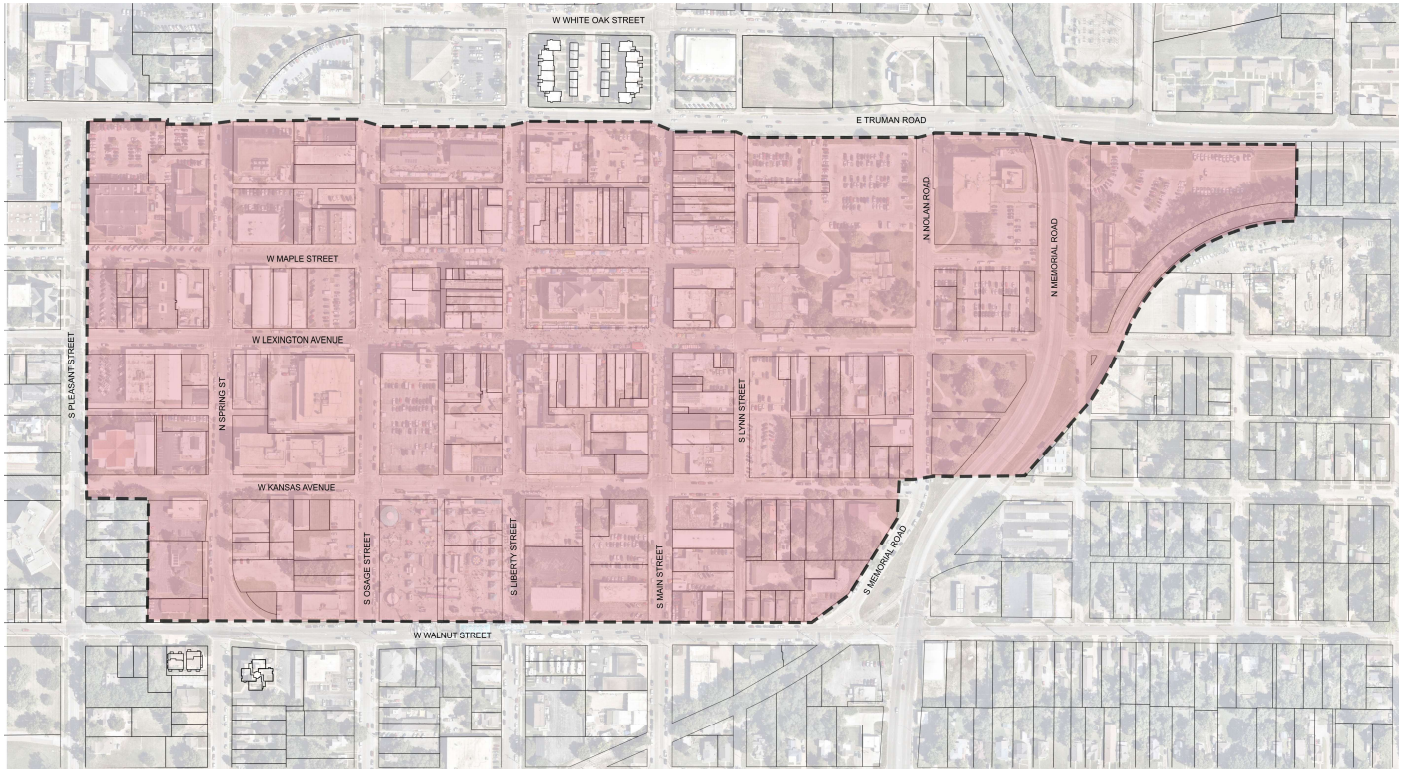
MASTER DEVELOPMENT PLAN

RESHAPING THE SQUARE

INDEPENDENCE, MO

PROJECT BOUNDARY

- Truman Road (north)
- Walnut Street (south)
- Noland Road (east)
- Pleasant Street (west)



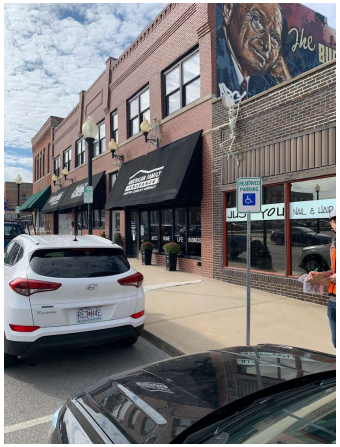
RESHAPING THE SQUARE
INDEPENDENCE, MO

OVERVIEW

- Downtown has many assets including;
  - Historic store fronts.....Confluence of the trails .....Truman Court House
- Relocation of City Hall and Police Headquarters creates new large scale development sites
- It is time to Reimagine, Repurpose and Revive the Heart of the Independence Community

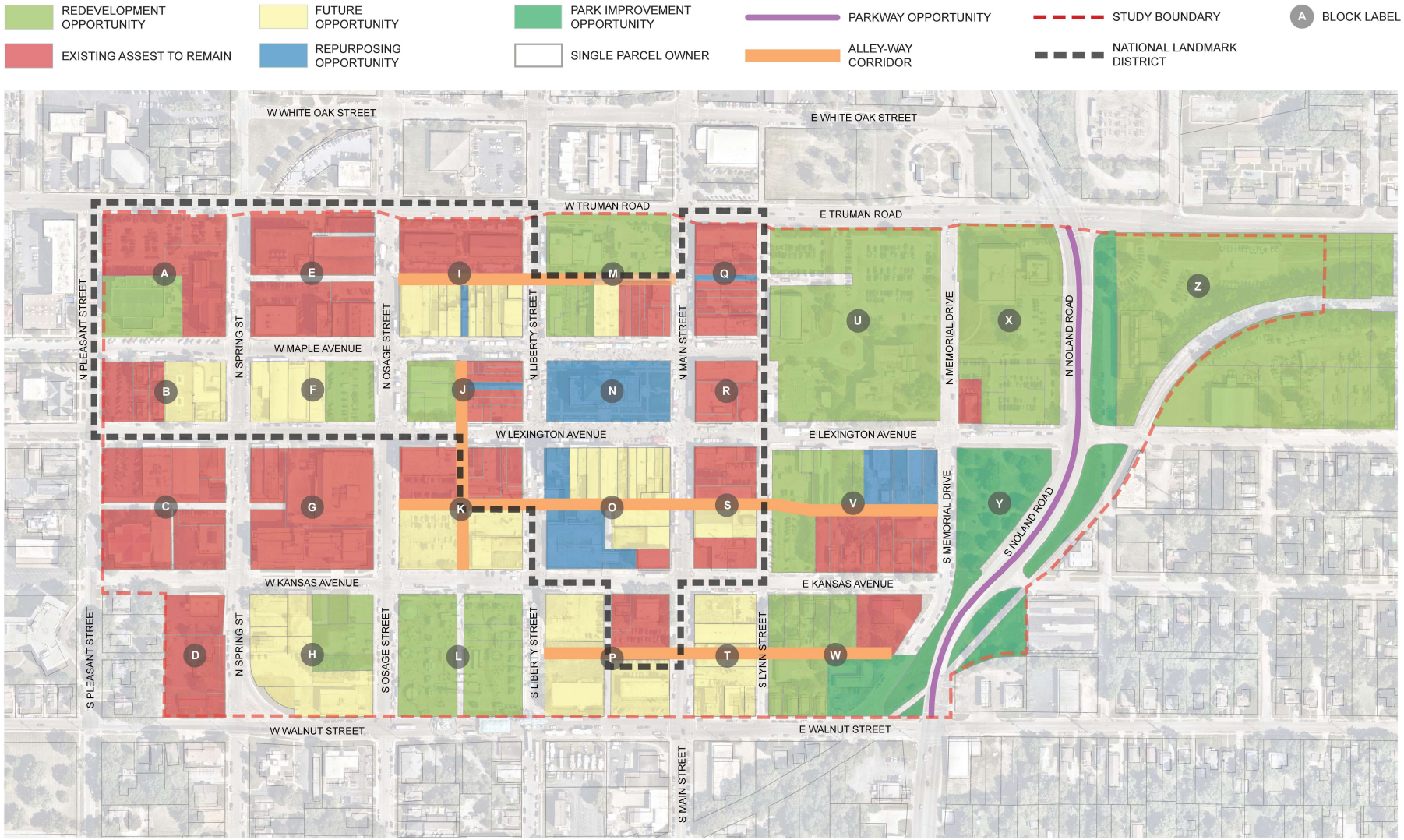




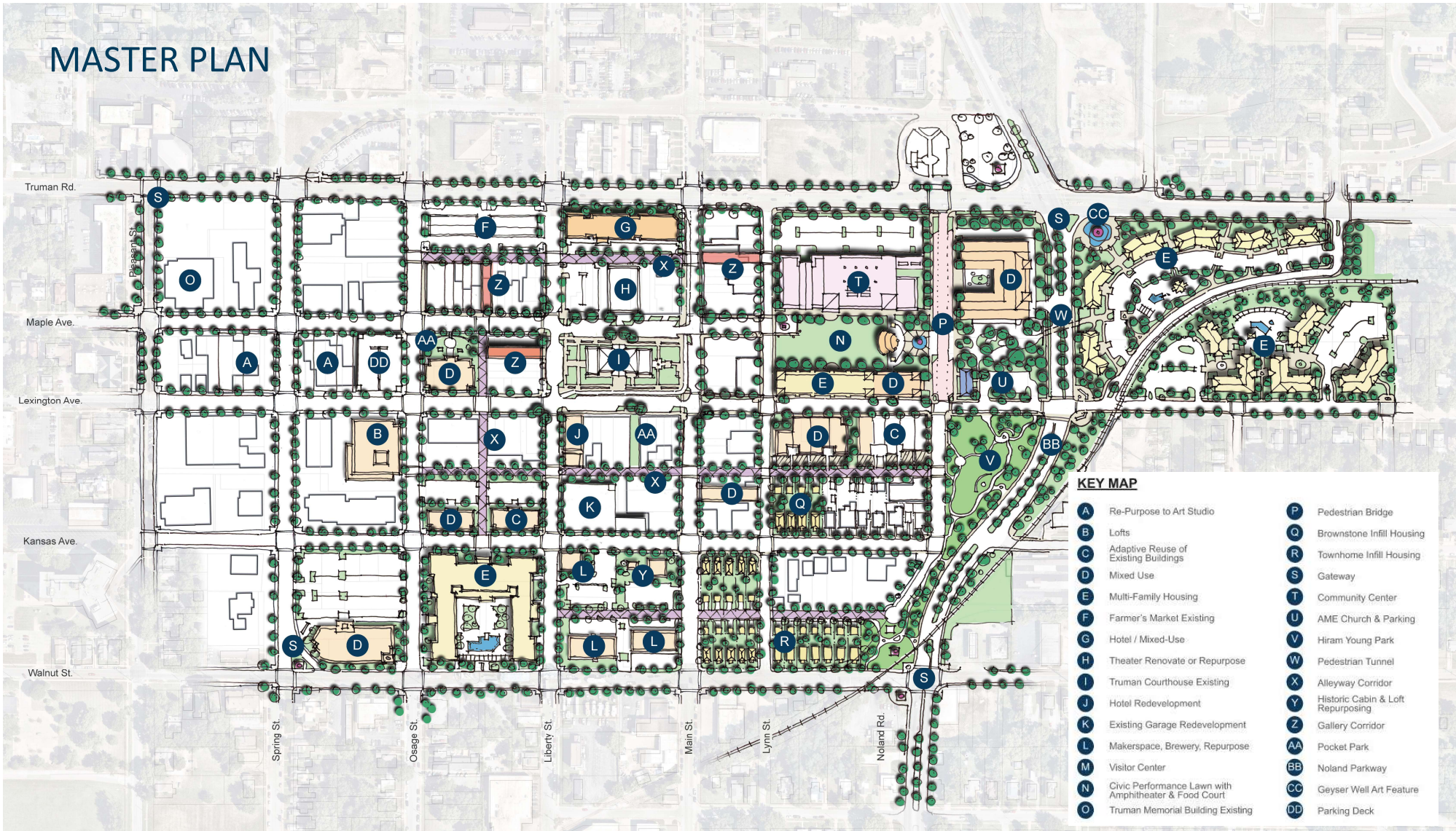


RESHAPING THE SQUARE
INDEPENDENCE, MO

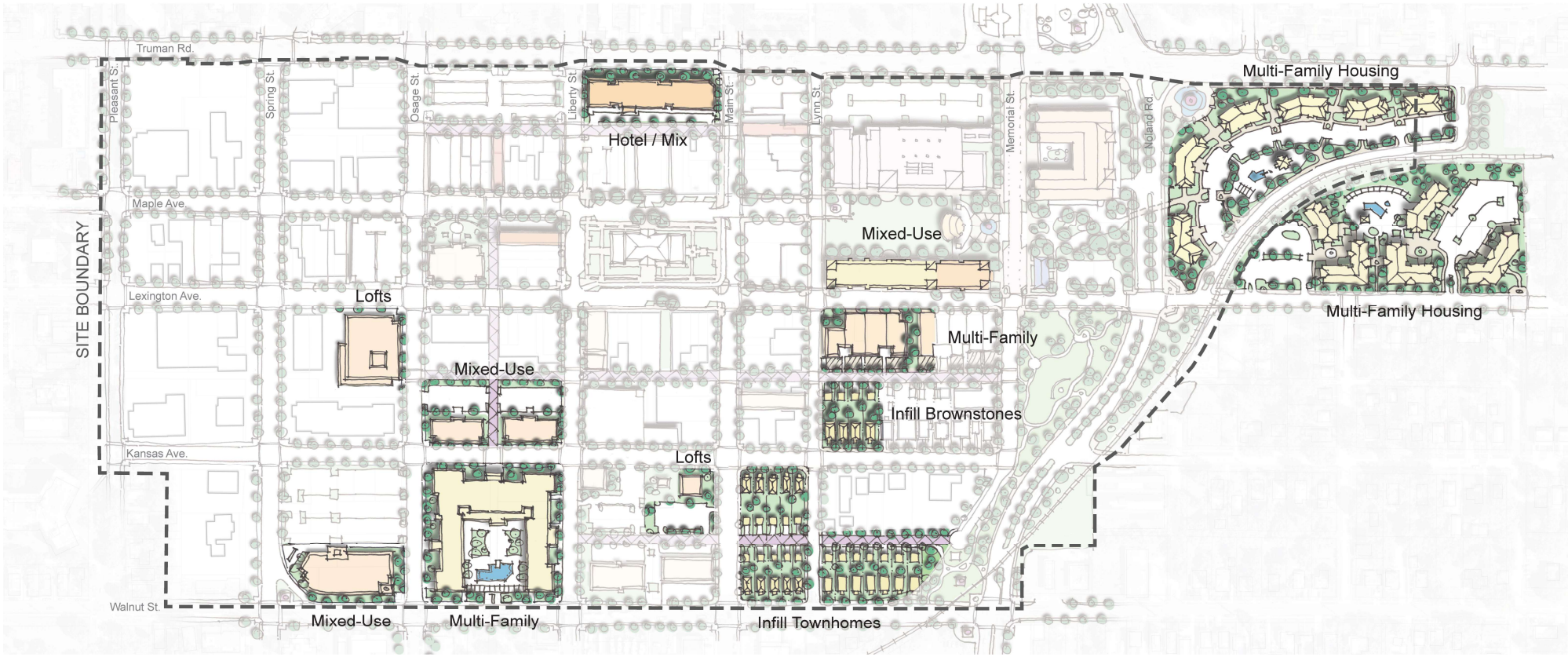
REDEVELOPMENT OPPORTUNITY PLAN



MASTER PLAN


Truman Rd.
Maple Ave.
Lexington Ave.
Kansas Ave.
Walnut St.
Pierce St.
Spring St.
Osage St.
Liberty St.
Main St.
Lynn St.
Noland Rd.
KEY MAP
A Re-Purpose to Art Studio
B Lofts
C Adaptive Reuse of Existing Buildings
D Mixed Use
E Multi-Family Housing
F Farmer's Market Existing
G Hotel / Mixed-Use
H Theater Renovate or Repurpose
I Truman Courthouse Existing
J Hotel Redevelopment
K Existing Garage Redevelopment
L Makerspace, Brewery, Repurpose
M Visitor Center
N Civic Performance Lawn with Amphitheater & Food Court
O Truman Memorial Building Existing
P Pedestrian Bridge
Q Brownstone Infill Housing
R Townhome Infill Housing
S Gateway
T Community Center
U AME Church & Parking
V Hiram Young Park
W Pedestrian Tunnel
X Alleyway Corridor
Y Historic Cabin & Loft Repurposing
Z Gallery Corridor
AA Pocket Park
BB Noland Parkway
CC Geyser Well Art Feature
DD Parking Deck

OPPORTUNITIES – COMMERCIAL DEVELOPMENT / INVESTMENT



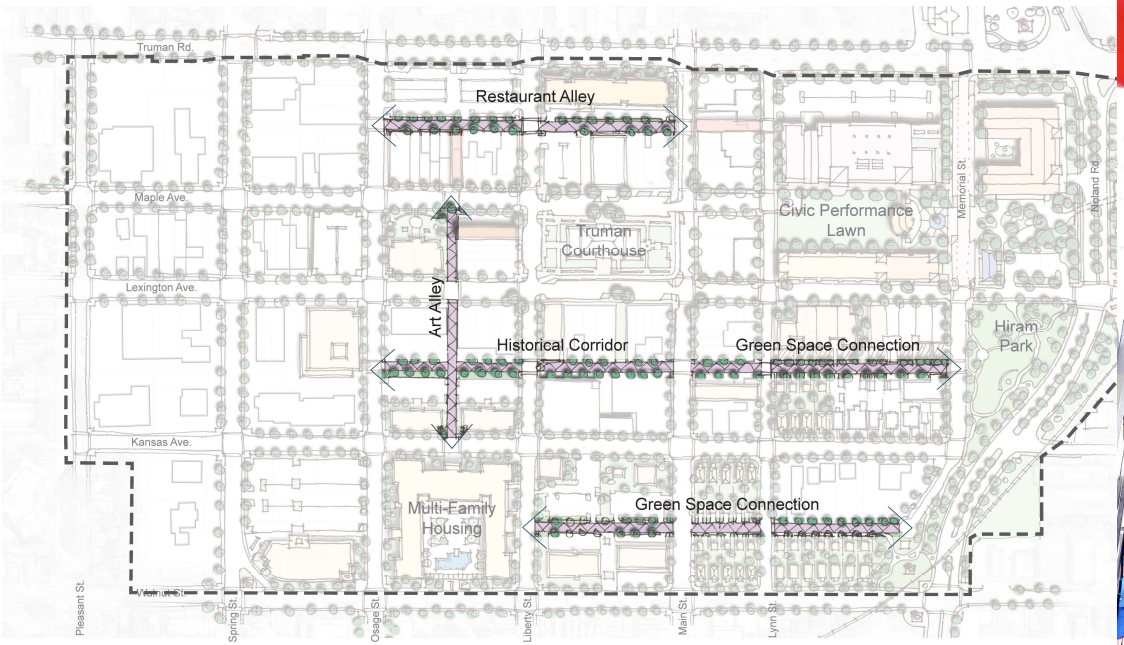
OPPORTUNITIES – GATEWAYS & WAYFINDING NODES







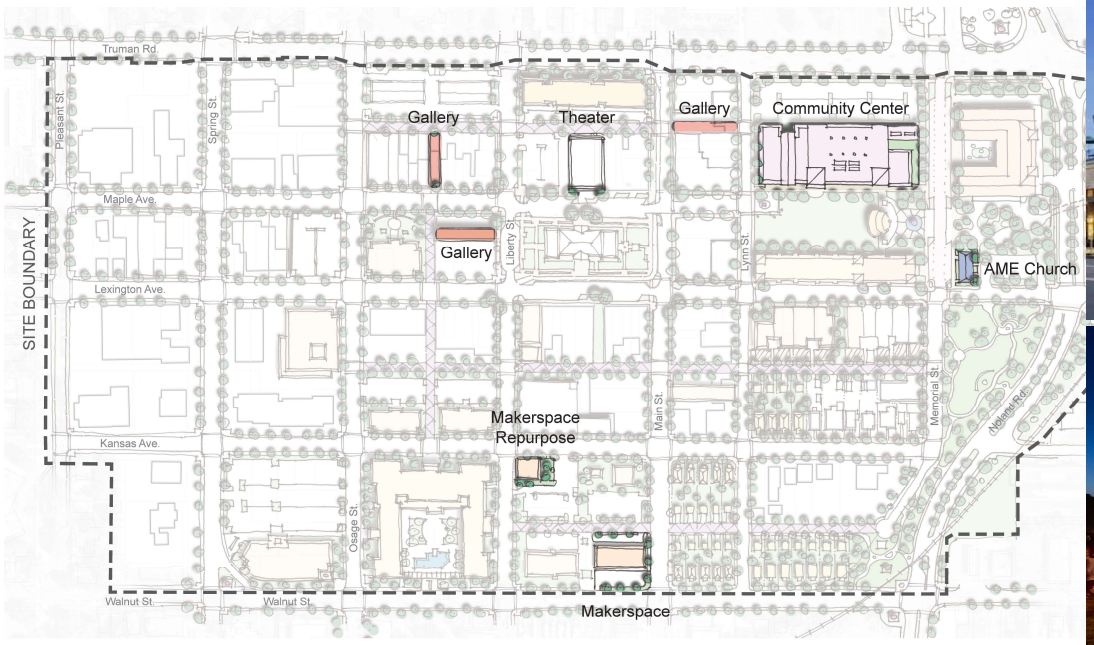
OPPORTUNITIES – CONNECTIONS & LINKAGE







OPPORTUNITIES – ARTS AND COMMUNITY AMENITIES



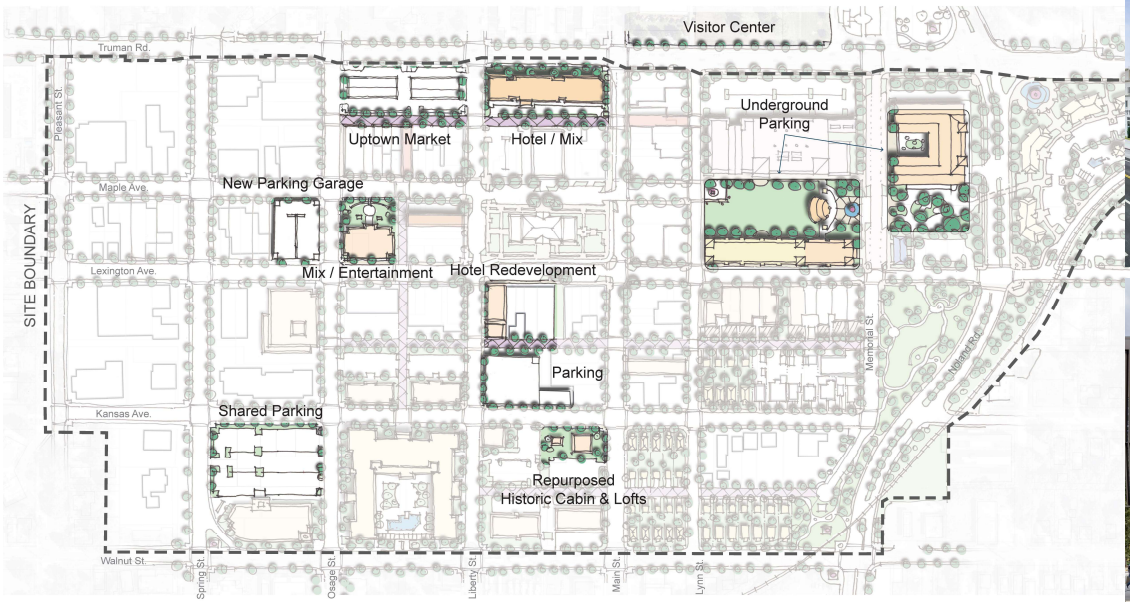


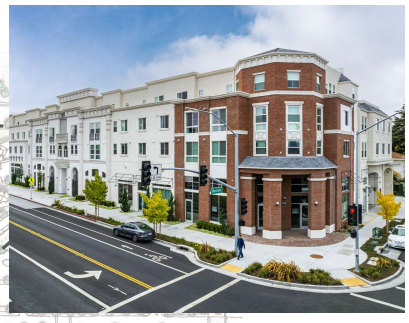






OPPORTUNITIES – ENTERTAINMENT & HOSPITALITY

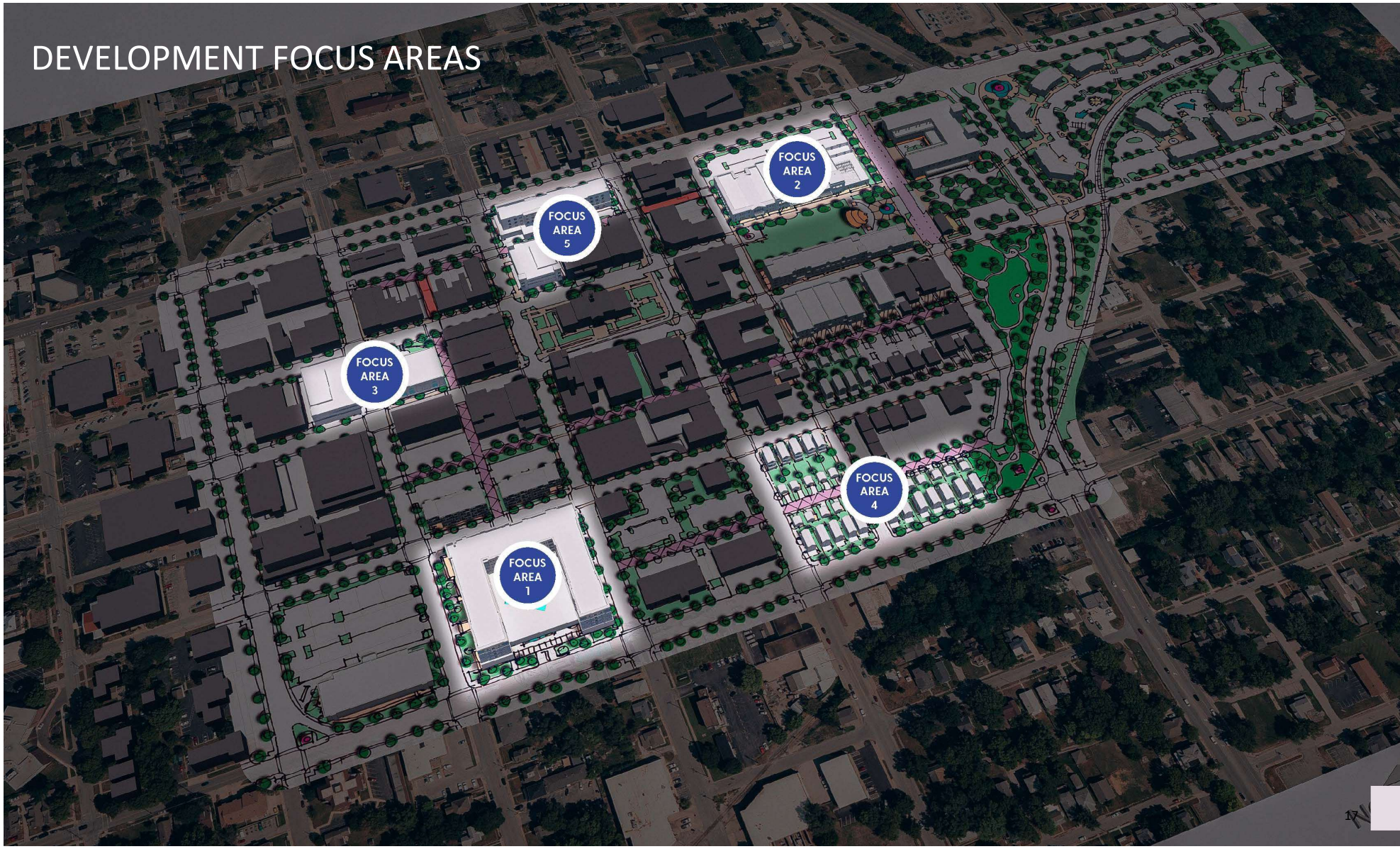








DEVELOPMENT FOCUS AREAS



FOCUS AREA 1 – MULTIFAMILY





FOCUS AREA 2 – INCREASED CIVIC OPPORTUNITIES WITH A COMMUNITY CENTER AND OPEN SPACE





FOCUS AREA 3 – ENTERTAINMENT AND PARKING





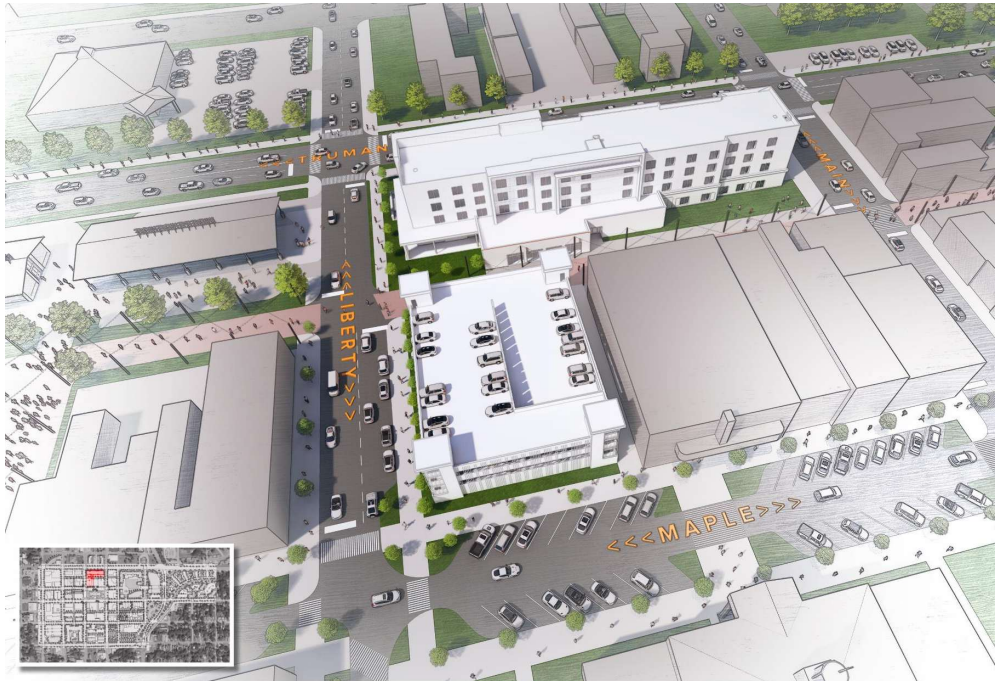
FOCUS AREA 4 – VARIETY OF RESIDENTIAL TYPES AND INFILL DEVELOPMENT





FOCUS AREA 5 – SUPPORT TOURISM WITH HOTELS, PARKING, AND COMMERCIAL INFILL





MASTER ECONOMIC PLAN

RESHAPING THE SQUARE

INDEPENDENCE, MO

MASTER ECONOMIC PLAN

PRIVATE INVESTMENT:

With a few exceptions, there has been *very little new Private Investment*

Private *investment responds to incentives*

Early adopters will *receive larger advantages*

PUBLIC INVESTMENT:

Community Center *funding through GO Bond issuance*

Development Agreements – *Utilize Standard Eco Devo Tools* , including

Tax Abatement, TIF Financing, Community Improvement Districts, Transportation Development Districts

INVESTMENT GOALS:

Various forms of City investment including the Community Center, Land Acquisition, Public Infrastructure are all required.

Public Investment will cause Private Investment

RESHAPING THE SQUARE INDEPENDENCE, MO

IMPLEMENTATION

RESHAPING THE SQUARE

INDEPENDENCE, MO

IMPLEMENTATION…….WHAT IS REQUIRED…….WHAT WE ARE ASKING FOR…….

LEADERSHIP FROM ELECTED OFFICIALS:

- Adopt this Master Plan, Amend Ordinances, Create Overlay District
- Engage in strategic land acquisition; Invest in utility infrastructure

COMMUNITY CENTER (Include in the GO Bond):

- Benefit to all age cohorts…….creating a “reason for coming to the Square”

BRAND DEVELOPMENT:

- Leverage the rich and storied history to expand awareness; Create “Cool” Factor

DEVELOPER OUTREACH:

- Solicit interest from regional development community

RESHAPING THE SQUARE INDEPENDENCE, MO

INDEPENDENCE DESERVES BETTER……

COMPARABLE COMMUNITIES:

Common belief is that “Our community does not deserve this……”

20 to 25 Years ago, both KCK and Lenexa wanted more, and they willed it to happen

WHY ARE WE HERE:

2017 Citizens Redevelopment Committee said we’ve had enough, and we want more…..

COMMUNITY CENTER:

Peer City’s acknowledge that Community Center’s drive overall satisfaction and external investment

Community Center has a multiplier effect; Urge funding through the GO Bond

NOW IS YOUR TIME:

You’ve done the hard work and realize that you want more. Nothing happens unless you start.

Your plan is a proactive-market driven plan that allows you to begin to change your future, ***RIGHT NOW!!!***

RESHAPING THE SQUARE INDEPENDENCE, MO

THANK YOU

RESHAPING THE SQUARE

INDEPENDENCE, MO

NOVEMBER 12, 2024

RESHAPING THE SQUARE

INDEPENDENCE, MO











Last Revised

November 12, 2024

ACKNOWLEDGMENTS

Mayor and City Council

Mayor Rory Rowland

John Perkins, Mayor Pro Tem, 1st District Councilmember

Jared Fears, At-Large Councilmember

Bridget McCandless, At-Large Councilmember

Brice Stewart, 2nd District Councilmember

Heather Wiley, 3rd District Councilmember

Jennie Vaught, 4th District Councilmember

City Planning Commission

Michael Young

Dan O'Neill

Edward Nesbitt

Eric Ashbaugh

Jose Torres

Laurie Dean Wilyey

Virginia Ferguson

Thank you

to everyone that contributed to the creation of this document and participated in the planning process. Your passion, thoughtfulness, time, technical expertise, and guidance were critical to the development of the

Reshaping the Square: *Independence, Missouri Redevelopment Plan.*

Steering Committee

Zachary Walker, *City Manager*

Charlie Dissell, Assistant City Manager

Lisa Reynolds, Assistant City Manager

Tom Scannell, *Community Development Director*

Morris Heide, *Director of Independence Parks, Recreation, and Tourism*

Laurie Dean Wiley, *Planning Commission*

John Perkins, *City Council*

Cindy Rogers, *Independence Square Association*

Jeff Rogers, *Independence Square Association*

Jodi Krantz, *Economic Development Partnership/Independence Chamber*

Matt Medley, *Independence Chamber*

Doug Cowan, *Independence Chamber*

Cindy McClain, *CEO/President of McClain Restaurant Group & CRM Stores*

Jennifer Goeke, *PGAV Architects*

Project Team

COPAKEN-BROOKS

Bill Crandall

Bret Gross

OLSSON STUDIO

Korey Schulz

Shelby Ferguson

Darren Varner

Cody Peratt

Taylor Goetzinger

Ken Boone

TESSERE

Chaz Pruente

Dan Pierce

MCCOWN GORDON

Luke Deets

Shawn Cross

TABLE OF CONTENTS

01 Master Plan 9

02 Master Economic Plan 73

03 Master Business Plan 77

04 Implementation Plan 85

Appendix A – Engagement Summary 93

Appendix B – Market and Economic Analysis 145

Appendix C - Parking Memo 209

Appendix D - Utility Plans 221

INTRODUCTION

The Redevelopment Plan

This plan is the apex of a lengthy process to begin important work and development to reinvigorate and revitalize downtown Independence and Reshape the Square and its vision for the future.

The City determined a need to redevelop downtown Independence, which has been the City's commercial center since the City was founded in 1827. The goals for the Plan include redevelopment and relocation of the National Frontier Trails Museum and the redevelopment of civic facilities such as City Hall, Justice Center, Community Center and amphitheater.

The redevelopment planning process is a result of recommendations from multiple planning efforts including Imagine Independence: Comprehensive Plan (2018); Downtown Streetscape Action Plan (2020); and Truman Connected Plan (2020).

The Plan culminated into a detailed vision and implementation to encourage consistent and sustainable future development within the Square District. Participation and input was gathered through a community and stakeholder driven process. This plan serves those interests and the overall future of downtown Independence and the Square District.

Content

This Plan contains the following sections:

Section 01: Master Plan

This section outlines the overall long-range look at development and redevelopment for the Square district. Detailing key elements to establish a sense of place for residents, visitors and patrons to gather and live.

Section 02: Master Economic Plan

This section provides a financial path to successfully implement *Section 01. Master Plan* through review and analysis of current municipal financial commitments.

Section 03: Master Business Plan

This section outlines a strategic and actionable framework to effectively implement *Section 01. Master Plan* through varies market sectors and demands.

Section 04: Implementation

A vital section and phase in the project, the Implementation Plan identifies recommendations, as well as immediate and short-term project to ensure ongoing success.

Appendix A: Engagement Summary

A detailed summary of opportunities, thoughts, ideas, and comments that became recommendations put forth in this Plan.

Appendix B: Market and Economic Analysis

The Market Analysis Summary focuses on the study of economic and market indicators of current retail, employment, and future development potential. This section provides recommendations to strengthen economic growth opportunities.

Appendix C: Parking Memo

The Parking Memo provides further detail and analysis into existing conditions and opportunities available to support future growth and redevelopment.

Appendix D: Utility Plans

To understand the existing infrastructure and future needs utility plans were reviewed and analyzed to determine preliminary improvements in key redevelopment areas.



[BLANK PAGE]

01
MASTER PLAN

RESHAPING THE SQUARE







MASTER PLAN

The overall Master Plan is a long-range look into the possibilities of restoring the Historical Downtown of Independence to an active center of living and commerce. At the very heart and center of the downtown Independence Courthouse Square, is the Truman Courthouse, named after Harry S Truman. This was Truman's hometown, also displaying the Truman Presidential Library and the resting place for both Harry and the First Lady Bess. The Courthouse is an architectural gem, used primarily for county functions and is the true landmark of downtown. It has defined its location on the square for over 188 years with many renovations and additions while being positioned at the confluence of the Santa Fe, California and Oregon Trails. Independence has been nicknamed the "Queen City of the Trails because of this point of departure to the trails.

The study area for the Master Plan is bounded by Pleasant Street to the west, Walnut Street to the south, Truman Road to the North and the railroad tracks to the East of Noland Road. Within this study area exists a National Landmarks District which centers around the Truman Courthouse from Pleasant Street to Lynn and from Kansas to Truman. Past redevelopment suggestions in this Landmark area focus more on facade upgrades, repurposing, or infill on empty lots with the intent of strengthening its historical architecture influence and style.

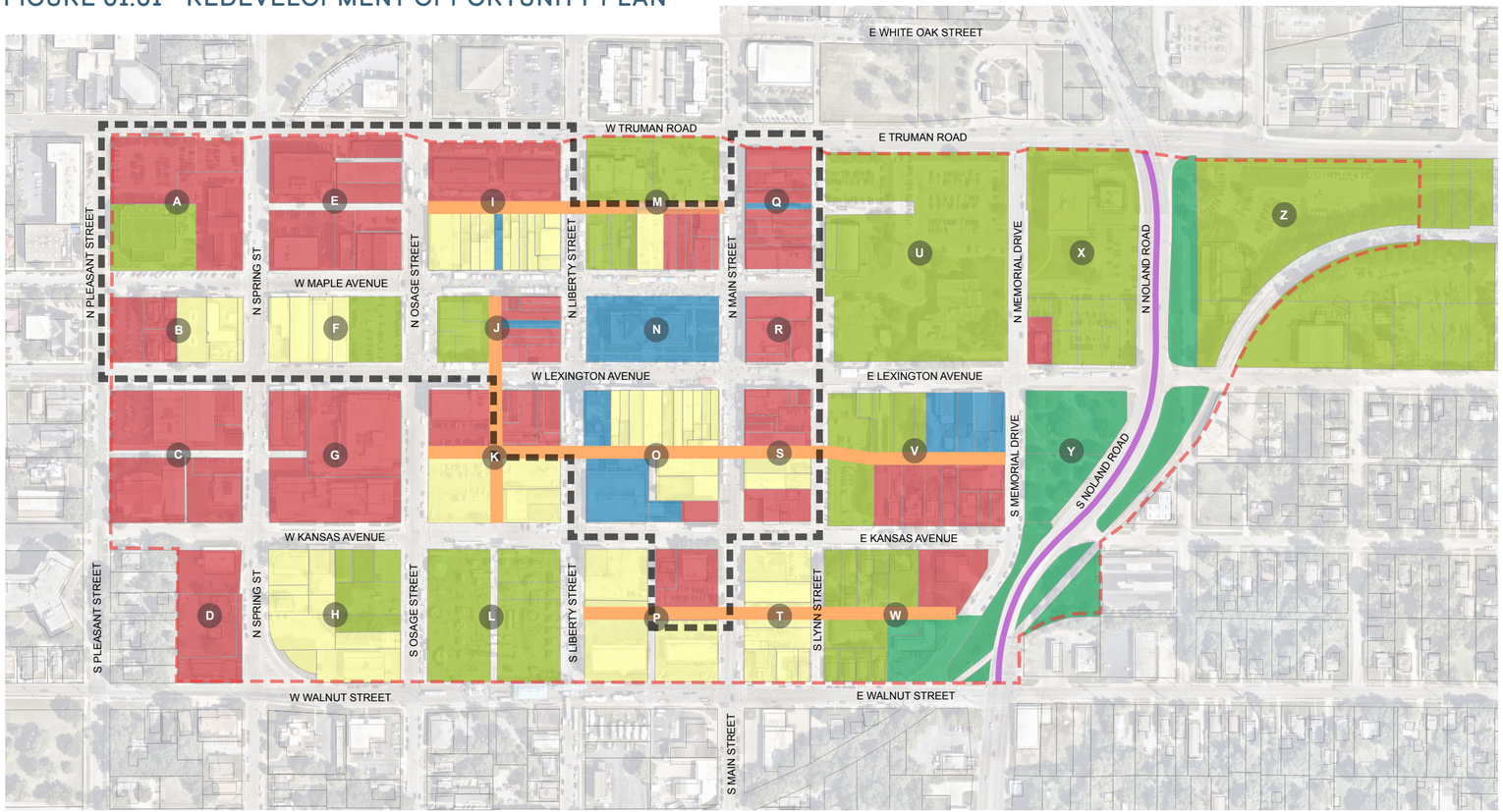
A good portion of the downtown consists of County and City government functions. These buildings, while highly important, limit the land area and general commercial traffic that may actually improve the economy. Concurrent with our master planning process is that the City has put into motion moving the current City Hall and Police station, opening up a large city block to the east of the Truman Courthouse and Square. This new land area combined with acquisition of a few additional pieces of property in this block could arguably create the most exciting new development in downtown Independence since the very beginnings of the Square. It is suggested to be a modern community/civic oriented space consisting of a new community center, museum, living spaces, grocery store marketplace, eateries, a large open flexible lawn with amphitheater and other small pop-up style commercial use. We see this block as a key player, establishing the next 100 years of a resurgent community, filled with new local business, entertainment and tourism.

For this Master Plan and economic effort, we have coined the term “Re-shaping the Square” as an appropriate reminder and respect to the importance of history as well as to depict a bold move into the future with a modern approach of new community, business and housing elements attracting a diversity of uses and users. The Master Plan first considers underutilized areas for redevelopment and then with eyes to the future concentrating on parcels that eventually become available or are acquired as economic conditions make it possible and responsible.

As with any master planning effort, we recognize that it will be years in the making, may require acquisition and relocation, and proposed uses could change based on new economic realities, new forms of entertainment, dining, etc. Some parts will be easier than others to achieve. Even small steps have impact. It is never without hard work, much debate and determination. The time is now to push forward and bring the Square back to life. Provide an environment the City and its residents are truly proud of as a new beginning. A vibrant, artistic, safe and bustling downtown filled with new residents, thriving eateries and entertainment where friends and family can enjoy their new surroundings. One that developers and small business owners aspire to be a part of and all while still showing off the history and architecture that is so unique to Independence. Ultimately, the plan represents an effort to get things done, build things that are meaningful, create jobs and bring more people and events to downtown. We are looking to inspire not only the doers but the resident base as a whole.

In the spirit of reimagining and reviving the heartbeat of downtown, our Master Plan and economic team views the new recommendations and ideas represented as a series of experiences which in their own way should aspire to cast an enduring light on the city and its new message. The following provides a passage through the downtown initially by car and ultimately by foot, the most granular and intimate way to discover the City and truly understand its story.

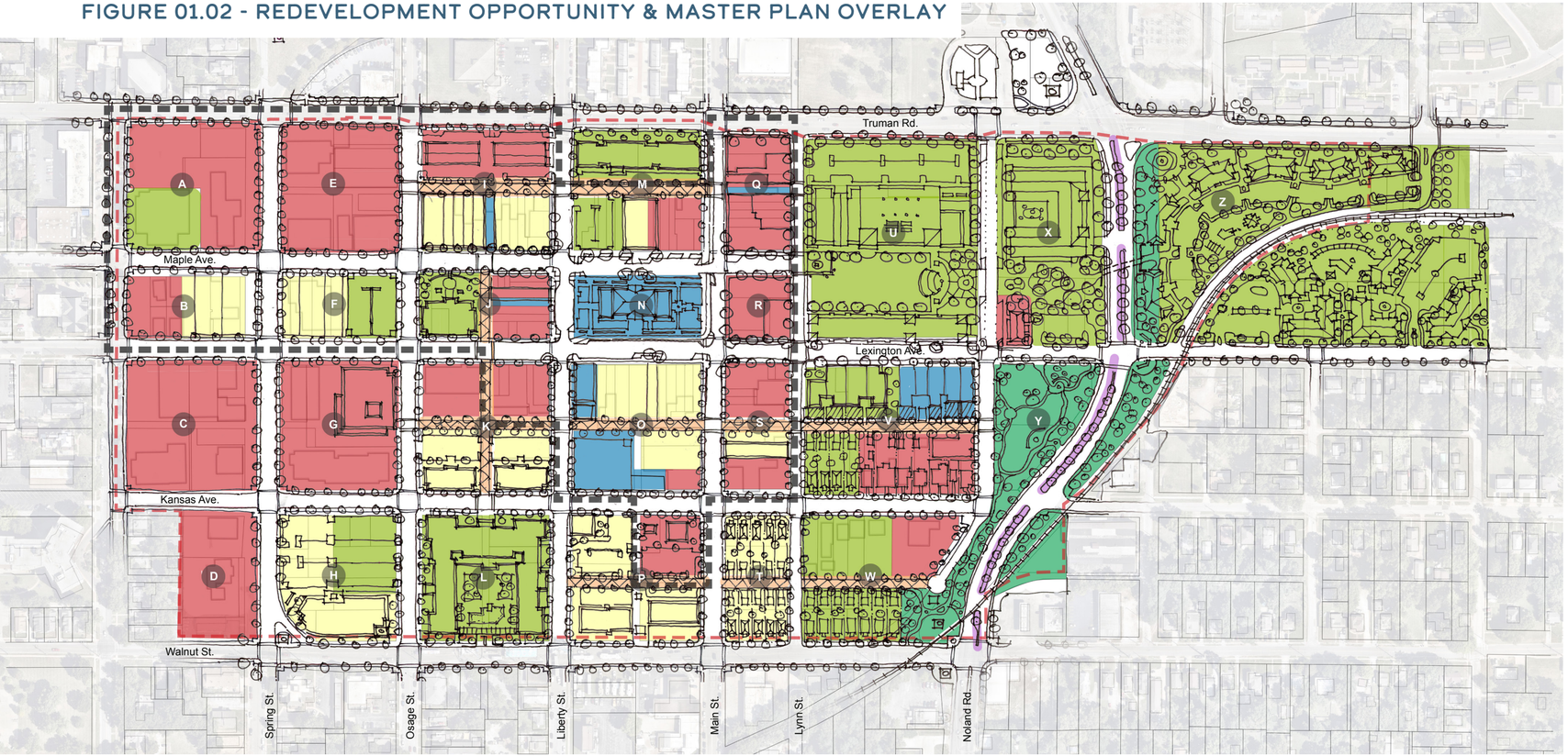
FIGURE 01.01 - REDEVELOPMENT OPPORTUNITY PLAN



LEGEND

- REDEVELOPMENT OPPORTUNITY
- EXISTING ASSEST TO REMAIN
- FUTURE OPPORTUNITY
- REPURPOSING OPPORTUNITY
- PARK IMPROVEMENT OPPORTUNITY
- SINGLE PARCEL OWNER
- PARKWAY OPPORTUNITY
- ALLEY-WAY CORRIDOR
- STUDY BOUNDARY
- NATIONAL LANDMARK DISTRICT
- (A) BLOCK LABEL

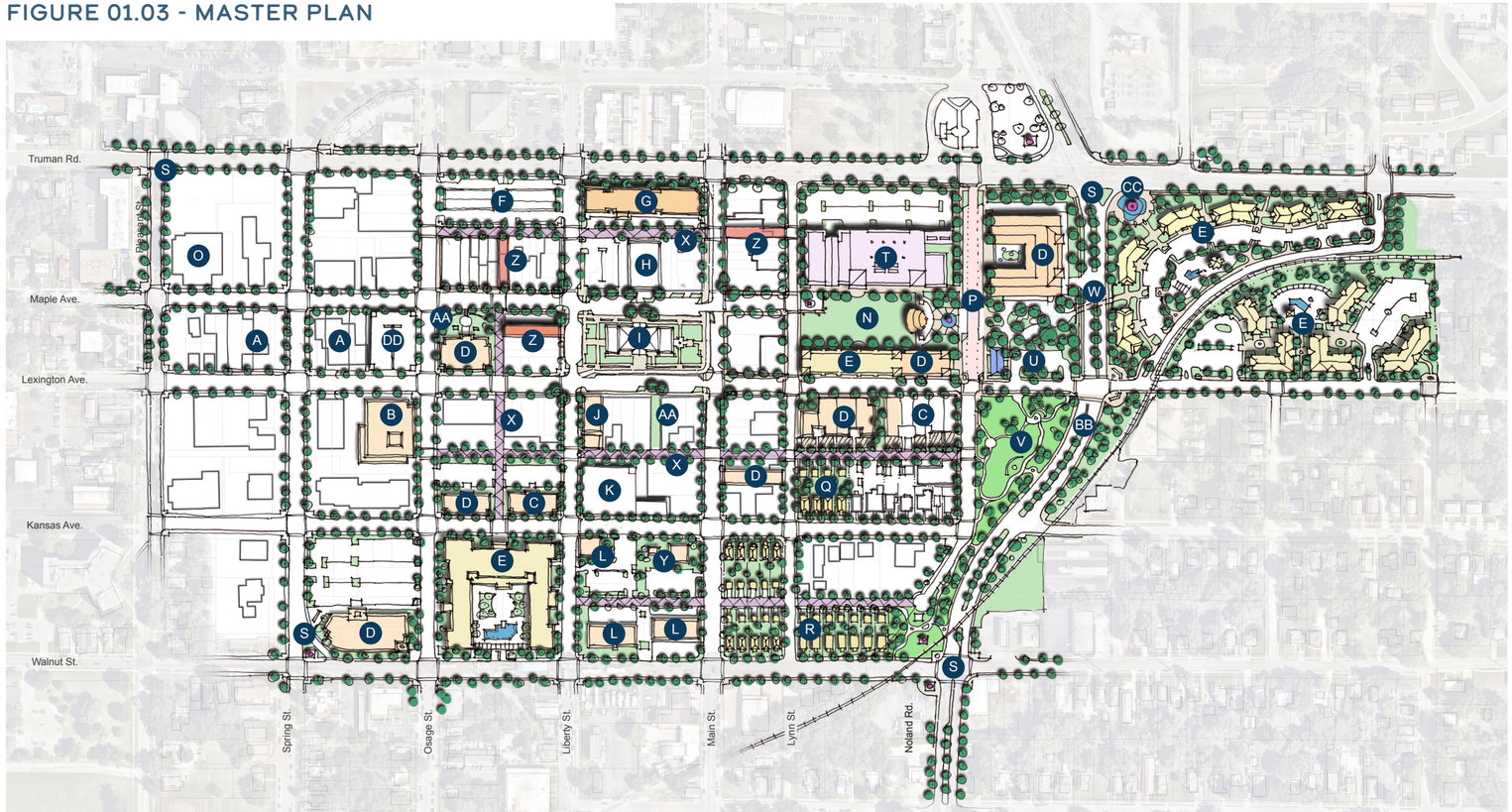
FIGURE 01.02 - REDEVELOPMENT OPPORTUNITY & MASTER PLAN OVERLAY



LEGEND

- REDEVELOPMENT OPPORTUNITY
- EXISTING ASSEST TO REMAIN
- FUTURE OPPORTUNITY
- REPURPOSING OPPORTUNITY
- PARK IMPROVEMENT OPPORTUNITY
- SINGLE PARCEL OWNER
- PARKWAY OPPORTUNITY
- ALLEY-WAY CORRIDOR
- STUDY BOUNDARY
- NATIONAL LANDMARK DISTRICT
- A BLOCK LABEL

FIGURE 01.03 - MASTER PLAN



KEY MAP

- A Re-Purpose to Art Studio
- B Lofts
- C Adaptive Reuse of Existing Buildings
- D Mixed Use
- E Multi-Family Housing
- F Farmer's Market Existing
- G Hotel / Mixed-Use
- H Theater Renovate or Repurpose
- I Truman Courthouse Existing
- J Hotel Redevelopment
- K Existing Garage Redevelopment
- L Makerspace, Brewery, Repurpose
- M Visitor Center
- N Civic Performance Lawn with Amphitheater & Food Court
- O Truman Memorial Building Existing
- P Pedestrian Bridge
- Q Brownstone Infill Housing
- R Townhome Infill Housing
- S Gateway
- T Community Center
- U AME Church & Parking
- V Hiram Young Park
- W Pedestrian Tunnel
- X Alleyway Corridor
- Y Historic Cabin & Loft Repurposing
- Z Gallery Corridor
- AA Pocket Park
- BB Noland Parkway
- CC Geyser Well Art Feature
- DD Parking Deck

FIGURE 01.04 - UTILITY OVERLAY

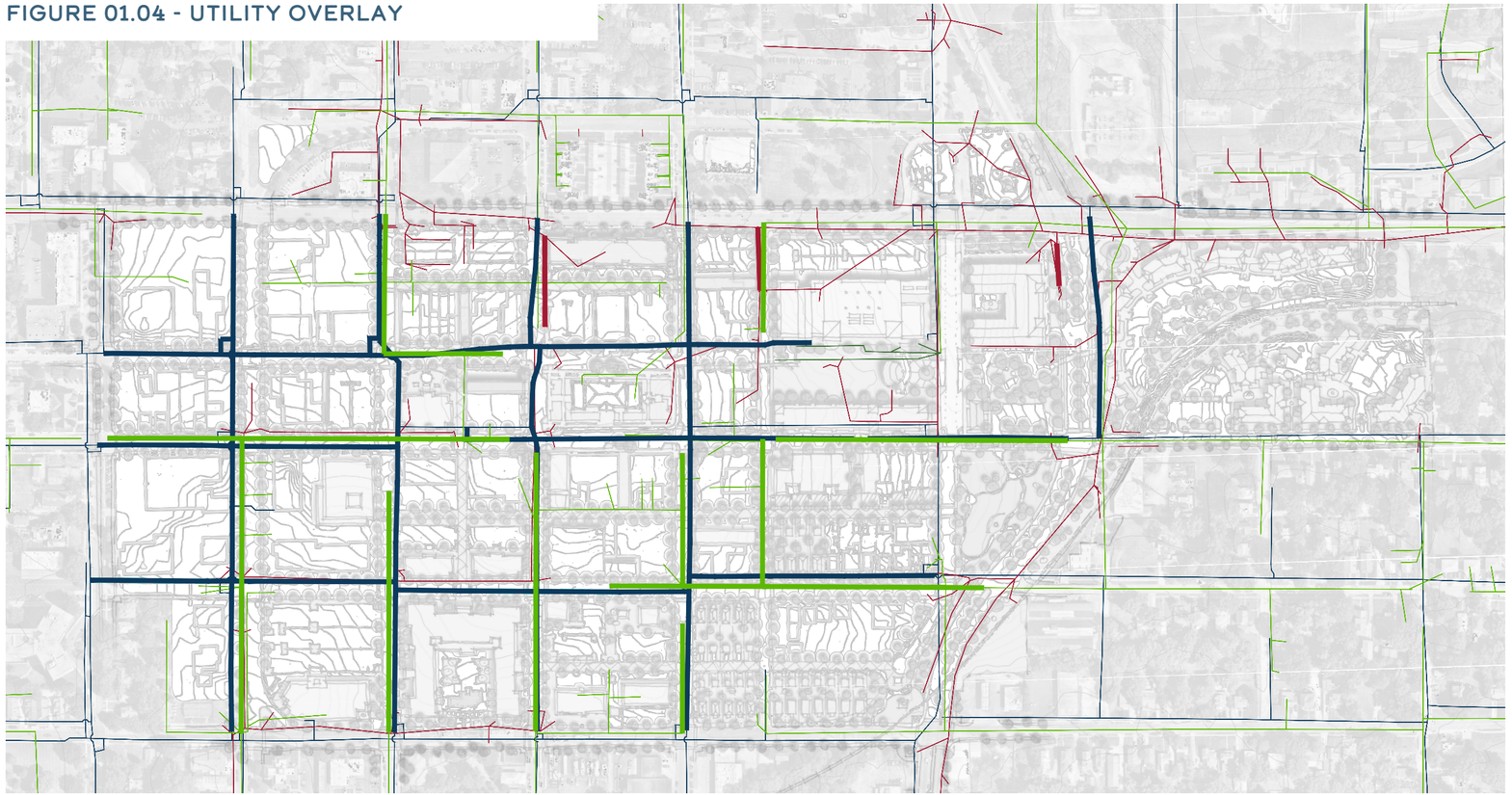


FIGURE 01.05 - FOCUS AREA SUMMARY

The ideas generated within the Plan focus on creating a diverse mix of land uses that will enhance density, generate new opportunities, and promote entertainment and tourism, while also addressing parking needs. Together, these elements are essential to the evolution of the Square as redevelopment progresses. Five key focus areas have been identified, each showcasing the existing context, overall vision, and the pedestrian experience.



Focus Area 1: Creation of Density and Multifamily Housing This focus area emphasizes the development of multifamily housing units to increase residential density within the Square district. Creation of more opportunities for people to move to the square, boosts activity levels, which in turn will support commercial investment and strengthen local business.

FIGURE 01.06 - FOCUS AREA 1 - EXISTING



FIGURE 01.07 - FOCUS AREA 1 - POTENTIAL



FIGURE 01.08 - FOCUS AREA 1 - STREETVIEW (OSAGE ROAD LOOKING NORTH)



Focus Area 2: Increased Civic Opportunities with a Community Center and Open Space This focus area aims to enhance civic engagement and community interaction by establishing a dedicated community center and open spaces for events. These elements are crucial for fostering a sense of belonging and encouraging active participation among residents and visitors.

FIGURE 01.09 - FOCUS AREA 2 - EXISTING



FIGURE 01.10 - FOCUS AREA 2 - POTENTIAL



FIGURE 01.11 - FOCUS AREA 2 - STREETVIEW (COMMUNITY GATHERING LAWN LOOKING WEST)



Focus Area 3: Entertainment and Parking This focus area centers on enhancing entertainment options while ensuring adequate parking solutions to support visitors and residents. Creation of a vibrant entertainment district, attracts more foot traffic and boost local businesses.

FIGURE 01.12 - FOCUS AREA 3 - EXISTING



FIGURE 01.13 - FOCUS AREA 3 - POTENTIAL



FIGURE 01.14 - FOCUS AREA 3 - STREETVIEW (MAPLE AVENUE LOOKING SOUTH)



Focus Area 4: Variety of Residential Types and Infill Development

This focus area introduces a diverse range of residential types through infill development to create a more dynamic and inclusive community. Strategically incorporating new housing options within existing neighborhoods, can enhance the area's character and meet the needs of various demographics

FIGURE 01.15 - FOCUS AREA 4 - EXISTING



FIGURE 01.16 - FOCUS AREA 4- POTENTIAL



FIGURE 01.17 - FOCUS AREA 4 - STREETVIEW (WALNUT STREET LOOKING WEST)



Focus Area 5: Support Tourism with Hotels, Parking, and Commercial Infill This focus area aims to bolster tourism in the Square by introducing well-placed hotels, effective parking solutions, and commercial infill that enhances the visitor experience. Creating a welcoming environment for tourists, can stimulate economic growth and support local businesses.

FIGURE 01.18 - FOCUS AREA 5 - EXISTING



FIGURE 01.19 - FOCUS AREA 5- POTENTIAL



FIGURE 01.20- FOCUS AREA 5 - STREETVIEW (TRUMAN ROAD LOOKING SOUTHEAST)



IDENTITY

As you first approach the Square by vehicle, you will be welcomed with gateway markers and monumentation signage displaying graphics branding the new downtown. The larger monuments at the boundaries of the downtown may be as bold as structures spanning over the street or displaying large plantings and other features such as water and lighting. This way finding strategy will also include historical signage denoting the Landmark District. Small signage helping users find their way to small business, parking, and other notable locations will also be spaced at appropriate locations.



Historical Education



Honoring the Arts

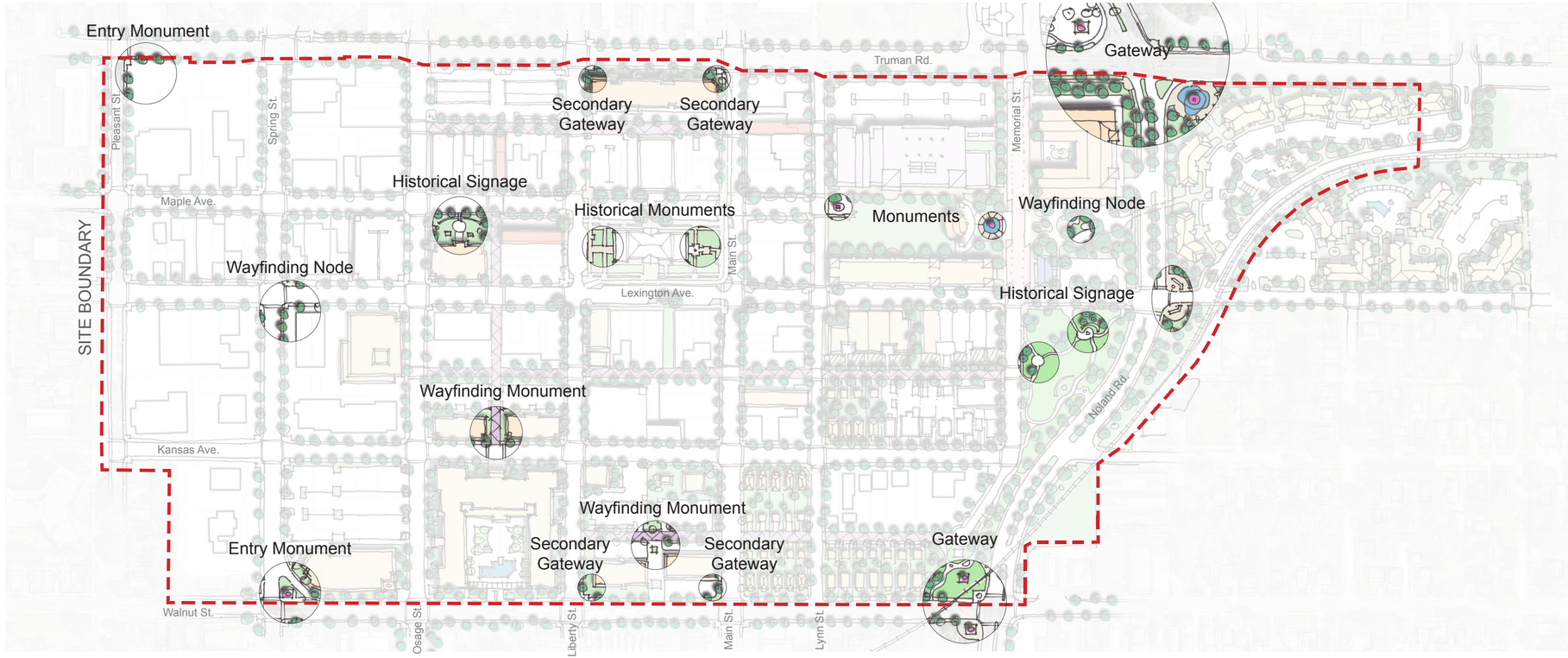


Wayfinding



Gateway to History

FIGURE 01.21 - IDENTITY



STREETSCAPE

A new vibrant streetscape will act as the transition between the vehicle and the pedestrian. As you navigate in your car, design clues will place emphasis on pedestrian safety while maintaining ease of access and directions. Bump outs at street intersections and “table topping”, creating a slight elevation change and narrowing the pavement width, allowing for a safer crossing for those choosing to walk. Street trees make roadways appear to be narrower also slowing traffic and making the journey more pleasurable. Parking along the streets will be well defined and plentiful. Proper street and pedestrian lighting will create safety and illumination at night while also providing a place for seasonal or event banners.

Noland Road streetcape is reimagined as a parkway with a central tree lined median as well as plantings at the outer edges and two gateways. This corridor enhancement will play a huge role in defining the boundary for the Square district. One comment voiced in the engagement process was the lack of green space in the Square and Downtown overall. Defining Noland Road as a parkway will place further emphasis on future growth utilizing more green space providing a beautiful entry into the future.

And for the pedestrian, the streetscape design would provide sidewalk and patio dining along with other seating opportunities will add enjoyment for dining and casual seating along with plantings and various sidewalk materials. Outdoor speakers streaming music are also envisioned throughout the district. Illuminated overhead walkways and historically appropriate lighting would add a festive atmosphere.



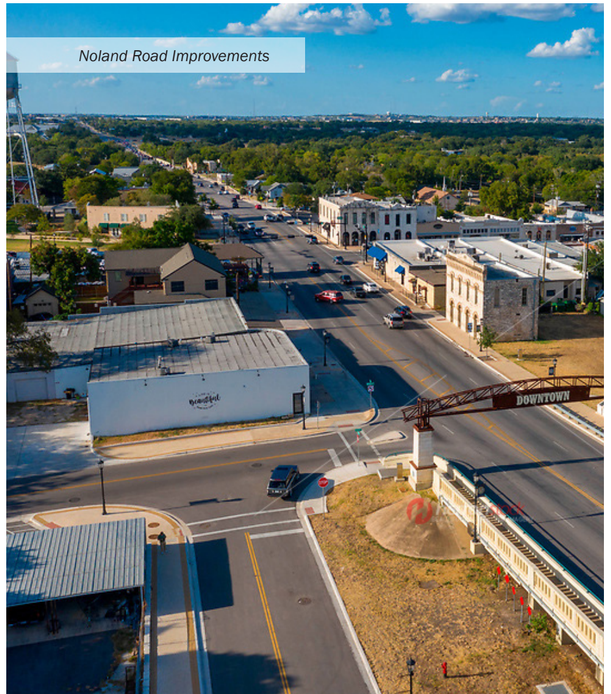
Historical Corridors



Festive Thoroughfares

TRUMAN COURTHOUSE

The Truman Courthouse is the dominant architectural landmark of the Square and the Downtown. It is primarily used for county functions, including tax payments and appeals some by there very nature these are not pleasant experiences and cause great anxiety to the residents and those visiting the building. It has been expressed, that this negative experience tarnishes the overall image of downtown. One bold idea of this Master Plan is to reimagine the Courthouse. Adaptive reuse of the space providing positive community attractions, drawing in locals, and creating tourism such as a space for the 3 Trails Museum, more eateries, etc. All of this while honoring the purely historical aspects of the Courthouse to create a more approachable, engaging visitor experience. One that attracts repeated, enjoyable, return visits.

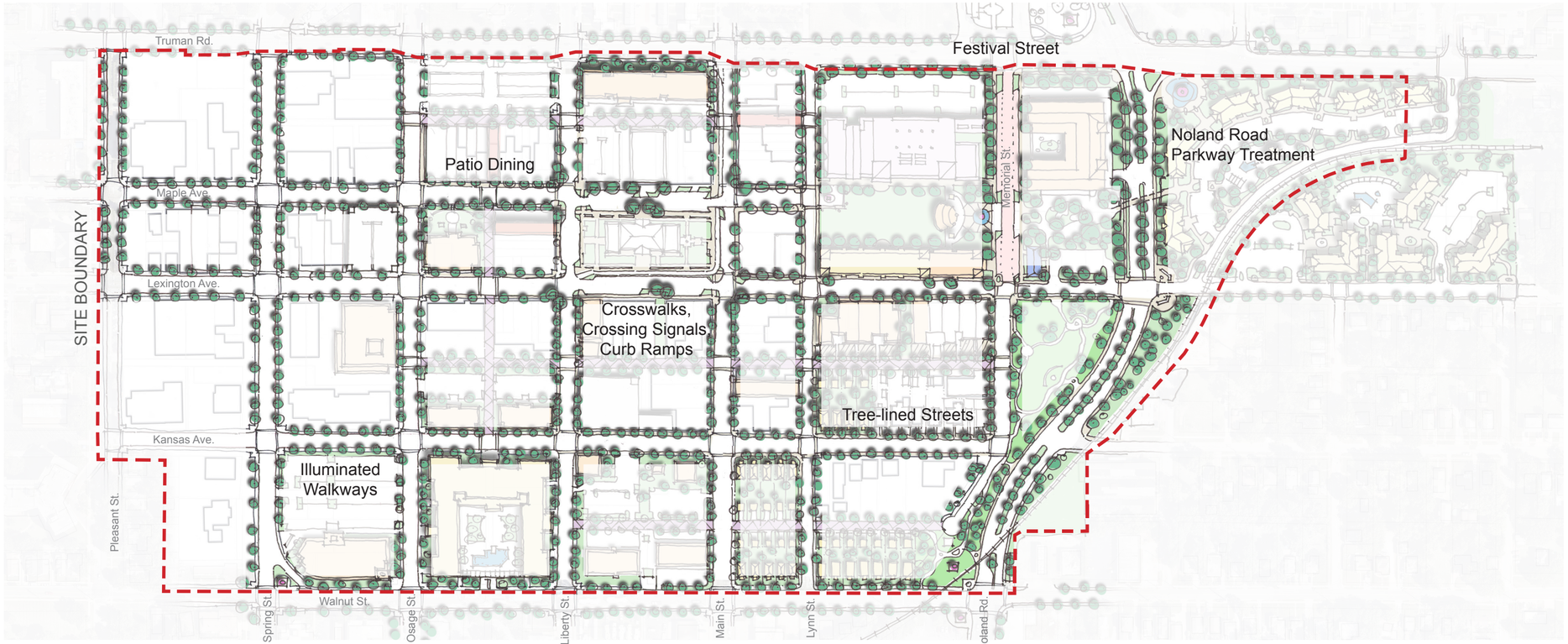


Noland Road Improvements



Streetside Dining

FIGURE 01.22 - STREETSCAPE



ALLEYWAY IMPROVEMENTS

Another fun discovery during the master planning process was the potential for alley way navigation through the downtown. As a pure pedestrian experience, alleys can provide a totally unexpected and sometimes magical experience to a downtown. Often, they are totally organic in how they occur. Neighboring businesses will come together and add overhead lighting, small signage, move trash receptacles to a common point creating more space for people, patios, etc. Graffiti art or murals will cover the building walls. On special events like first Fridays small bands or crafts might be set up for visitors to enjoy. These alleys still maintain a dual purpose of utility and people while in the case of the Square, help to connect areas from north to south and east to west off the beaten path. A true discovery moment for some, and for others in the know, their secret little haven.

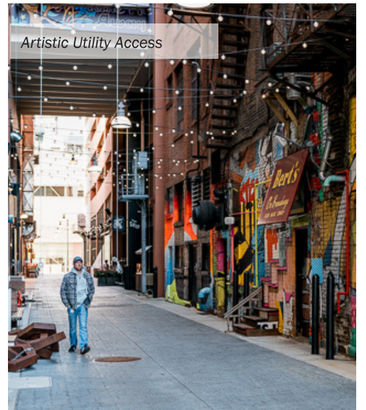
The alleys can take on whatever is imagined. They could connect a series of restaurant patios, coffee shop settings, art gallery nooks, green spaces. In a few instances like, the old Jones Store location, we have proposed a cut-through art gallery space that repurposes something historical while making it a cultural reflection of the downtown.



Historical Corridor



Festive Thoroughfare

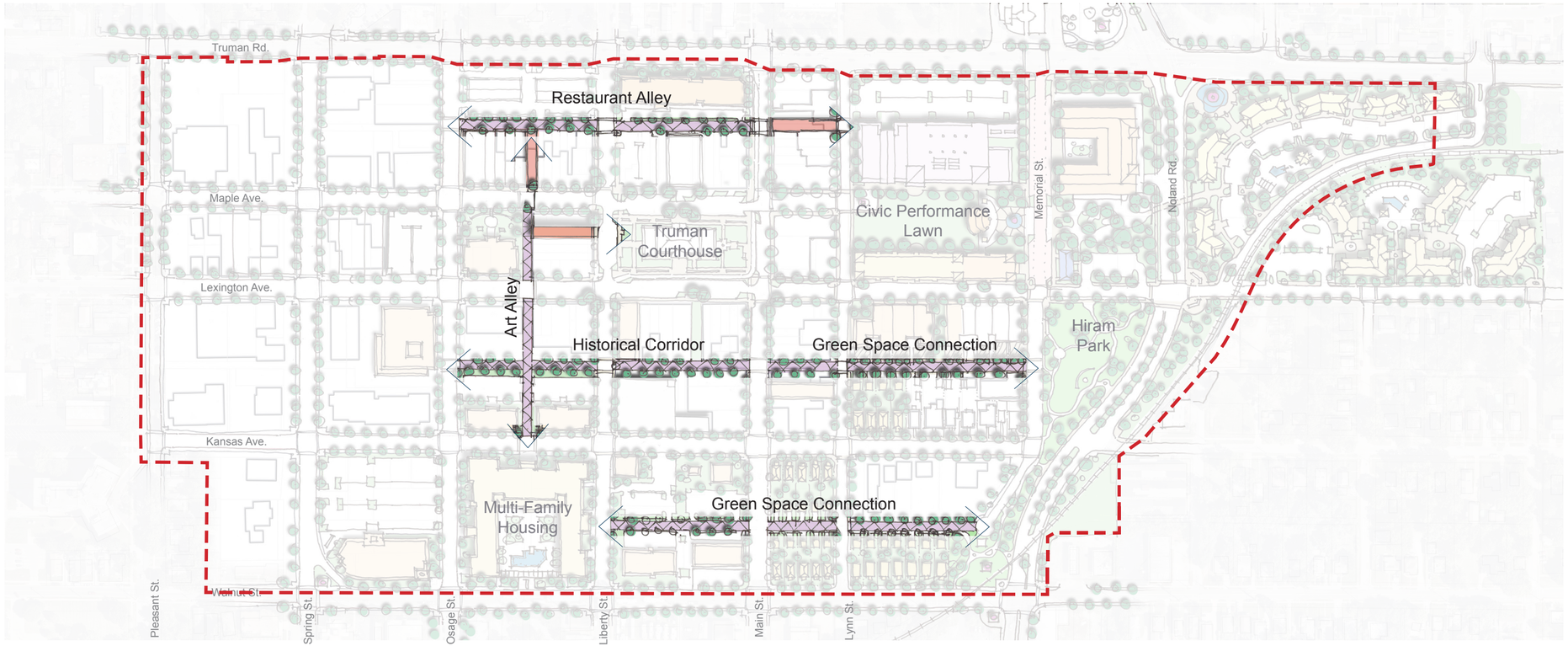


Artistic Utility Access



Restaurant Alley

FIGURE 01.23 - ALLEY-WAY IMPROVEMENTS



PLAZA

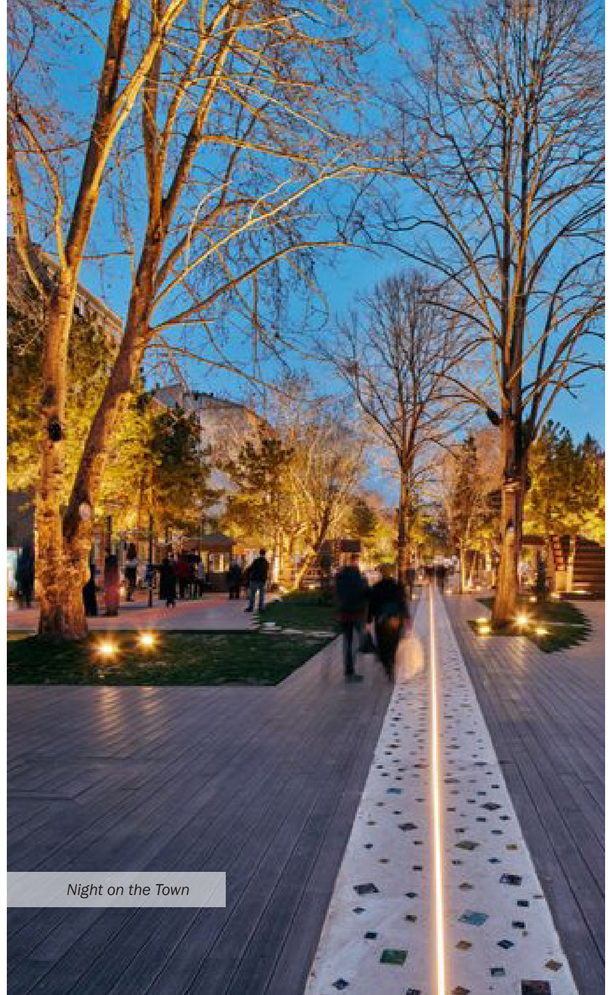
Linear, Eat-entertainment, Multi-Use, Civic open space, Monument plazas, Community gathering space, night on the town, market days, planted plazas, artistic courtyards. Diversity of spaces, sizes and flexible uses is encouraged throughout the downtown Master Plan connecting business and people to a wider range of events and happenings that create new traditions and enhance the history of those that are endearing to the public.



Planted Plazas



Artistic Courtyards

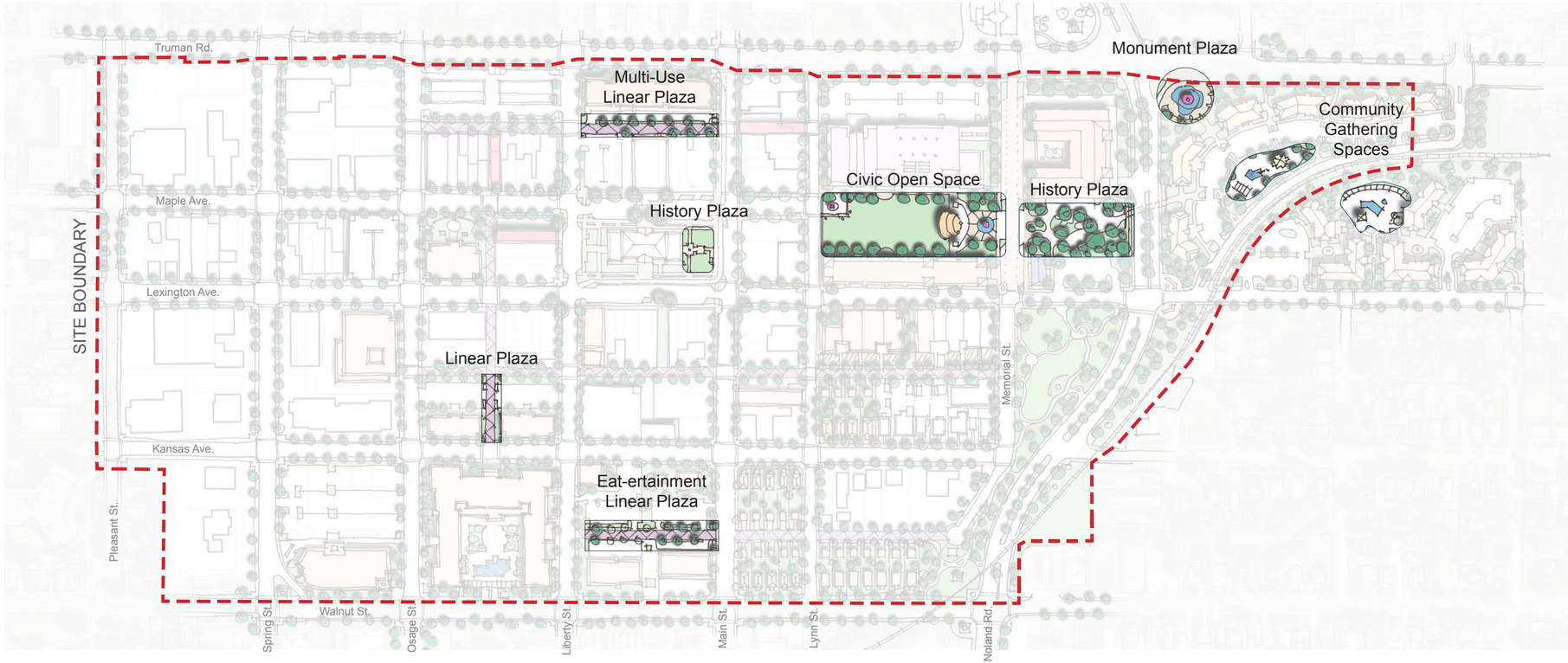


Night on the Town



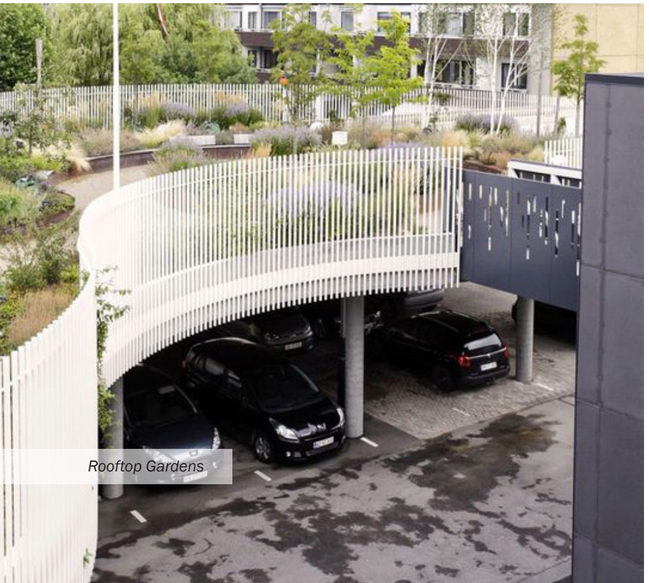
Market Days

FIGURE 01.24 - PLAZA



GREEN SPACE

Community Park, Linear Park, Flex/Performance Lawn, recreational green space, community green space, Hiram Young park extension, Noland Road Parkway trail, Rooftop gardens, Talk of the town, step into history. One thing we heard loud and clear during the process from those that participated was the absence of green space and aesthetics in the downtown. The new vision takes advantage of the gateway to the east along Noland Road and Hiram Park and creates a green welcome mat offering a glimpse to a more pleasant environment. This overall greening continues throughout the downtown in various ways both large and small providing unique spaces to gather, relax, be entertained and enjoy friends and family while discovering places to eat, work and purchase goods.



Rooftop Gardens



Step Into History



Talk of the Town



Flex Lawn

FIGURE 01.25 - GREEN SPACE



COMMUNITY

One of the great attributes of a City the size of Independence, is it's sense of community. Being a part of a community that still has a quaint, small-town feel, where you can slow down a bit, while still being close to activities in adjacent communities is really special. The Master Plan intends to drastically enhance community assets allowing for the citizens of Independence to enjoy this feeling even more so in the future. A new community center is at the top of the list in this proposal to activate more community spirit and involvement. This community asset will act as the anchor to what we think will drive the future heartbeat of the Re-Shaped Square. An entirely new, full city block of community space also including a museum, multi-family housing, a large open space flexible performance lawn with a band shell amphitheater and other "pop up" style commercial or art spaces. This space is thought to provide a more modern approach to architectural styling pushing the pedestrian experience into the next century. Providing a place that creates live, work and play makes for an interesting and diverse development that will have residents and visitors alike attending and re-attending. Imagine a good portion of something like Santa CaliGon Days occurring at this site. Or a downtown concert series. Arts in the park. The events are endless, and all tied directly to the crown jewel, the new community center. The block could be designed in such a way so that it basically on a flat plane vs the topography that currently exists. Parking is proposed below to be used for activity onsite as well as for anything going on downtown.

We have previously mentioned a potential repurposing of the Truman Courthouse. A juxtaposition and opposing view of Independence comparing its past and its future compared to the new community center site. Within a block from each other and very walkable.

Taking advantage of the art culture, we are proposing several art galleries which cut through existing buildings providing a totally unique experience in how to view art and meander on foot to other adjacent properties and activities.

We imagine a new modern grocery store being placed in the Master Plan. This could also serve as a marketplace incorporating outdoor dining, providing multiple vendors food court style. Access to food always defines a strong community as well as providing car and foot traffic.

Multiple churches are located in the area, one being the AME Church just north and adjacent to the Hiram Young Park. The plan assumes retaining this church, swapping the land used for parking and placing it along Lexington Avenue so it can be shared with the park on non-church usage times as well also providing more land for the community center location.

Hiram Young Park would remain with upgrades with the space is envisioned for more potential use recognizing its positioning along the eastern gateway to downtown. It's location along Noland Road is a prominent visual to greening of the Downtown. The plan proposes that the park be extended as a contiguous green space all the way south to the corner of Walnut Street and Noland Road.

Makers Spaces are a new way of extending the community feeling in nurturing small business entrepreneurs that may not have the capital to buy or lease a business space while trying to develop their skills. This type of development allows them to lease space and share amenities with other entrepreneurs in the building. As they become successful and build clientele, they are encouraged to move on to the next phase to allow new entrepreneurs to take over in the space. Food kitchens, crafts, radio/video are few things that could happen here. It could also be a pure learning environment where people are trained to learn skills and venture out.

This area benefits from the Farmer's Market, an existing and successful community asset. The momentum from this effort is something we should strive to replicate.



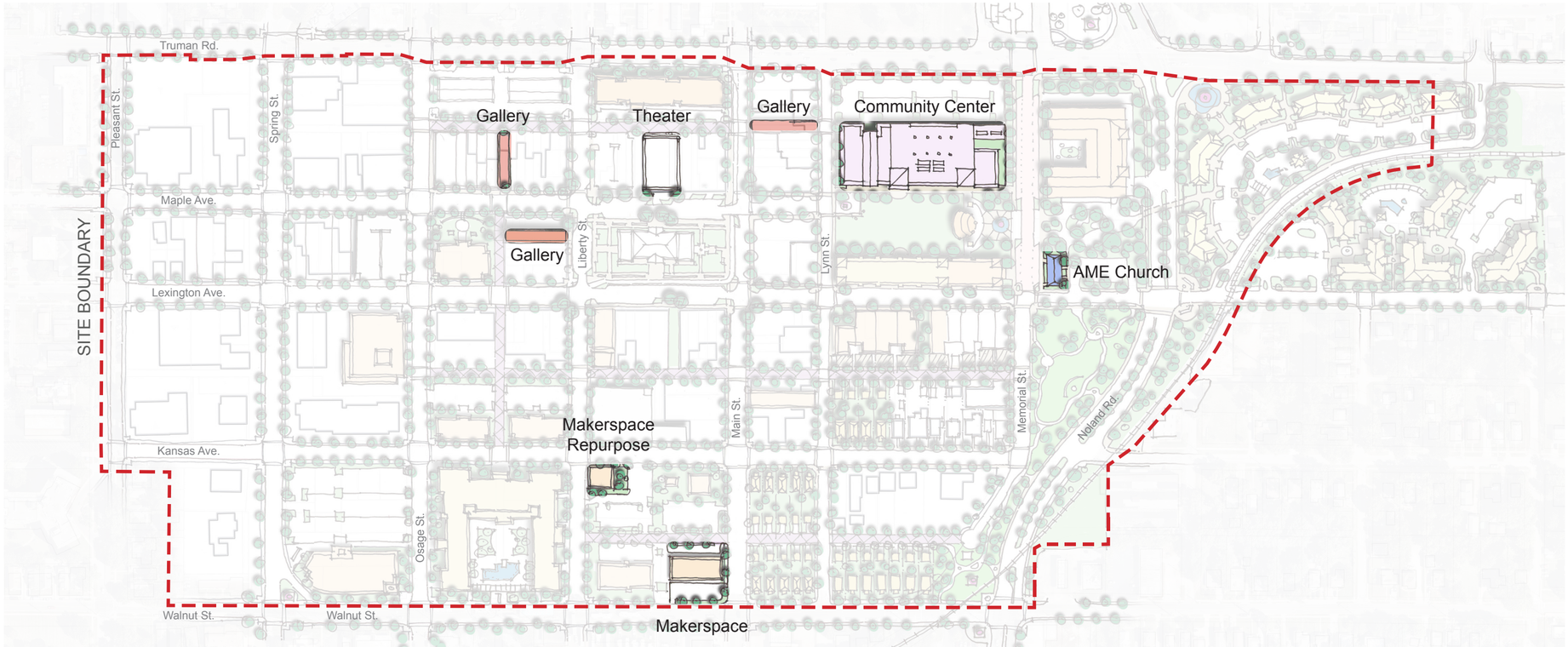
Accessible Groceries


Artful Encounters


Community Center


Mini-Galleries

FIGURE 01.26 - COMMUNITY



HOUSING

One great way to attract future developers and small business owners is foot traffic created by on site housing. Of course, it could also be said that a great way to attract people to live downtown is a great mix of thriving and interesting business and entertainment. We have seen a resurgence of people, especially young professionals, seeking a more ubran living experience. Relying less on cars, working remotely, and enjoying the downtown lifestyle is what a lot of this population is looking for. The Master Plan offers a wide variety of housing styles, some achieved by property acquisition to provide a contiguous amount of land while some is infill within existing housing locations.

Multi-family, mixed use, Lofts, townhomes, brownstones, work force, zero lot line, rooftop amenities are all ideas shown here and it will be interesting to see what unfolds as developers become excited by the future Independence is projecting.



Mid-Rise Apartments



Rooftop Amenities

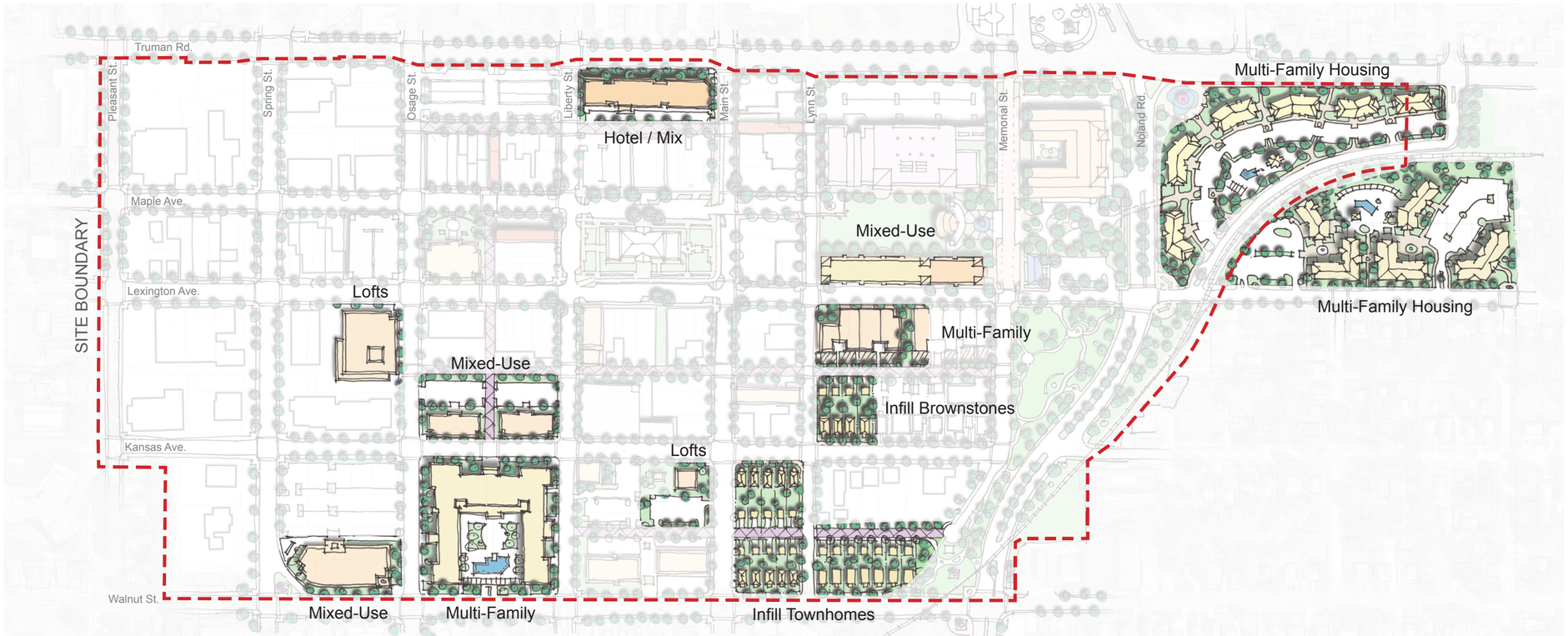


Lot Line Units



Townhomes

FIGURE 01.27 - HOUSING



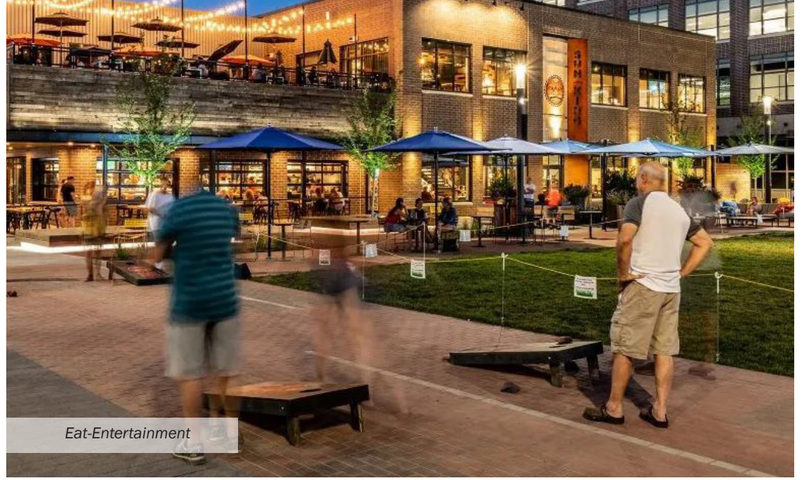
ENTERTAINMENT

If there is one constant in life, it is that we all, at some level love to be entertained. Sports, music, festivals, street parties, parades, bars, event spaces, dining, and the like. Downtowns thrive when the entertainment mix is plentiful.

Farmers Market, Breweries, Truman Courthouse event square, food court, amphitheater, performance flex lawn, taste of the town, musical gatherings, art festivals, eventful outings, Santa CaliGon Days, etc. The possibilities are endless as the plan will continue to evolve.



Taste of the Town



Eat-Entertainment

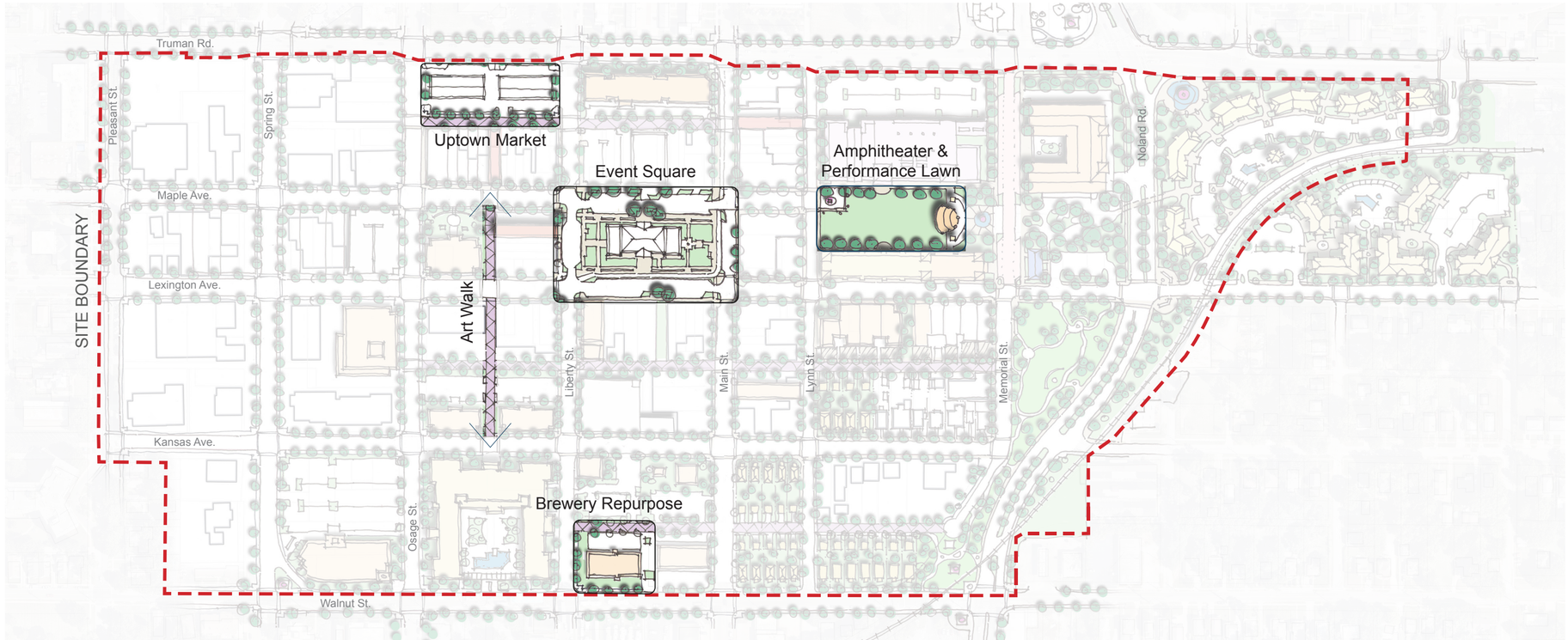


Musical Gatherings



Eventful Outings

FIGURE 01.28 - ENTERTAINMENT



TOURISM

With the unique historical aspect already prevalent in Independence, tourism has a more established base than most communities. Capitalizing on this asset has not been forgotten in the Master Plan.

A wide variety of parking in strategic locations whether above, below or on the ground will make it easier to visit and stroll, adaptive reuse of the historic cabin and possible lofts, repurpose old city hall, hotel redevelopment, museum, visitor center which is underway, hotel/mixed use, boutique hotel, historic stays, refurbishing historic building facades as well as repurposing their use when appropriate. And of course, reimagining the Truman Courthouse are just a few of many possibilities that will only grow with the momentum of the plan begins.



Historic Stays

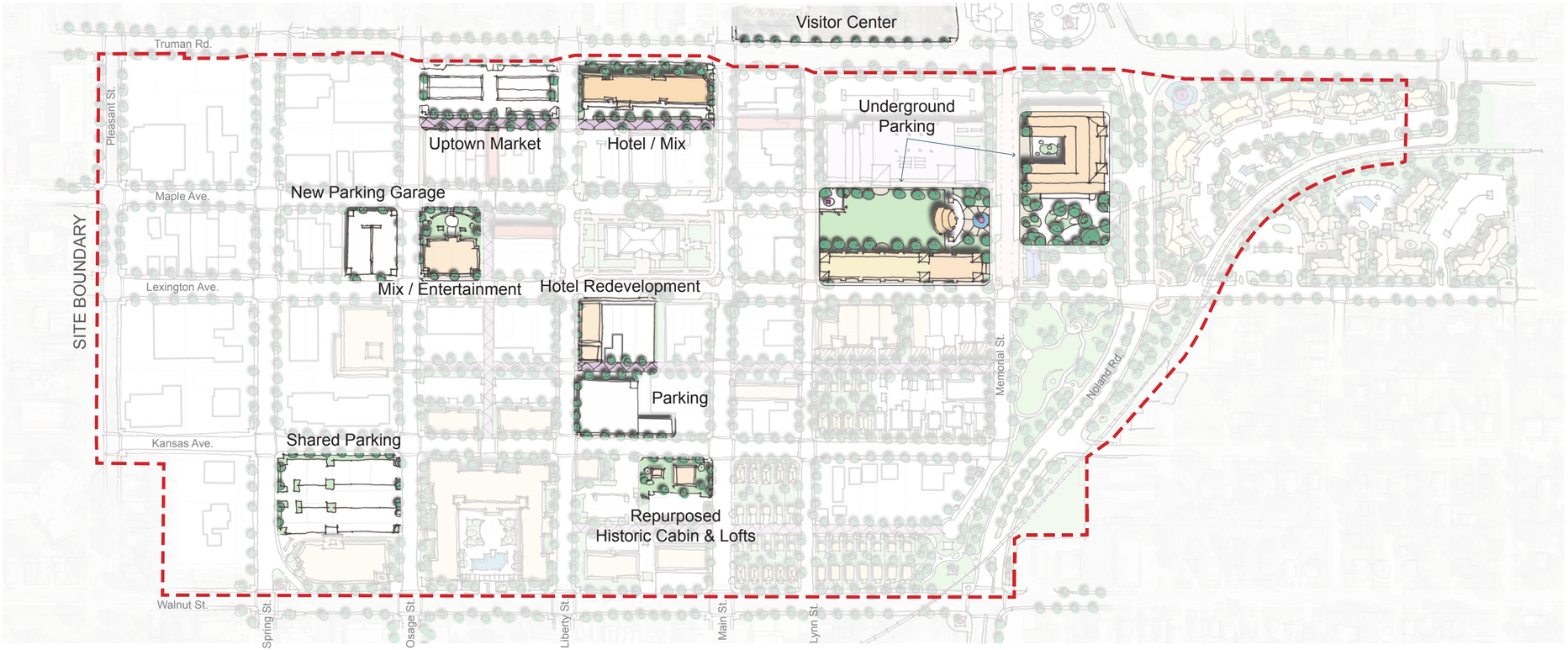

Home-Away-From-Home


Museum Outings



Boutique Hotel

FIGURE 01.29 - TOURISM



[BLANK PAGE]

02

MASTER ECONOMIC PLAN

RESHAPING THE SQUARE







The Master Economic Plan provides the City with a financial path to successfully implement the Master Plan.

A thorough review of the current municipal financial commitments was conducted to assess the potential bonding capacity, relying on general revenue. Various public finance options were evaluated to ensure alignment with the prioritized public infrastructure and municipal facilities as outlined in the Master Plan.

A comprehensive public development budget was developed, detailing the anticipated and recommended City expenses necessary to effectively implement the redevelopment plan. This budget encompasses estimated costs for land acquisitions, public infrastructure improvements, public signage, municipal facilities included in the Master Plan, and additional miscellaneous items.

A development incentives strategy has been formulated to offer recommendations for the City to adopt incentives aimed at encouraging private development.

The Master Economic Plan offers the City a clear financial roadmap for successfully implementing the Master Plan. It includes several key components, such as a Public Financing Analysis, which reviews the City's financial position and recommends a bonding strategy; a Development Incentives Strategy aimed at attracting private investment and stimulating economic growth; and a Public Improvement Budget to help the City plan and manage redevelopment expenses.

Public Financing

Following a thorough review of the City's existing financial commitments, an evaluation of its bonding capacity based on general revenue was undertaken. This included an analysis of various public finance mechanisms to ensure alignment with the prioritized public infrastructure and municipal facilities laid out in the City's Master Plan. From the analysis, it is recommended that the City pursue a General Obligation (GO) Bond as the most suitable funding strategy.

GO Bonds are a widely used municipal finance tool that enables cities to raise capital for large-scale projects without relying on a direct revenue stream specifically derived from the capital project. They are backed by the full faith and credit of the issuing municipality, which guarantees repayment through its ability to levy taxes on residents. This type of bond is particularly effective for funding essential public services and infrastructure projects, as it provides a reliable source of capital for long-term investments that benefit the broader community. By pursuing a GO Bond, the city can support critical development initiatives while maintaining financial stability and public trust.

To ensure a successful outcome for the GO Bond campaign and vote, the City established a Citizen Advisory Committee (CAC). This committee consists of 20 individuals, including property owners, business owners, community leaders, residents, and students. Prioritizing diverse representation—across age, interests, geographic areas, backgrounds, race, and more—will be essential for the CAC's effectiveness. The committee will review and provide feedback on the bond campaign's marketing materials, ensuring they are refined and aligned with the community's needs and perspectives.

Development Incentives

Development incentives are tools and financial benefits provided by government entities (local, state, or federal) to encourage private developers to invest in specific areas or types of projects. These incentives are designed to reduce the cost of development, mitigate risks, and make projects more financially viable, particularly in areas where development might otherwise be challenging or unattractive. The goal is often to stimulate economic growth, reinvestment revitalize underdeveloped or blighted areas, create jobs, and promote public policy goals.

Common types of real estate development incentives include:

- **Tax Abatements:** Temporary reductions or exemptions from property taxes to reduce the financial burden on developers and property owners. The agreement typically includes a Payment In Lieu Of Taxes (PILOT). PILOT's are typically based upon the pre-existing property tax. The project may also be exempt from sales taxes on materials and equipment used during construction.
- **Tax Increment Financing (TIF):** A portion of future property tax revenue generated by a development is used to finance upfront infrastructure or other project-related costs. When a TIF district is created, the property tax base is "frozen" at its current level. As property values within the district increase due to new development, the additional tax revenue generated from the increase in property values (the "increment") is set aside to fund improvements within the district. A TIF cannot be used on a project that is also receiving tax abatement.
- **Community Improvement District:** A special taxing district created to fund public improvements or services within a designated area. CIDs are typically established in commercial districts to promote redevelopment, infrastructure upgrades, or enhanced services such as security, marketing, and maintenance. Property owners or businesses within the CID agree to impose additional taxes—either sales taxes, property taxes, or special assessments—on themselves to generate the necessary funding.
- **Transportation Development District (TDD):** A special taxing district created to finance transportation-related infrastructure improvements within a designated area. The goal of a TDD is to promote development by funding projects such as roads, bridges, public transit facilities, parking structures, or pedestrian walkways.
- **Opportunity Zone:** A designated geographic area in the United States where investors can receive tax benefits for investing in economic development projects. The program was created as part of the 2017 Tax Cuts and Jobs Act to encourage long-term investments in economically distressed communities. The goal is to spur economic growth, job creation, and housing development in areas that might otherwise struggle to attract private capital.
- **Fee Waivers or Reductions:** Reduction in fees typically associated with permitting, zoning, or infrastructure improvements can help lower upfront costs for developers.
- **Historic Preservation Tax Credits:** Incentives provided to developers who restore and preserve historic buildings, helping offset the costs of rehabilitation.
- **Land Acquisition Assistance:** The government may help with acquiring land or providing land at below-market rates for specific types of developments.

These incentives aim to align public policy goals with private investment. By incentivizing such projects, the City will spur projects that may otherwise be financially unfeasible or slow to materialize. In so doing, the City is inducing development, increasing tax base and creating employment opportunities.

Incentive Implementation

The City should implement several incentive tools to spur the redevelopment per the Master Plan, including:

- **Chapter 100 Tax Abatement:** Tax Abatement may be granted by the City pursuant to RSMO Chapter 100 to incentivize private projects. Assumption of title to improvements by the City renders property tax exempt, while a portion of the abated taxes may be recovered for the taxing districts through payments in lieu of taxes (PILOTS) paid by the property owner. Eligible projects may also take advantage of an exemption on sales tax for construction materials and, if approved by the State of Missouri, sales tax exemption on certain types of personal property.
- **Chapter 353 Tax Abatement:** Tax abatement may be granted by the City pursuant to RSMO Chapter 353 to encourage redevelopment of "Blighted" Areas. An Urban Redevelopment Corporation ("Redevelopment Corporation") is established to temporarily assume title to properties to be improved. In the absence of extraordinary qualifications, 353 plans shall structure tax abatement at a maximum of 75% during the first ten-year period and 37.5% during subsequent years up to an additional fifteen-year period if such a period of time is warranted.
- **Independence Square TIF Plan:** The primary purpose of the existing TIF is to fund public improvements and façade upgrades that benefit the Redevelopment Area. The TIF revenues should be utilized to fund Master Plan scope, such as utility replacements, pedestrian connections, destination alleyways, and public wayfinding signage.

- **State Supplemental TIF:** RSMO Chapter 99 (the "TIF Act") provides a mechanism that permits municipalities with qualifying projects to request that specified State tax revenues be used to supplement local TIF revenues. The revenues available under the State Supplemental TIF Program are required to be used to supplement payments in lieu of taxes, economic activity taxes and other local funds committed by the municipality (as defined in the TIF Act).
- **Missouri Historic Tax Credits:** The majority of the Independence Square is within the Harry S. Truman National Historic District. Rehabilitation of buildings within this district would qualify for the state historic tax credits; which lowers the taxes owed on rehabilitation expenses.

Public Improvement Budget

Figure 02.01 Public Development Budget shows a conceptual public improvement budget. This public improvement budget includes anticipated and recommended City expenses to successfully implement the redevelopment plan.

FIGURE 02.01 - PUBLIC DEVELOPMENT BUDGET

Land Acquisitions	
Tier 1	$3,721,812
Tier 2	$936,705
Acquired Site Redevelopment	
Tier 1	$2,145,000
Tier 2	$500,000
Public Infrastructure	
Utility Replacement	$7,924,106
Public Wayfinding Signage	$450,000
Streetscapes	$1,200,000
Destination Alleyways	$2,200,000
Municipal Facilities	
Community Center	$76,464,825
Parking Garage	$7,560,850
Amphitheatre & Lawn	$3,308,875
TOTAL	$106,412,173

03

MASTER BUSINESS PLAN

RESHAPING THE SQUARE







The Master Business Plan outlines a strategic and actionable framework for the City to effectively implement the broader Master Plan in part with the Master Economic Plan.

A comprehensive Market Study was conducted to validate the demand drivers across multiple sectors, including multi-family housing, retail, office, and hospitality development. The insights from this study were integral in shaping the supply strategies within the Master Plan.

To maintain control over development patterns, municipalities often need to acquire or secure key land parcels. For the City to foster community development and attract investment, gaining control over critical real estate is essential. Accordingly, a targeted land acquisition strategy has been devised to identify and prioritize key parcels and areas.

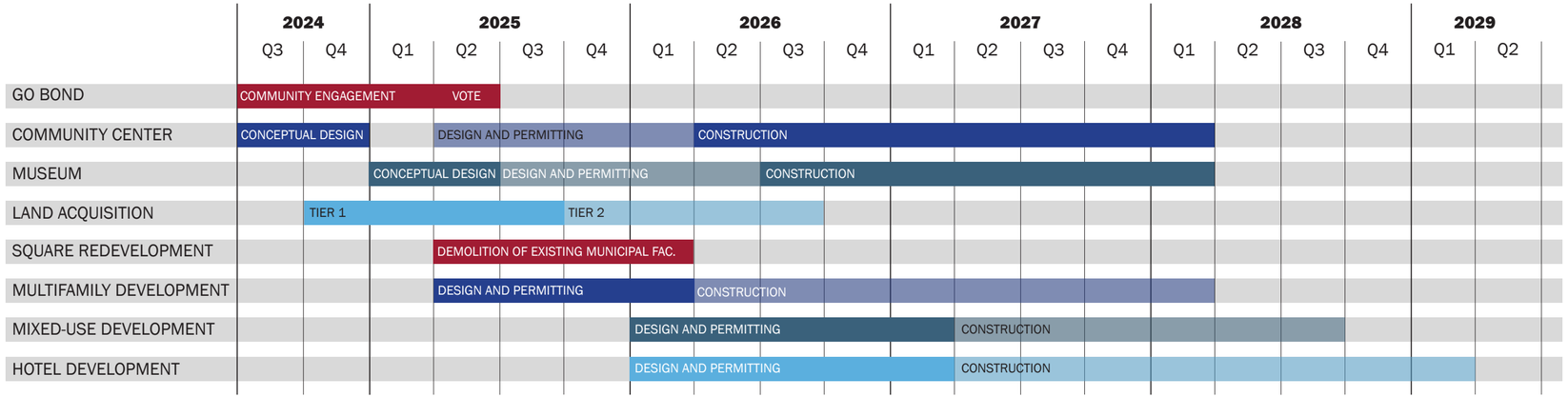
It is recommended that the City incorporate a new Downtown Overlay Zoning District into the existing Code of Ordinances. This district would establish redevelopment standards and expedite approvals for projects aligned with the Redevelopment Plan's objectives, ensuring that the City attracts and secures optimal investments.

A conceptual Master Development Schedule, as shown in ***Figure 03.01*** on the next page has been prepared, detailing the steps for plan adoption, land acquisition, public financing, design and engineering, construction, and project delivery.

Redevelopment Schedule

A conceptual Redevelopment Schedule has been prepared for implementation of the Master Plan.

FIGURE 03.01 - REDEVELOPMENT SCHEDULE



The Master Business Plan provides a strategic and actionable framework for the City to effectively implement the broader Master Plan. It encompasses key components including a Market Study, which assesses the viability of specific development types proposed in the Master Plan; a Land Acquisition Strategy to accelerate redevelopment efforts; a Downtown Overlay District designed to support developments that align with the Master Plan's goals; and a conceptual Redevelopment Schedule to set clear expectations for redevelopment timelines.

Market Study

A comprehensive Market Study was conducted to validate the demand drivers across multiple sectors, including multi-family housing, retail, office, and hospitality development. The insights from this study were integral in shaping the supply strategies within the Master Plan. The conclusions are summarized below. The full Market Study can be found in ***Appendix B.***

Retail

Independence Square currently has a lower retail supply per capita compared to competing areas, indicating that demand is being met. However, growth potential is limited due to factors like construction costs and rental rates being lower than feasible for new development or renovation. Over the next few years, around 100,000 to 150,000 square feet of retail space may be added in the area, including surrounding neighborhoods.

Multifamily

There has been no multifamily construction in Independence Square for over 20 years. Despite limited household growth, other submarkets have captured more than 100% of historical demand, suggesting unmet demand. The projection estimates up to 160 new units by 2028. However, based on current construction costs, market rents, and expenses, multifamily development is currently not feasible unless market conditions improve and/or incentives are introduced.

Office

There is no expected demand for new office space beyond what can be accommodated by the existing supply. A modest 5% increase in occupied office space, around 21,700 square feet, could occur if economic conditions remain stable. Any substantial changes in population, foot traffic, or external market demands may alter this forecast.

Hospitality

Independence Square would benefit most from an upscale, select-service hotel. Leisure and group travel, driven by local events, historical sites, and sports, would form the bulk of demand. However, current demand levels, with an occupancy rate of around 56%, do not justify new hotel development. Any new project would need to consider various factors like construction costs, brand loyalty, and amenities, with 2024 being a baseline.

Land Acquisition

To maintain control over development patterns, municipalities often need to acquire or secure key land parcels. For the City to foster community development and attract investment, gaining control over critical real estate is essential. Accordingly, a targeted land acquisition strategy has been devised to identify and prioritize key parcels and areas. Targeted parcels have been ranked in a tier-based system based on strategic importance, value-based analysis, and ease of acquisition.

Reference ***Figure 01.01 – Redevelopment Opportunity Plan for location of Blocks***.

Tier 1

Table 03.01 – Tier 1 Parcels shows tier 1 parcels that should be pursued for acquisition and/or redevelopment immediately. Tier 1 primarily consists of parcels controlled by the City of Independence or Jackson County. City of Independence parcels can be utilized for redevelopment immediately with zero acquisition costs. The City can work closely with Jackson County to find new locations for the existing county facilities before acquiring the parcels from the county.

FIGURE 01.01 - REDEVELOPMENT OPPORTUNITY PLAN

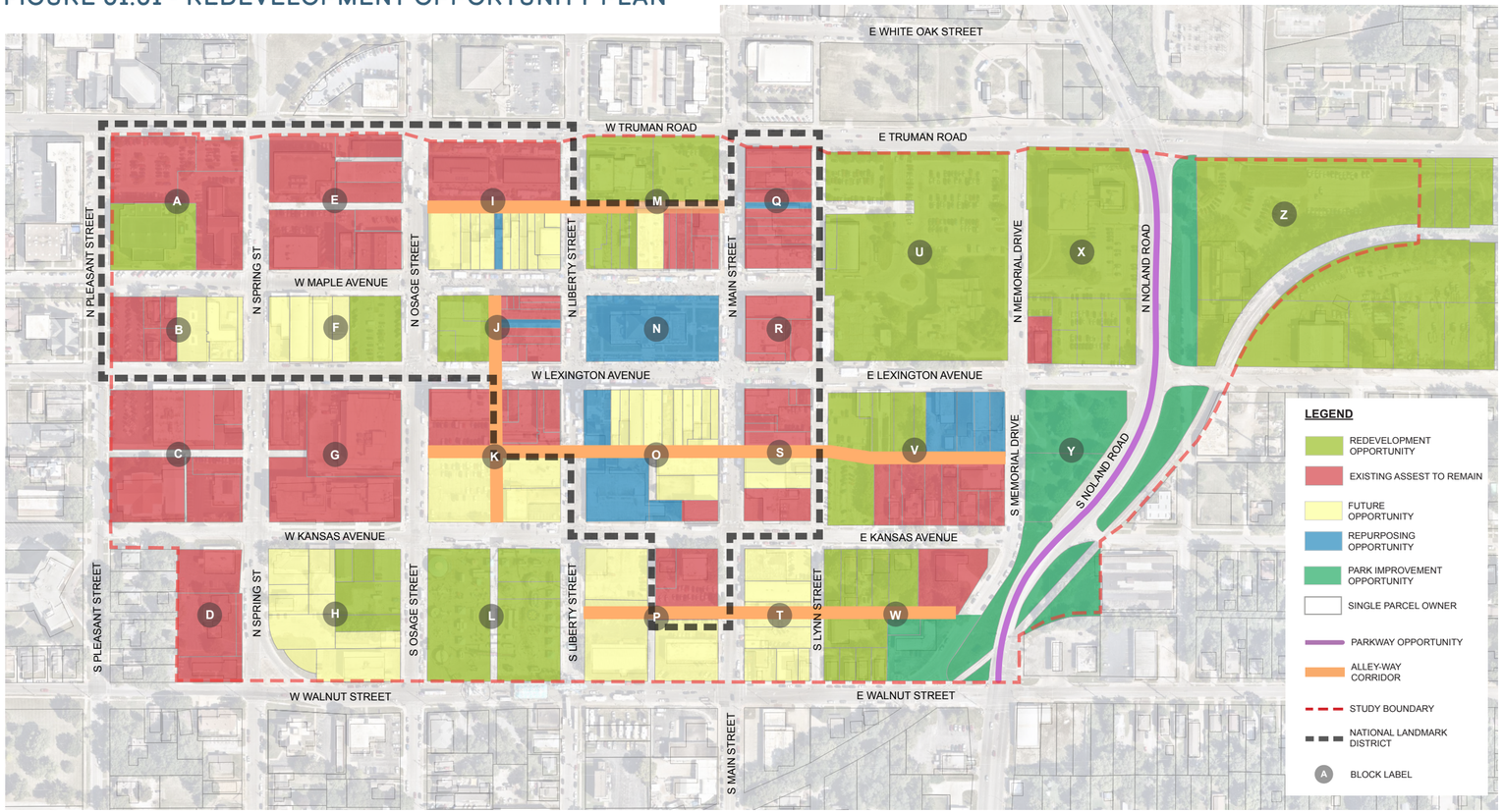


TABLE 03.01 - TIER 1 PARCELS

Block *(see Figure 01.01 - Redevelopment Opportunity Plan)*	*Current Use*	*Future Use*
U and X	City of Independence Municipal facilities	Community Center / Mixed-Use Development / Museum
L	Parking lots owned by Jackson County and City of Independence	Multifamily Development
H	Small businesses and vacant lots with various ownership	Parking Lot for Jackson County Courthouse
M (north)	Jackson County office building and City of Independence parking lot	Hotel / Mixed-Use Development
J (west)	City of Independence parking lot	Pocket Park / Mix/ Entertainment Development
N	Historic Truman Courthouse owned by Jackson County	Repurposing of the Historic Truman Courthouse to benefit the citizens.
V (north and west)	Small businesses and parking lots	Multifamily / Mixed-Use Development

Tier 2

Table 03.02 – Tier 2 Parcels shows tier 2 parcels that should be pursued after Tier 1 parcels. Tier 2 primarily consists of parcels owned by private entities and contain existing businesses.

TABLE 03.02 - TIER 1 PARCELS

Block *(see Figure 01.01 - Redevelopment Opportunity Plan)*	*Current Use*	*Future Use*
M (southwest)	Private parking lot	Mixed-Use / Public parking garage
F (east)	Private parking lot	Public parking garage
J (parcels 26-230-11-12,13,14)	Vacant retail space	Gallery corridor
I (parcel 26-230-04-05)	Existing business	Gallery corridor
Q (parcel 26-230-02-09)	Existing business	Gallery corridor
Z	Sermon community center	Multifamily development

Downtown Overlay District

It is recommended that the City incorporate a new Downtown Overlay District into the existing Code of Ordinances.

An overlay district is a zoning tool used by municipalities to apply additional regulations or standards on top of the existing zoning rules in a specific geographic area. Overlay districts can modify or enhance the base zoning regulations without changing the underlying zoning classification. They are used to address particular planning goals in a designated area, such as historical preservation and/or economic development.

This district will create a set of redevelopment standards designed to closely align with the objectives outlined in the Redevelopment Plan. By establishing clear guidelines, the district will ensure that new projects contribute to the overall vision for the area, promoting cohesive and sustainable growth.

Projects that meet the district's criteria will be eligible for expedited city approvals, reducing bureaucratic delays and allowing developments to move forward more quickly. This streamlined approval process offers a significant incentive for developers, positioning the district as an attractive location for new investments.

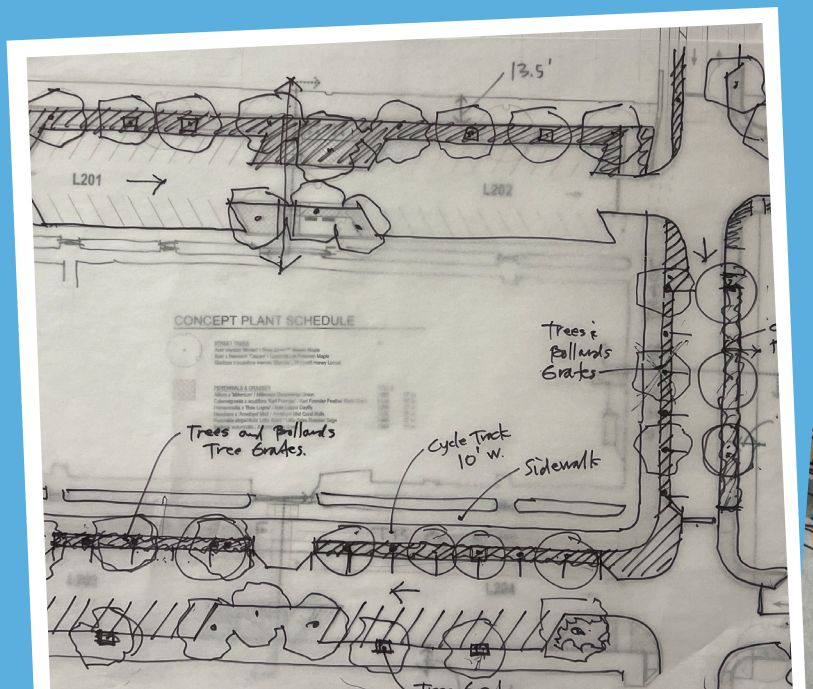
In addition to faster approvals, the district will provide a framework that fosters high-quality, innovative developments, ensuring that the projects within the Square enhance the character and economic vitality of the area. These advantages will not only attract desirable developments but also secure long-term investments, helping to transform the Square into a vibrant, thriving hub for businesses, residents, and visitors alike.

04

IMPLEMENTATION PLAN

RESHAPING THE SQUARE







An implementation plan provides recommendations to help City staff members, stakeholders, and elected officials make long- and short-term decisions to complete the master plan. The implementation plan provides insights on decision making, funding, marketing and communications, budget estimates, phasing and priority projects. With these insights, the implementation plan can be used as a daily reference tool to evaluate projects to be pursued, developed, and constructed. Their costs, their timing, their importance, and the evaluation of new projects not previously contemplated in the master planning process.

Downtown Independence “The Square” is a valuable source of pride and history for the community, yet it faces increasing threats of obsolescence and deterioration. By having a three pronged approach, including a Master Plan, Master Economic Plan and Master Business Plan; provides an opportunity for reinvestment in the coming years. Reinvestment should be in the form of development of polices, prioritized projects, and the will of the people that support the defined vision for The Square. The following implementation plan outlines strategies, projects, and people that must work in concert to achieve the vision for a revitalized Square.

- **Partner with City Hall.** City-level leadership is critical to the realization of the vision for Independence Square. City departments and City Council should coordinate and align with and bolster downtown redevelopment efforts.
- **Maintain Stakeholder Involvement.** Current collaboration between business organizations and stakeholders must be maintained throughout the implementation process. Communication with those invested parties is necessary for the proactive execution of the Plan.
- **Start with Policy.** Establishing proactive development policies creates the essential framework for future implementation of the Plan. Oftentimes, policy changes can be made quickly and for a minimal cost.
- **Be Bold and Visible.** Early “win” and visible projects helps demonstrate projects and garner the endorsement of the public. Market the early successes to gain support and momentum for long-term ventures.
- **Identify Plan Champions.** Those persons involved in the planning process must continue to champion the Plan over time to maximize success.

In order to achieve the transformation, envision by the stakeholders and community members for Independence Square, it is necessary to be strategic and thoughtful ***Section 04 Implementation*** dictates this strategy.



Next Steps

This section includes three general next steps, which should be started immediately to achieve visible gains and create a strong atmosphere capable of development as opportunities arise. The steps are as follows:

- Align City Policies and Regulations
- Prepare Additional Planning, Design, and Engineering Documents
- Complete Priority Projects

A timeframe, responsible entity, and cost impact are provided for each implementation task. These items are explained as follows:

- **Timeframe:** A general timeframe is provided for each implementation task. Generally, low-cost strategies with simple implementation steps are planned for the immediate future.
  - *Immediately* – (Start within 1 year) Low cost, ease of implementation, directly advances other strategies, or addresses critical issues.
  - *Short-Term* – (1-3 years) Fairly significant costs, but with planning can be implemented within this timeframe.
- **Responsible Entities:** Responsible entities are assigned to each of the implementation task. The identified organization, entity, or department is either currently involved with similar projects or possesses the capability and/or authority to implement such strategies. The City, specifically the Planning Department and City Council, will likely be involved in a majority of the implementation tasks. Outside expertise, such as consultancies skilled in planning, engineering, and design will also be necessary.
- **Ease of Implementation:** The ease of implementation is indicated by a grade scale from “A” to “C”. This category is a collective indicator of the anticipated level of effort by City staff members, property owners, partnering agencies, cost and budget considerations, and general stakeholder desire.
  - *A* – Tasks that require policy changes or partnerships with limited outside funding requirements and can largely be done in-house
  - *B* – Tasks that require relatively affordable consulting services, infrastructure improvements, and/or multi-agency coordination
  - *C* – Tasks that require high levels of planning, engineering, or design and infrastructure expansion with significant investment

Align City Policies and Regulation

The following summarized administrative and regulatory actions should be completed by the City within the proposed timeframes with full assistance of the identified responsible entities. In general, these changes can be completed in a short timeframe and rely on little funding allocation.

Adopt the Master Plan The Reshaping the Square: Independence Redevelopment Master Plan should be adopted by the Independence City Council as the City's official guide for development and capital improvements with the project area. It is essential that the Plan be used by City staff members when reviewing and evaluating all proposals for improvement within the project area. The document should be accepted as a subarea plan.

- Timeframe: Immediately
- Responsible Entity: City Manager, Community Development, City Council
- Ease of Implementation: A

Amend Relevant Ordinances & Plans Once the Reshaping the Square: Independence Redevelopment Master Plan has been adopted, the City should amend affected ordinances and plans at their traditional time of review so that they may be aligned with the vision and recommendations of this Plan. This update process should review the following documents, but not limited to:

- *Independence, Missouri Comprehensive Plan (2017)*
- *City of Independence, Missouri Code of Ordinances*
- *Capital Improvements Program (2024-2030)*

- Timeframe: Immediately
- Responsible Entity: City Manager, Community Development, Planning Commission, City Council
- Ease of Implementation: A

Establish A Downtown Overlay District The Downtown Overlay should implement the recommendations in Section 01 Master Plan. The overlay "tool" is a simpler method of regulation - allowing issues of boundaries, teardowns, rehabs, style, character, and use to be addressed in a simpler manor than rezoning to an existing classification.

The Overlay District should create a set of redevelopment standards designed to closely align with the objectives outlined in this Plan. The district should foster a streamlined development review process that encourages reinvestment, rather than deterring it. Worthy rehabilitations, redevelopment, and development of vacant sites should be welcomed and incentivized, yet guided.

- Timeframe: Immediately
- Responsible Entity: City Manager, Community Development, Planning Commission, City Council
- Ease of Implementation: B

Prepare Additional Planning, Design, and Engineering Documents

The following plans, studies, and guidelines should be developed to further the recommendations of the Plan. Many of the plan, studies, and guidelines will reference the Reshaping the Square Master Plan, and as such, should be implemented in concert.

Prepare a Marketing and Educational Materials To support ***Section 03 Master Business Plan***, promotional and educational material should be undertaken. Strategic marketing and education is critical to the realization of the Plan. As such, the marketing should: (1) attract both local and regional visitors, (2) improve business and property owner confidence in the long-term future of the project area; and (3) act as a marketing tool for recruiting new business, investors, and developers.

As part of the marketing plan, a coordinated effort is needed to clearly address the downtown's image, brand, and outreach program. As the project area develops, this will become increasingly important, as outreach broadens to the region; the message must be controlled and united. Elements including the development's name, logo, correspondence materials, newsletters, social media, and website should be all considered and designed as a family of materials utilizing the same branding and message.

- Timeframe: Immediately
- Responsible Entity: City Manager, Community Development, City Communications, Downtown Square Association, Independence Chamber of Commerce
- Ease of Implementation: B

Physical Brand Downtown should utilize the proposed streetscape improvements identified in the Master Plan when planning for funding wayfinding, branding, signage, and gateway improvements. Each physical improvement should work towards establishing a clear, succinct identity through the use of set colors, architectural materials, and a logo.

- Timeframe: Short-Term
- Responsible Entity: City Manager, Community Development
- Ease of Implementation: B

Prepare a Utilities and Infrastructure Improvements Plan Utility and infrastructure improvements while expensive, will dramatically alter downtown's functionality and physical characteristics. A strategic utilities and infrastructure improvements plan should be created to guide the improvements and ensure they are adequate and appropriate.

- Timeframe: Short-Term
- Responsible Entity: City Manager, Community Development, Public Works
- Ease of Implementation: C

Complete Priority Projects

The following projects are recommended as priority projects for two reasons: they are either manageable and/or highly visible. Through coordination with various agencies, community groups, and the private development community, each project has great potential to excite community members and spur private investment.

It is important to note that the following projects have been designated as a priority due to their high visibility, the entities involved, or their ability to excite the community and build momentum, not because of their cost.

General Obligation Bond Program

The city and leadership should identify a set bond amount to fund a variety of public improvements in Independence such as street and sewer infrastructure, public facilities, and parks and recreational facilities. Consideration for bond allocation towards improvements and facilities identified in the Reshaping the Square Master Plan is important to establishing economic development in downtown.

- Timeframe: Immediately
- Responsible Entity: City Manager, Citizens Advisory Committee, City Council
- Ease of Implementation: B

Planning and Development of City Assets

Design and engineer construction plans for the community center, infrastructure improvements and demolition plans of the existing Police Headquarters and City Hall.

- Timeframe: Immediately
- Responsible Entity: City Manager, Community Development, Planning Commission, City Council
- Ease of Implementation: C

Acquire County Properties

Coordinate with county staff to acquire key priority areas within the Square district that are currently owned by Jackson County.

- Timeframe: Immediately
- Responsible Entity: City Manager, County Administration, Planning Commission, City Council
- Ease of Implementation: B

Solicit Development Industry

Establish a marketing plan and strategy for attracting industry professionals and developers to implement the overall Master Plan vision.

- Timeframe: Short-Term
- Responsible Entity: City Manager, Community Independence Chamber of Commerce. Square Association
- Ease of Implementation: A

Source Funding

As recommended several incentive tools should be used to spur development and redevelopment identified in the Master Plan, including:

- **Chapter 100 Tax Abatement** - *Tax abatement may be granted by the City pursuant to RSMO Chapter 100 to incentive private projects. Assumption of title to improvements by the City renders property tax exempt, while a portion of the abated taxes may be recovered for the taxing districts through payments in lieu of taxes (PILOTS) paid by the property owner. Eligible projects may also take advantage of an exemption on sales tax for construction materials and if approved by the State of Missouri, sales tax exemption on certain types of personal property.*

- **Chapter 353 Tax Abatement** - *Tax abatement may be granted by the City pursuant to RSMO Chapter 353 to encourage redevelopment of "Blighted" Areas. An Urban Redevelopment Corporation is established to temporarily assume title to properties to be improved. In the absence of extraordinary qualifications, 353 plans shall structure tax abatement at a maximum of 75% during the first ten-year period and 37.5% during the subsequent years up to an additional fifteen-year period if such a period of time is warranted.*

- **Independence Square TIF Plan** - *The primary purpose of the existing TIF is to fund public improvements and facade upgrades that benefit the Redevelopment Area. The TIF revenues should be utilized to fund the Master Plan scope, such as utility replacements, pedestrian connections, destination alleyways, and public wayfinding signage.*

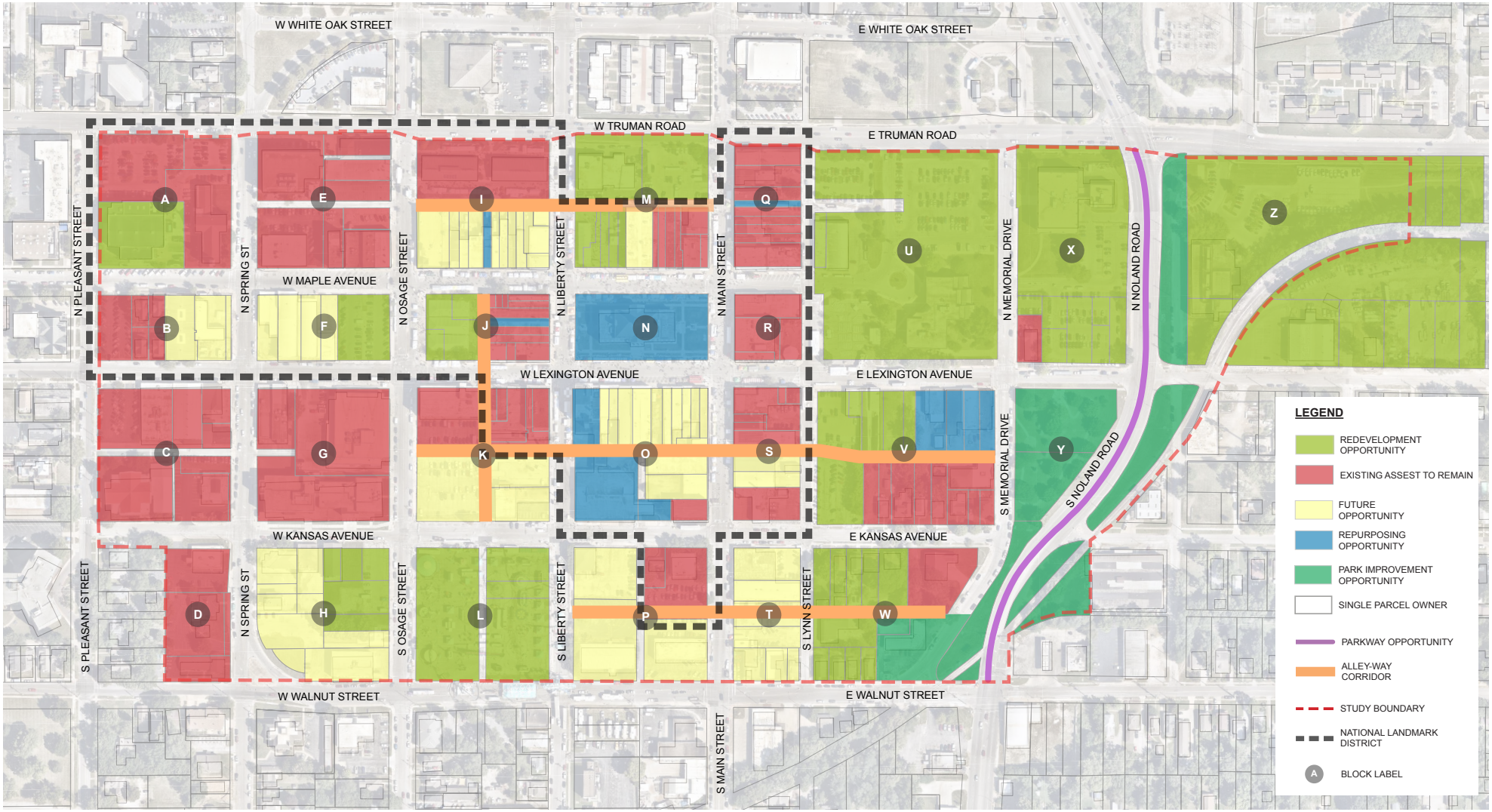
- **State Supplemental TIF** - *RSMO Chapter 99 (the "TIF Act") provides a mechanism that permits municipalities with qualifying projects to request that specified State tax revenues be used to supplement local TIF revenues. The revenues available under the State Supplement TIF Program are required to be used to supplement payments in lieu of taxes, economic activity taxes and other local funds committed by the municipality (as defined in the TIF Act).*

- **Missouri Historic Tax Credits** - *The majority of Independence Square is within the Harry S. Truman National Historic District. Rehabilitation of buildings within this district would qualify for the state historic tax credits: which lowers the taxes owed on rehabilitation expenses.*

- Timeframe: Ongoing
- Responsible Entity: City Manager, Community Development, Planning Commission, City Council
- Ease of Implementation: A

Master Plan Phasing ***Figure 01.01*** in ***Section 01 Master Plan*** and shown below demonstrates the order in which the project should be implemented. The phasing graphics should be reviewed in line with the probable public development budget outlined in ***Figure 02.01*** in ***Section 02 Master Economic Plan.*** In general, the phasing follows several first steps of land acquisition, approval of the general obligation bond, and vacation of the existing City Hall and Police Headquarters.

FIGURE 01.01 - REDEVELOPMENT OPPORTUNITY PLAN



A

APPENDIX

RESHAPING THE SQUARE







ENGAGEMENT SUMMARY

A good plan is developed with the community, and not just for it. Through a series of public engagement opportunities, the planning team was able to collaborate with the community on the thoughts, ideas, and comments that became the recommendations put forth in this Plan. ***Appendix A*** summarizes both that process and its outcomes.

OVERVIEW

This section summarizes the stakeholder and public engagement opportunities that were conducted to collect valuable input that helped guide this planning process. Stakeholder and public engagement is a critical component of any public planning process as it capitalizes on the knowledge and desires of those who know the community best.

Key Findings

Independence Square is in need of reactivation and enlivenment. Desired future land uses include multi-family housing, hotels, entertainment/recreation, green space/ outdoor gathering areas, and grocery stores. Upper floors of historic buildings, especially around the Square, should be utilized as housing or office spaces. Density should be promoted and increased by prioritizing the development of vacant lots.

Desired attractions in the Square include concert venues, family-friendly attractions, and evening activities. Police relocating out of the planning area presents an opportunity for development or redevelopment. Underutilized parking lots are other areas to consider for development or redevelopment. Support for local businesses should be prioritized. Historic buildings are a valuable asset to the Square. Façade restoration and reconstruction should be considered along with design guidelines that ensure building cohesion in new development.

The Square has a rich history with a vibrant, engaged community surrounding it and should be marketed as such. There is a desire to reach consensus on branding and a unified visual identity. Operational issues include a lack of wayfinding signage, parking, and inconsistent business operating hours. Maintenance issues that exist are poor sidewalk conditions, a lack of lighting, and a lack of utilities infrastructure, including electricity and watering systems for landscaping.

Streetscaping throughout the Square is desired to add both vehicular and pedestrian amenities, landscaping, and safety features. Vibrant outdoor gathering areas present opportunities for public art and interactive history elements. Wayfinding signage is needed to orient traffic to destinations and attractions. Gateway opportunities along Truman Road and Noland Road should be considered to signal the entry into the Square.

Current transportation issues include congestion, crashes and/or near-misses, especially along Truman Road and Noland Road. Parking space quantity is not as much of an issue than the quality and location of parking lots. Additionally, many sections of sidewalk are in poor condition and in need of repair.

Steering Committee

Shortly after the kickoff of the planning process, an Independence Square Plan Steering Committee was established. The Steering Committee was comprised of individuals with a vested interest in Independence Square who operated as a sounding board for the planning team. Members of the Steering Committee volunteered their time to participate in the three-day Visioning and Planning Charrette in January 2024, where they worked alongside the planning team and City staff to develop a future vision for Independence Square.

PROJECT OUTREACH

Multiple media outlets were used to ensure Independence's stakeholders and residents were aware of the project and opportunities to get involved:

Press Releases

A press release was published on January 19, 2024 to provide an overview of the project and spread the word about the public open house that took place the evening of January 25, 2024.

Social Media

Graphics were created to advertise the public open house on the City website and social media accounts.

VISIONING AND PLANNING CHARRETTE

Purpose

The Visioning and Planning Charrette is a critical milestone for the planning process. It is a time for the community to meet and work together to identify the current issues and opportunities facing the Square and establish a vision for the future. The goal of the charrette is to guide the development of the Plan, ensuring it is reflective of overarching community goals.

The charrette consists of two phases. The first phase of the process is **visioning**, which consists of high-level activities that aim to explore the things that are and are not working for the area alongside desires for the future. Stakeholders are encouraged to approach this phase as a time to dream big without being clouded by constraints such as time or cost. Visioning intentionally strips away what often holds people back from being truly honest about what they want to see. Once the needs, wants, and desires have been fully explored, the constraints and roadblocks can be discussed. With the openness that comes from sharing with one another about what is desired, a more informed conversation can be had about specific issues and goals for the future.

The second phase of the charrette uses goes deeper into specific issues within categories such as land use, transportation, economic development, etc. to identify priority areas and begin developing concepts. The **planning** phase asks for specific feedback, narrowing the focus of engagement through iterations of stakeholder review that aim to reach consensus on goals for the future.

Charrettes are typically multi-day, in-person events that are highly collaborative. The momentum built during the charrette drives the planning process forward in a way that allows the community to take ownership through involvement. The primary goal of the charrette is to create consensus, which is the most powerful tool for ensuring plan implementation once the planning process is complete.

Overview

The Visioning and Planning Charrette took place January 22, 24, and 25, 2024 at the Independence Chamber of Commerce (210 West Truman Road, Independence, MO 64050). The three-day workshop was attended by the planning team, Steering Committee members, and City staff members.

In preparation for the charrette, the planning team carried out an existing conditions evaluation and analysis. A high-level overview of the analysis was presented during the charrette, allowing participants to provide input on and ask questions about initial findings. Details on each day of the charrette are described in the sections below.

Day 1 – Monday, January 22, 2024

The charrette began with an introductory Steering Committee session. Members of the planning team led an overview of the charrette purpose, process, and schedule for the next three days. Next, existing site conditions were presented, followed by an overview of findings from the economic and market study conducted for the Square. To give additional context for the downtown redevelopment effort, the planning team talked through case studies of nearby jurisdictions who recently completed similar projects. The case studies included Gladstone, Liberty, and Lee's Summit, Missouri and Overland Park, Kansas. After a quick break, the planning team gave instructions to the Steering Committee on feedback exercises.

WORD CLOUDS

The first exercise asked Steering Committee members- in three, single-word answers each- what are three things that make you proud of the Square and what are three challenges you face in or about the Square? The planning team then compiled the responses into word clouds (*at right*). The larger the word size in a word cloud, the more times it was repeated as a response to the question. Word clouds are helpful in finding similar trains of thought between respondents.

Question 1: What are three things that make you proud of the square area?



Question 2: What are three challenges we face in or about the square area?



ISSUES AND OPPORTUNITIES

The next exercise asked the Steering Committee to work their way around the room to answer questions organized into six topic stations. Each station had a group of posters with questions, some of which included maps for locating specific areas. The planning team gave the attendees time to answer each of the following questions using sticky notes and dots:

Land Use and Development:

1. What land uses are missing from or desired in the planning area? Tell us using a sticky note.
2. Where should specific land uses be located? Show us by placing dots on the map, following the legend. Tell us more with sticky notes if desired.
3. Are there any existing land uses that are misplaced? If so, which ones? Tell us with a sticky note and by placing a red dot on the map.
4. What land uses should be preserved within the planning area? Tell us with a sticky note and show us by placing a green dot on the map.

Placemaking, Public Space, and Aesthetics:

1. Should new parks or public space be developed in the planning area? If so, where? Show us by placing a green dot on the map and describe your desired space using a sticky note.
2. How can we make the planning area more beautiful? Where? Tell us using a sticky note.
3. What would make it more enjoyable or comfortable to walk or bike in the planning area? Tell us by using a sticky note.
4. Are there any places in the planning area that should have a gateway welcoming people to the square? When do you feel like you've arrived at the square? Show us by placing a yellow dot on the map and tell us why using a sticky note.

Transportation and Parking:

1. Where is it difficult to walk in the planning area? Where are missing pedestrian connections? Show us by placing a pink dot on the map and tell us why using a sticky note.
2. Where is it difficult to bike in the planning area? Where are missing bicycle connections? Show us by placing an orange dot on the map and tell us why using a sticky note.
3. What are the missing vehicular connections within or to/from the planning area? Show us by placing a purple dot on the map and tell us why using a sticky note.
4. Where is traffic congested? Are there any high crash locations? Tell us using a sticky note.
5. Where is there enough parking? Show us by placing a green dot on the map.
6. Where is there not enough parking? Place a red dot on the map to show us.

Economic Development and Vibrancy

1. What areas of the planning area are primed and ready for development or redevelopment? Show us by placing a purple dot on the map and tell us why with a sticky note.
2. Tell us what places in the planning area you consider underutilized resources using a sticky note.
3. Mark on the map the places you consider attractions in the planning area. Use a blue dot. List them using a sticky note.
4. Where do you consider the center or "heart" of the planning area. Place a green dot on the map to show us. Use a sticky note to tell us why.
5. What attractions, entertainment opportunities, programs, and events would you like to see that do not currently exist in the planning area? Tell us with a sticky note.
6. What program spaces and amenities are desired in a new community center? Tell us with a sticky note.

Architecture and Built Form

1. In what areas should there be a building height restriction? If so, how many stories? Tell us with a sticky note.
2. What about your favorite buildings makes them your favorite? Mark your favorite buildings on the map with a purple dot and tell us why they're your favorite using a sticky note.
3. What are the best landmark buildings in the planning area? Show us by placing a pink dot on the map, and list them using sticky notes.
4. Think about areas that you like to walk around (could be anywhere!). What makes the buildings/facades enjoyable to walk by? Tell us using a sticky note.

District and Business Operations

1. What can be done to improve business operations within the planning area? Tell us by using a sticky note.
2. What operational issues exist within the planning area? Tell us using a sticky note.
3. What maintenance issues exist within the planning area? Tell us using a sticky note.
4. What marketing/branding/identity issues exist within the planning area? Tell us using a sticky note.
5. Describe the "brand" you'd like to see for the planning area. Scan the QR code to participate in a word cloud exercise to answer.
6. Put a dot by your preferred project logo. Tell us what you think with a sticky note.

Feedback collected during Issues and Opportunities can be found in ***Full Documentation of Responses***. After the exercise, members of the planning team worked for the remainder of the afternoon to develop initial draft concepts during a closed studio session.

Day 2 – Wednesday, January 24, 2024

The planning team spent the morning of the second day finalizing the initial draft concepts before the Steering Committee review session. From 1:00 p.m. to 2:30 p.m., the planning team presented concepts developed based on feedback gathered during the first day. Steering Committee members were encouraged to leave detailed feedback, which can be found in ***Full Documentation of Responses***. After the review session, the planning team spent the remainder of the afternoon revising concepts based on feedback during a closed studio session.

Day 3 – Thursday, January 25, 2024

STEERING COMMITTEE

Review and comment on draft concepts – 1:00 p.m. to 2:30 p.m.

CLOSED STUDIO

PUBLIC OPEN HOUSE

The planning team continued working through revised concepts through the morning of the third day. Another Steering Committee review session was held from 1:00 p.m. to 2:30 p.m. to allow the planning team an opportunity to present revised concepts and ask for another round of feedback before the public open house. Feedback on revised concepts can be found in ***Full Documentation of Responses***. After the review session, the planning team made quick revisions and set up the room for the public open house.

Public Open House

The public open house took place on the evening of Thursday, January 25, 2024 from 5:30 p.m. to 7:30 p.m. at the Independence Chamber of Commerce (201 West Truman Road, Independence, MO 64050). Community members were welcome to participate in the Issues and Opportunities exercise completed by the Steering Committee on the first day of the charrette and leave feedback on the concepts developed throughout the charrette. The open house was set up in a self-guided format around the room. There was no presentation, but details on the planning process, purpose, and timeline were included as introductory information. Members of City leadership and the consultant team were present to answer questions.

Feedback from the public open house can be found in ***Full Documentation of Responses***.

FULL DOCUMENTATION OF RESPONSES

Visioning and Planning Charrette

Day 1 – Issues and Opportunities

LAND USE AND DEVELOPMENT

1. What land uses are missing from or desired in the planning area? Tell us using a sticky note.
   - Multi-family (x5)
   - Apartments
   - Hotel (x6)
   - Boutique
   - Upper floor residential (x2)
   - Upper floor use
   - 2nd story mixed use/office
   - Green sit-down space
   - Community recreation space (x2)
   - Nice streetscape
   - Gathering space
   - Open space (x2)
   - More shade
   - District signage (x2)
   - Sense of brand (x2)
   - Past 8pm activity
   - Entertainment (x3)
   - Concert venue
   - Less surface parking in prime development areas (x2)
   - Redevelopment plan
   - Grocery (x2)
   - Density housing
   - Service uses
2. Where should specific land uses be located? Show us by placing dots on the map, following the legend. Tell us more with sticky notes if needed.
3. Are there any existing land uses that are misplaced? If so, which ones? Tell us with a sticky note and show us by placing a red dot on the map.
   - Wayfinding signage
   - Parking
   - Independence theater storage building
4. What land uses should be preserved within the planning area? Tell us with a sticky note and show us by placing a green dot on the map.

PLACEMAKING, PUBLIC SPACE, AND AESTHETICS

1. Should new parks or public space be developed in the planning area? If so, where? Show us by placing a green dot on the map and describe your desired space using a sticky note.
   - W. Maple connection from City Hall to Square
   - Upgrade Liberty from Square south to County/City parking lot
   - Demo old Jones store
   - Trails
   - Streetscape/potential for pocket parks and civic art
   - Community center
   - Museum- potential for outdoor exhibits
   - Santa CaliGon pavilion?
   - Vacate Memorial Drive
   - Public art/murals
   - Make HST courthouse greenspace friendly

2. How can we make the planning area more beautiful? Where? Tell us using a sticky note.
    - Trees (x5)
        - » Trees all around the square
        - » Landscaping, trees
    - Expand streetscape- trees, lighting, banners, signage (x2)
    - Less surface parking
    - Power and Light District-style “living room”
    - Redo façade on out-of-character
    - Façade renovation
    - Signage (x4)
        - » Wayfinding signage (x3)
    - Fill building gaps
    - Places to rest, green space, benches, lighting
    - Art
3. What would make it more enjoyable or comfortable to walk or bike in the planning area? Tell us by using a sticky note.
    - Signage (x3)
        - » Wayfinding signage
    - Sidewalks
    - Shade (x3)
        - » Shade/landscaping (x2)
    - Art
    - Lighting (x3)
    - Cycle event/club (x2)
    - Safety
4. Are there any places in the planning area that should have a gateway welcoming people to the square? When do you feel like you’ve arrived at the square? Show us by placing a yellow dot on the map and tell us why using a sticky note.
    - Along Truman
    - Along Noland
    - Noland (x2)
    - Truman (x2)
    - Truman Road from KC needs to be upgraded; very unpleasant experience
    - Lexington
    - Truman and Main (x2)
    - Noland and Lexington (x2)
    - Osage and Truman (x2)
    - Main
    - 23rd
    - Spring

TRANSPORTATION AND PARKING

1. Where is it difficult to walk in the planning area? Where are missing pedestrian connections? Show us by placing a pink dot on the map and tell us why using a sticky note.
    - Everywhere
    - Civic campus not pedestrian
    - During summer entire commercial district – too hot, no shade
2. Where is it difficult to bike in the planning area? Where are missing bicycle connections? Show us by placing an orange dot on the map and tell us why using a sticky note.
    - All
    - Truman and Main/Liberty/Lynn/Osage
    - Everywhere
3. What are the missing vehicular connections within or to/from the planning area? Show us by placing a purple dot on the map and tell us why with a sticky note.
    - More and better charging spots for electric cars
4. Where is traffic congested? Are there any high crash locations? Tell us using a sticky note.
    - Truman
    - Noland
    - Osage and Truman
    - Truman and Delaware – lots of accidents and near misses
    - Lexington between Main and Liberty
    - One-way drive wrong direction
    - Too many stop signs
5. Where is there enough parking? Show us by placing a green dot on the map.
    - Everywhere. You can have front row parking always.
    - Nope
    - Need a central parking (x2)
6. Where is there not enough parking? Show us by placing a red dot on the map.

ECONOMIC DEVELOPMENT AND VIBRANCY

1. What areas of the planning area are primed and ready for development or redevelopment? Show us by placing a purple dot on the map and tell us why with a sticky note.
    - Moving police (x2)
    - With the police moving, this lot could be ready sooner rather than later (x2)
    - Old parking lots (x2)
    - Lynn Street needs love!
    - Hotels
    - Better gateway into Square (x2)
    - County is underutilizing the courthouse (x2)
    - Board of elections should be redeveloped (x2)
    - 2nd level of all buildings around the square
    - Empty space carnival lot (x2)
2. Tell us what places in the planning area you consider underutilized resources.
    - Green space (x2)
    - All green space
    - Empty parking lots (x2)
    - County property
    - Sermon Center (x2)
    - City Hall
    - Police HQ
    - Jackson County Election Board
    - City/County parking; KS and Liberty
    - Historic Square buildings in center
3. Mark on the map the places you consider attractions in the planning area. Use a blue dot. List them using a sticky note.
    - Jackson County Courthouse
    - Jail (x2)
    - Restaurants (x2)
    - Retail
    - Truman Courthouse and Gallery
    - Polly’s Pop
    - 3 Trails Brewing
4. Where do you consider the center or “heart” of the planning area? Place a green dot on the map to show us. Use a sticky note to tell us why.
    - Courthouse (x4)
        - » This Historic Courthouse is the heart
    - Independence Square Association
    - Ophelia’s

5. What program spaces and amenities are desired in a new community center? Tell us with a sticky note.
    - Indoor waterpark
    - Pickleball courts (x2)
    - Things that bring visitors and $$$
    - Concert area (x2)
    - Space for concerts
    - Youth sports facility
    - Outdoor gathering space
    - Wayfinding signage
    - Obvious parking
    - Walkability
    - Track
    - Capsule hotel
    - Pool
    - Senior activities
    - Library
    - Amphitheater

6. What attractions, entertainment opportunities, programs, and events would you like to see that do not currently exist in the planning area? Tell us with a sticky note.
    - Night life (x3)
    - More night life; club, dance floor
    - Live stage theater performances
    - Family attractions (x2)
    - Kids attractions (x2)
    - Art fairs (x2)
    - Community art/theater
    - Bike club
    - Concert venue (x2)
    - Food truck night
    - Bar crawl

ARCHITECTURE AND BUILT FORM

1. What areas should there be a building height restriction? If so, how many stories? Tell us with a sticky note.
    - None (x2)
    - Restrictions only if they impede views
    - Depends on use of building- apartments, office
    - Depends on zone on square- maybe 6-7
    - Only immediately surrounding the square
    - Depends on the location

2. What about your favorite buildings makes them your favorite? Mark your favorite buildings on the map with a purple dot and tell us why they're your favorite using a sticky note.
    - Carol building - sunshine if developed right
    - Courthouse – history
    - Courtyard
    - Restaurant
    - AT&T should be residential
    - Café Verona courtyard
    - Market
    - Art gallery
    - History
    - Courthouse Candy – great presence
    - Initiate façade renovation/replacement program

3. What are the best landmark buildings in the planning area? Show us by placing a pink dot on the map and list them using sticky notes.
    - Market
    - Farmers market
    - County Courthouse
    - Historic significance

4. Think about areas that you like to walk around (could be anywhere!). What makes the buildings/facades enjoyable to walk by? Tell us using a sticky note.
    - Truman Library – green space and architecture
    - Architecture
    - Safety
    - Lights, patios, safety (x2)
    - Benches (x2)
    - Trees, shade (x2)
    - Outdoor
    - Water features
    - Sidewalks and pathways
    - English architecture
    - Coherent architecture
    - Statues, art (x2)
    - Large windows and brick façade
    - Pedestrian paths and signage

DISTRICT AND BUSINESS OPERATIONS

1. What can be done to improve business operations within the planning area? Tell us using a sticky note.
    - Streets and parking
    - More inviting outside space
    - Nightlife for youth (x3)
    - Tourism
    - Wider sidewalks for more patios, etc. (x2)
    - Unique activities and events (x2)
    - Brand identity
    - Create permanent density aka residential
    - Shade trees
    - Benches
    - Branding
    - Aesthetics (x2)
    - Comfort

2. What operational issues exist within the planning area? Tell us using a sticky note.
    - Parking (x2)
    - Wayfinding signs/signage (x3)
    - Traffic flow for parking
    - Lack of tourism
    - Lack of prev. and deferred maintenance (x2)
    - Party signage
    - Density and residential opportunities (x2)
    - Torn up parking lots
    - Stop signs too many
    - Vacant spaces between businesses

3. What maintenance issues exist within the planning area? Tell us using a sticky note.
    - Sidewalks (x6)
        - » Poor sidewalks
    - Lighting
    - Walkability
    - Light poles falling and breaking
    - Lack of electrical outdoor outlets for events
    - Lack of ways to easily water plants and landscaping
    - Utilities infrastructure
    - Torn up parking
    - Curbs
    - Streetlights
    - Trees

4. What marketing/branding/identity issues exist within the planning area? Tell us using a sticky note.
    - Connection to HST Home and Library
    - No synergy
    - Funding (x3)
    - Closed early and Sunday
    - Lack of nightlife; identity
    - No presence
    - Lack of branding
        - » No consensus (x2)
    - City investment
    - Lack of similar open times
    - Diversity of retail
    - Lack of unifying concept

5. Describe the “brand/identity” you’d like to see for the planning area (e.g., naming, themes, etc.)
    - A home loved by those who live here and a destination for visitors
    - History and future
    - Fun
    - Confidence
    - Modern
    - Dining entertainment district
    - Uptown district
    - Safe
    - Fun
    - Classy
    - Historic Downtown
    - Independence; for the visit
    - Old but new
    - Americana- inspired by the history with an eye for the future
    - The Square

6. Put a dot by your preferred project logo. Tell us what you think with a sticky note.
    - None speak to me as the brand or “hook”

Option 1: Unboxed

Option 2: Square Unboxed

- Most easy to understand
- Yes only for study name
- What’s possible beyond the square box?

Option 3: Reshaping the Square

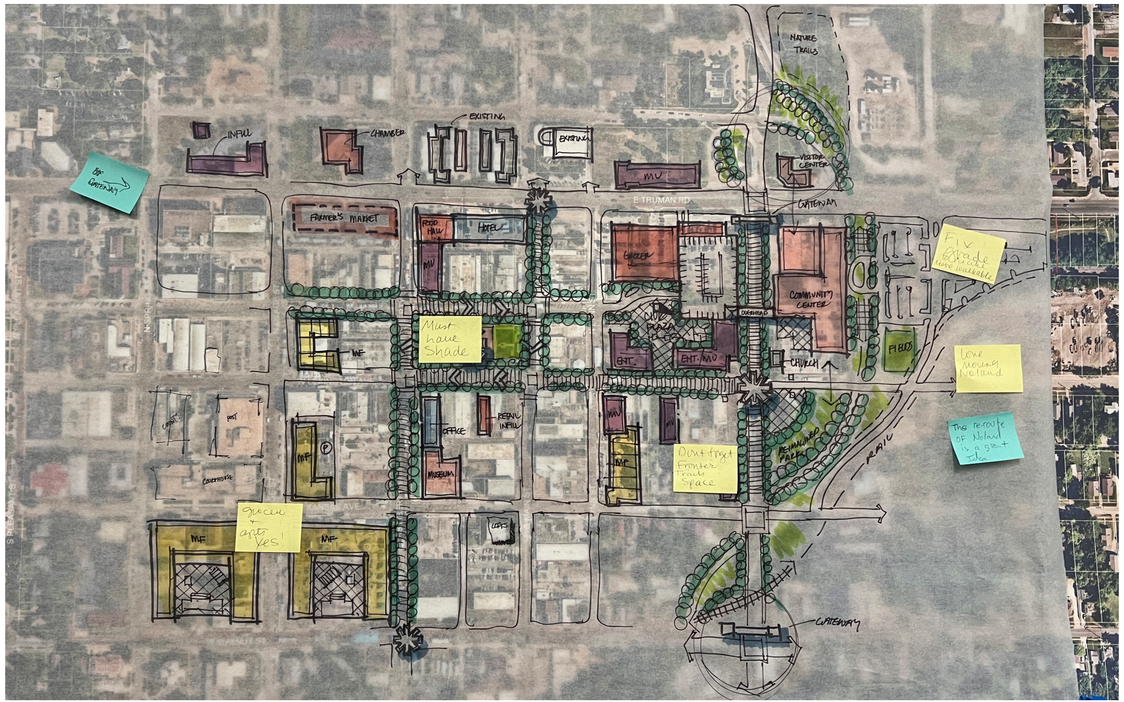
- This tells what we’re doing
- Well defined
- Unsquare the square

Day 2 – Steering Committee Review Session



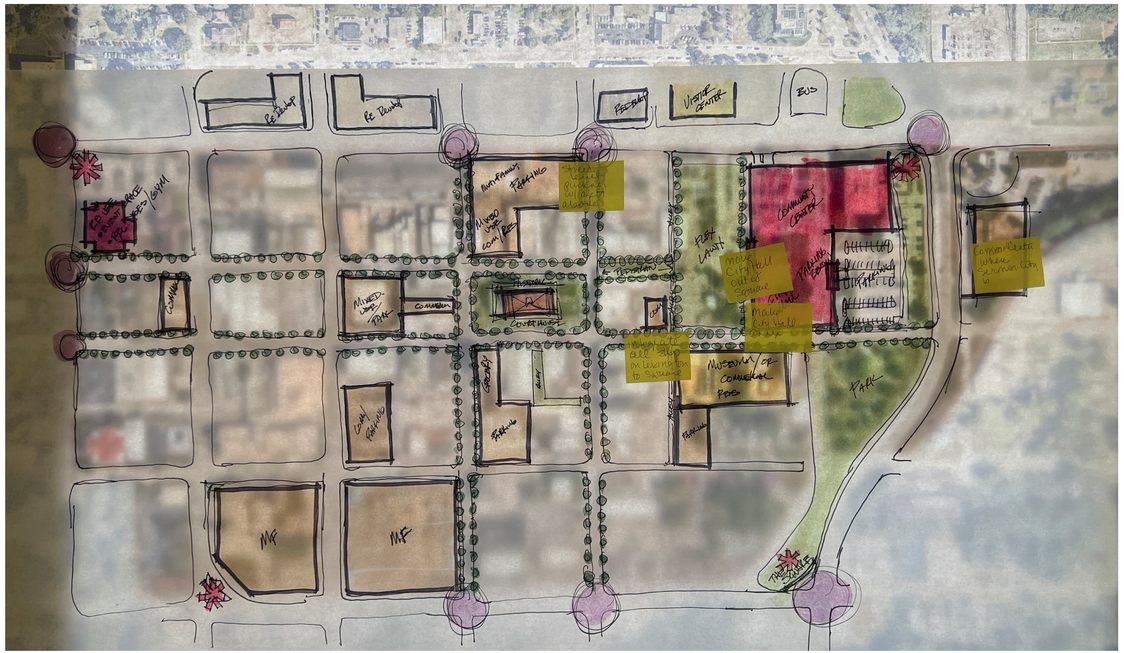
Comments:

- Good location for grocer



Comments:

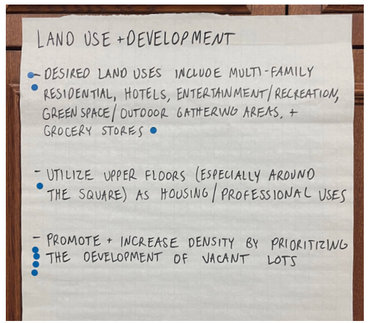
- Gateway
- Must have shade
- Grocer and arts yes!
- Don't forget Frontier Trails space
- Fix grade to make more walkable
- Love moving Noland
- The re-route of Nolan is a great idea

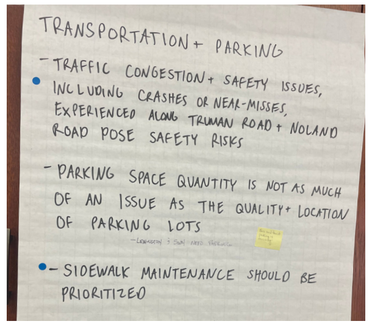


Comments:

- Street level parking w/ apts above
- Integrate all shop on Lexington to Square
- Move City Hall out of square
- Make City Hall Annex
- Comm. Center where Sermon City is

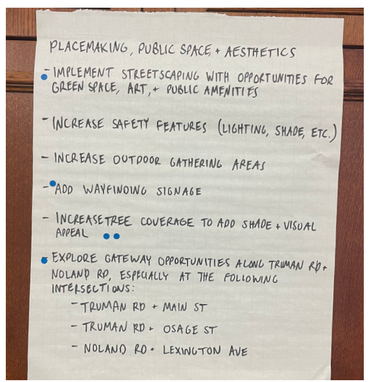
Day 3 – Steering Committee Review Session

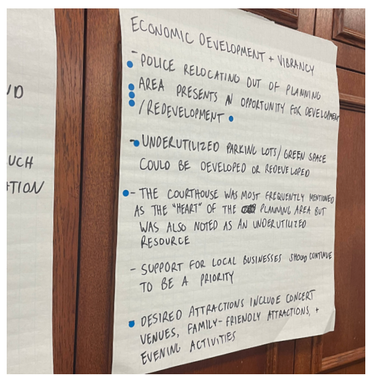


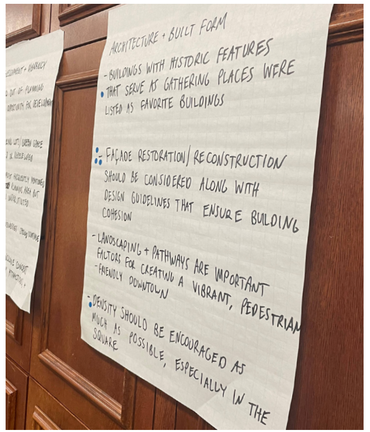


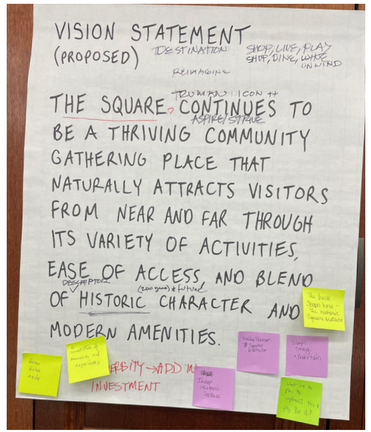
Comments:

- Lexington and South need parking
- Bus and tourist parking is missing



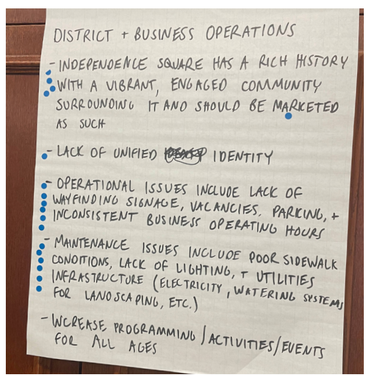


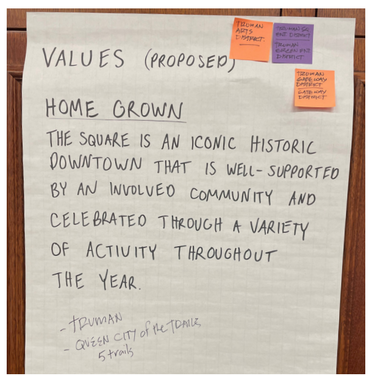




Comments:

- Renew, relax, reside
- A concentration of businesses and experiences
- Independent, historic, future
- Trails and Truman; Square District
- The buck shops here- the historic Square district
- Shop, stay, and entertain
- What are the plans to implement this and pay for it?





Comments:

- Truman arts district
- Truman Square entertainment district
- Truman green ent. District
- Truman gateway district
- Gateway district

PUBLIC OPEN HOUSE

Land Use and Development

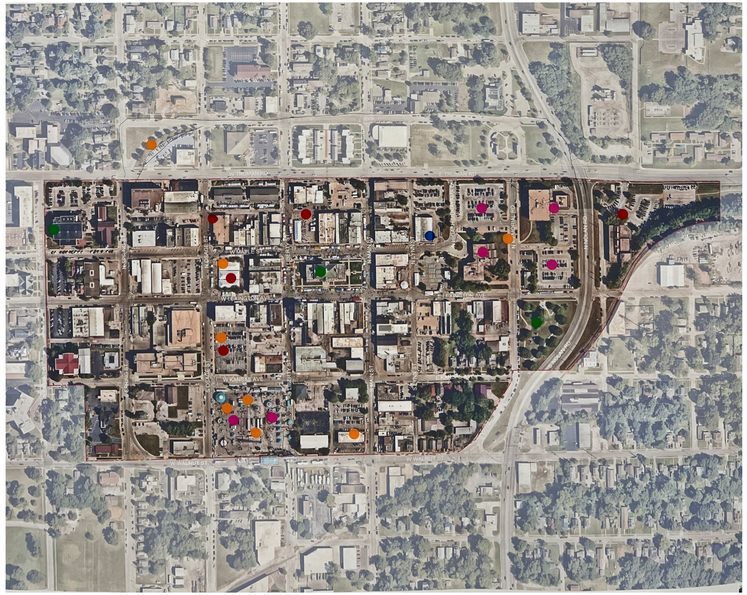
Question 1. What land uses are missing from or desired in the planning area? Tell us with a sticky note.

- Multi-family (x5)
- Swimming space
- City Hall (x2)
- Grocery (x5)
- Hotel (x7)
- Hotel and apartments
- Public Restrooms & water fountains
- Community Rec. Space
- Open Space
- Nice Streetscape
- Greenspace park
- Gathering space
- Green space/space family to gather outdoors
- More shade
- District signage
- Sense of brand
- Updated community center
- Structure parking for city/county staff
- Apartments historical look around feel/ Lofts
- Drug store/grocery store
- Pool & Hotel
- Past 8pm acting
- Plan for the statue at the sermon center? This should be included at the community center
- No multi family housing pr rental
- Entertainment venues that people would come too
- Lamars donuts
- Community center w/ pickle ball courts
- Entertainment (x4)
- Concert Venue
- Pedestrianize one or more streets
- Reduce surface parking lots
- Less surface parking in prime development areas
- Redevelopment plan
- Fire museum in Station 1 @ Truman & Main
- Dentist Or doctor
- NO multi-housing or rental
- Upper floor UDR
- Upper story mixed use office
- Dog friendly

Question 2. Where should specific land uses be located? Show us by placing dots on the map, following the legend. Tell us more with sticky notes if needed.

- Parks and Recreation/Open Space (x3)
- Flex/Industrial (0)
- Commercial (x5)
- Single Family Residential (0)
- Multi-family Residential (x8)
- Mixed Use (mixture of uses in one development) (x6)
- Civic/Public (schools, city facilities, libraries, etc.) (x1)

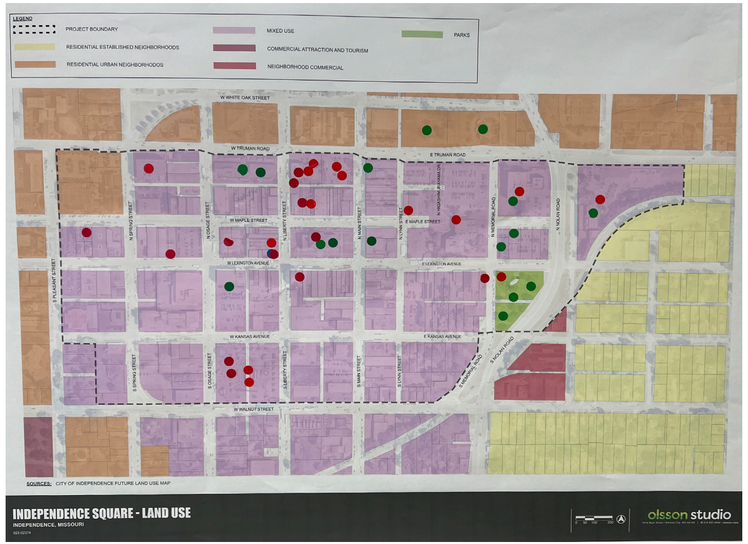
MAP FOR LAND USE & DEVELOPMENT: QUESTION 2



Question 3. Are there any existing land uses that are misplaced? If so, which ones? Tell us with a sticky note and show us by placing a RED dot on the map.

- **Red dots (x28)**
- Wayfinding signage
- Parking
- Independence theater storage building
- Police station
- Make the county tear down their health dept.

MAP FOR LAND USE & DEVELOPMENT: QUESTIONS 3, 4



Question 4. What land uses should be preserved within the planning area? Tell us with a sticky note and show us by placing a GREEN dot on the map.

- **Green dots (x32)**
- New city hall with parking structure
- Old fire station #1 saved for museum
- Preserve the historic fire station for a museum/education center
- Refurbished city
- Government facilities (police/city hall)
- Preserve station 1 @ Truman & main for fire Museum
- City hall and police headquarters parking & use for existing purposes
- Keep & reincarnate current Sermon CTR/ Keep all bldgs. Surrounding courthouse & upgrade according to city standards
- All this area is in the historic district. You have to consider! And follow set standards

Transportation And Parking

Question 1. Where is it difficult to walk in the planning area? Where are missing pedestrian connections? Show us by placing a PINK dot on the map and tell us why using a sticky note.

- **Pink dots (32)**
- Truman Rd.
- Main & Lexington / sidewalk damaged
- Everywhere
- Civic corps not pedestrian
- Access Noland Rd

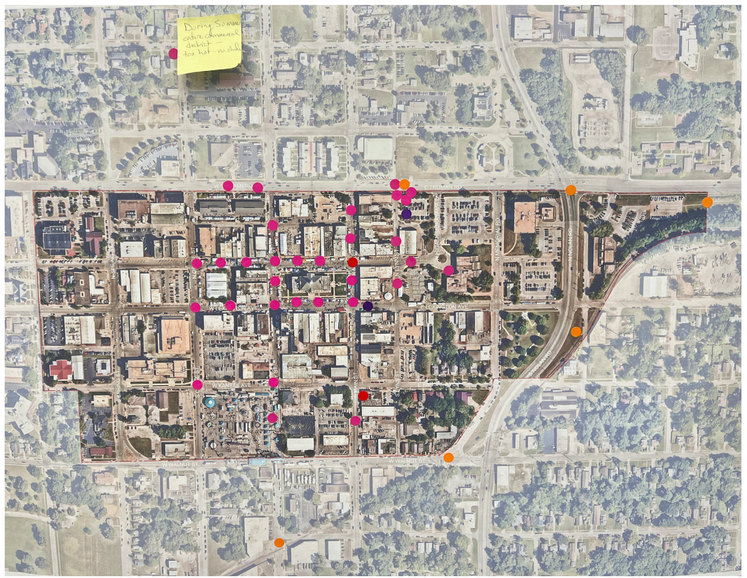
Question 2. Where is it difficult to bike in the planning area? Where are missing bicycle connections? Show us by placing an ORANGE dot on the map and tell us why using a sticky note.

- **Orange dots (x5)**
- All
- Truman/main/Liberty/Lynn/Osage
- Better connection to Englewood &
- Disabled parking does not have space besides van to load/unload wheelchair. Limits visitors with walking/mobility issues
- Everywhere (x3)

Question 3. What are the missing vehicular connections within or to/from the planning area? Show us by placing a PURPLE dot on the map and tell us why with a sticky note.

- **Purple dots (x5)**
- BRT/electric buses
- More and better charging spots for electric cars
- During summer entire commercial district – too hot /no shade
- More green space/trees

MAP FOR TRANSPORTATION & PARKING: QUESTIONS 1, 2, 3



Question 4. Where is traffic congested? Are there any high crash locations? Tell us using a sticky note.

- Truman Noland
- Osage & Truman
- Truman & Delaware lots of dents & near misses
- Lexington between Main & liberty
- Too many stop signs
- There is no congestion
- 1-way drive wrong direction

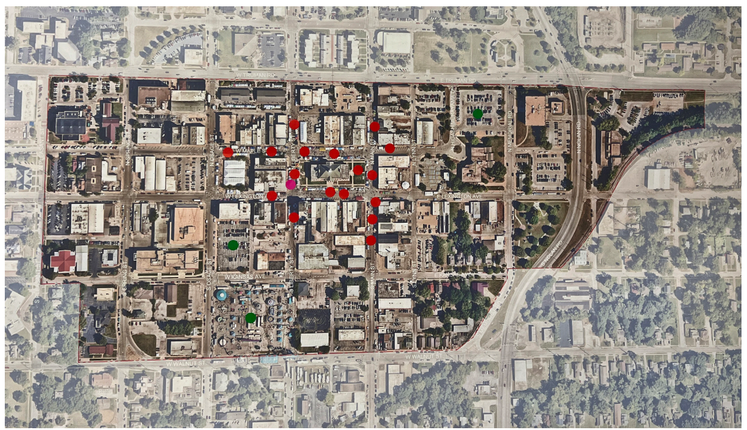
Question 5. Where is there enough parking? Show us by placing a GREEN dot on the map.

- **Green dots (x8)**
- Everywhere. You can have front row parking everywhere
- Nope
- Need a central parking
- Photo taken during SOG, makes parking look full
- Too much surface parking

Question 6. Where is there not enough parking? Show us by placing a RED dot on the map.

- **Red dots (x19)**
- There is plenty of parking lots that are not used
- There is to much parking everywhere. Lot is in half make more headaches sports
- Instead of expanding pavement – consider multi-level parking w/facades that are sensitive to the square – 1860's to 1930s.

MAP FOR TRANSPORTATION & PARKING: QUESTIONS 4, 5, 6



Architecture and Built Form

Question 1. What areas should there be a building height restriction? If so, how many stories? Tell us with a sticky note.

- None
- Restrictions only if they impede views
- Depends on use of building apartments/office
- Depends on zone on street. Maybe 6-7
- Only immediately surround the SQ
- Depends on the location

Question 2. What about your favorite buildings makes them your favorite? Mark your favorite buildings on the map with a PURPLE dot and tell us why they're your favorite using a sticky note.

- **Purple dots (x17)**
- Carol building sunshine if developed right
- Courthouse history
- AT&T should be residential
- Courtyard
- Restaurants
- Café venue courtyard
- Art gallery
- Market
- History
- Courthouse-Carty Great Presence
- Sermon center – the theater inside – good for the community
- Intimate façade reno/replacement program
- Truman memorial bldg.
- Historic fire station / create a fire museum and education center.
- Old fire station #1
- Historic fire station for fire museum & education
- Uptown market / brings community together.
- Fire museum @ Truman & main in fire station #1
- Historic buildings

Question 3. What are the best landmark buildings in the planning area? Show us by placing a PINK dot on the map, and list them using sticky notes.

- **Pink dots (x21)**
- Market
- Historic significance
- Farmers Market/ County Courthouse
- Historic fire station
- Uptown market
- TMB
- 200 S Main
- Historic courthouse
- Historic jail/buildings around square/ courthouse
- Anything for urban renewal 1970's
- Historic fire station #1
- Old fire station
- First Baptist church (x2)
- Historic significance
- Fire station @ Truman & Main

MAP FOR ARCHITECTURE & BUILT FORM: QUESTIONS 2, 3



Question 4. Think about areas that you like to walk around (could be anywhere!). What makes the buildings/facades enjoyable to walk by? Tell us using a sticky note.

- Trauma library. Green space & architecture
- Architecture
- Lights/patios/seating
- Trees /shade
- Water lecture
- English architecture
- Statues/art
- Safety
- Benches
- Artwork/landscaping/trees
- Outdoor
- Sidewalks & pathway
- Coherent architecture
- Large windows & brick façade
- Pedestrian paths and signage
- Nature
- Beautiful infrastructure + landscaping
- Variety of uses – retail offices. Public uses
- Mixed use
- Some shade areas
- Public art
- Churches
- Character/sense of time & space/ history of the place
- Unique plants, trees, local artwork
- Trees/nature plants and flowers
- Public art (x2)
- Fire museum @ Truman & Main

Placemaking, Public Space, And Aesthetics

Question 1. Should new parks or public space be developed in the planning area? If so, where? Show us by placing a GREEN dot on the map and describe your desired space using a sticky note.

- **Green dots (x25)**
- 10 maple connection from city hall to SQ
- Upgrade liberty from SQ south to county/city PKG lot
- Streetscape/potential for pocket parks and civic art
- Museum – potential for outdoor exhibits
- Demo old Jones Store
- Trails
- Community center
- Vacate Memorial Dr.
- Public art/murals
- Make HST courthouse green space friendly
- Close a road to cars, make it walkable biking only!
- Relocate city hall on the square + make site a park
- Park playground for kids & adults, exercise park , mix generational park
- We have a community Ctr update it. Its one of a kind & historic
- Wider sidewalk to allow permanent outdoor dining
- Kansas & Osage – lot would make a great park
- Yes, small space to fit into look dot connected as open space
- Courthouse lawn

Question 2. How can we make the planning area more beautiful? Where? Tell us using a sticky note.

- Trees (x3)
- Less surface parking
- Signage
- Façade renovation

MAP FOR PLACEMAKING, PUBLIC SPACE, & AESTHETICS: QUESTION 1



- P&L style “Living Room”
- Redo façade on out-of-character
- Fill building gaps
- Trees all around the square
- Landscaping (x2)
- Place to rest, green space, benches, lighting
- Landscaping trees
- Expand streetscape – trees, lighting, banners, signage
- Wayfinding signage
- Make sure to have the ability to keep green space green irrigation
- Wayfinding signage
- Parks where less used parking lots + infill lots are
- Signage to direct visitors less confusion less stress for those traveling to independence
- Tress all around the square
- Update bldgs. W historic feel
- Sidewalks + bump outs
- Excitement lights – music, look at some of the retail stores to improve store fronts + restaurants stay open later
- Trees landscaping
- Landscaping
- Better pedestrian designated spaces
- Trese update old run down buildings

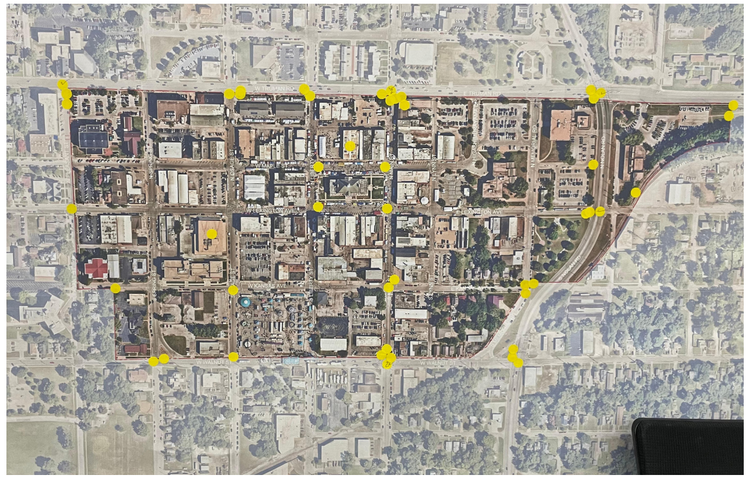
Question 3. What would make it more enjoyable or comfortable to walk or bike in the planning area? Tell us by using a sticky note.

- Wayfinding signage
- Art
- Shade/landscaping
- Signage
- Lighting
- Cycle event club
- Safety
- Trees
- Sidewalks
- Shade
- Fix the sidewalks
- Street lighting
- No vehicular traffic
- Trash + recycling containers
- Traffic calming (narrow intersections, all trees, reduce lands)
- Trash/recycling bin
- Streetlights historic feel. Cobble stone sidewalks

Question 4. Are there any places in the planning area that should have a gateway welcoming people to the square? When do you feel like you’ve arrived at the square? Show us by placing a YELLOW dot on the map and tell us why using a sticky note.

- **Yellow dots (x37)**
- Along Truman/ along Noland
- Truman road from KC needs to be upgrade/Very unpleasant experience
- Truman & main/ Noland & Lexington/ Osage & Truman (x2)
- Truman spring
- Noland Truman
- Lexington Noland
- Main 23rd
- Vibrant businesses + people walking
- All entrances to the square
- Walnut Osage
- Main + Truman
- Fire Museum @ Truman & Main in Fire Station #1
- Fire Station @1
- Noland + Maple
- N. Main + Truman
- Billboards on I70 promoting square & historic locations.

MAP FOR PLACEMAKING, PUBLIC SPACE, & AESTHETICS: QUESTION 3, 4

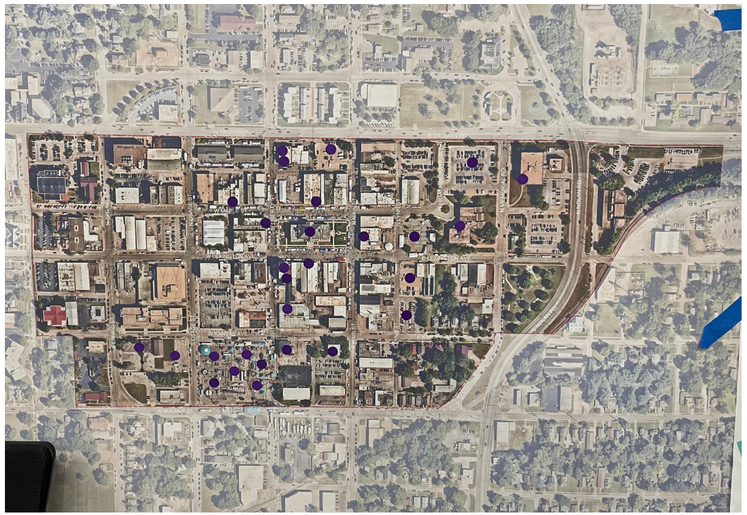


Economic Development and Vibrancy

Question 1. What areas of the planning area are primed and ready for development or redevelopment? Show us by placing a PURPLE dot on the map and tell us why with a sticky note.

- **Purple dots (x28)**
- Moving police
- Lynn st need love!
- County is underutilizing the courthouse
- Board of elections should be redeveloped
- With the police moving, this lot could be ready sooner rather than later
- Old parking lots
- Hotels
- Better gateway into square
- 2nd level of all bldgs around the 2Q
- Empty space carnival lot
- City county parking lots
- Fire Museums @ Truman & Main in Fire Station #1
- County health Dept.
- Kansas & Osage
- Election board
- Fire Museums @ Truman & Main in
- Bank of America building
- 200 s Main
- Preserve & Reno existing

MAP FOR ECONOMIC DEVELOPMENT & VIBRANCY: QUESTION 1



Questions 2. Tell us what places in the planning area you consider underutilized resources use a sticky note.

- All green space
- Sermon center
- City hall, Police HQ, Sermon Center
- Empty parking lots
- Jackson County Election Board
- Green space county property
- City/county parking lots & liberty
- Historic SQ Bldgs is generic

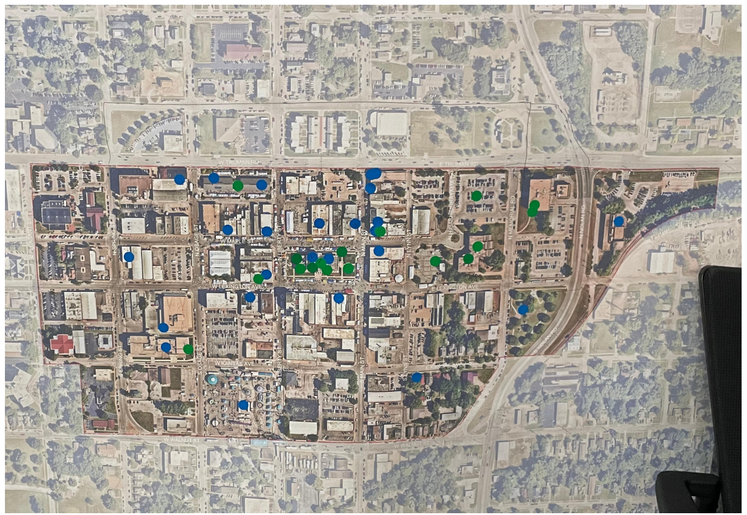
Question 3. Mark on the map the places you consider attractions in the planning area. Use a BLUE dot. List them using a sticky note.

- **Blue dots (x27)**
- Truman Court House / Gallery
- Polly's Pop
- Restaurant
- Jackson Co Courthouse/deed/ restaurants, retails
- Jail
- 3 Trails/Brewery
- Uptown market
- Powerhouse theater
- Museum & education center @ Fire Station #1 @ Truman & Main
- Historic places – need new markers
- Old fire station #1
- El Pico
- Clintons
- Fire Station #1 @ Truman & Main
- Courthouse

Question 4. Where do you consider the center or "heart" of the planning area? Place a GREEN dot on the map to show us. Use a sticky note to tell us why.

- **Green dots (x16)**
- Courthouse (x3)
- Historic courthouse
- The historic courthouse is the heart
- Independence Square Assoc.
- Ophelia's
- Daves Deli
- Living Windows

MAP FOR ECONOMIC DEVELOPMENT & VIBRANCY: QUESTION 3, 4



Question 5. What program spaces and amenities are desired in a new community center? Tell us with a sticky note.

- Indoor waterparks/ pickle ball courts
- Things that bring visitors and $$$
- Space for concerts
- Pickleball
- Wayfinding signage /obvious parking/ walkability
- Track
- Pool
- Amphitheater
- Senior apartments
- Capsule hotel
- Library
- Youth sports facility
- Outdoor/gathering space/concert outdoor
- Walking trail / fitness center
- Theater! This is much space at the sermon center
- Update equipment inviting space for events
- Library/reading room
- Multipurpose stage/event area
- Pool
- Multi generational spaces
- Big enough for big townies
- Nice big community center. Basketball, pickleball, indoor/outdoor pool class with equip similar to Lee's Summit
- Community Theatre
- Gym/Pool, Comm Center
- Theater

Question 6. What attractions, entertainment opportunities, programs, and events would you like to see that do not currently exist in the planning area? Tell us with a sticky note.

- More night life/club/dance floor
- Live stage theater performances
- Family attractions/kids attractions/art fairs
- Community art theater
- Night life (x2)
- Concert venue
- Bike club
- Food truck night
- Bar crawl
- Big Rec Center
- Confident hours at retail and restaurants
- Better restaurants w/ later hours
- Variety of shops and restaurants
- Amphitheater/outdoor Pavilion
- Community arts/theater
- Pool
- More restaurants, bars, stores open later, concert venue
- Fire Station #1 @ Truman & Main
- Fire museum education center in historic fire station #1
- Pickleball courts. Bike Club
- Restaurants that are open 7 days per week and open until 10pm
- Living windows & more similar events
- Fire station @ Truman and Main Museum & education center

District and Business Operations

Question 1. What can be done to improve business operations within the planning area? Tell us using a sticky note.

- Streets & parking
- More inviting outside space
- Night life for youth
- Wider sidewalks for more patios etc
- Wayfinding signage
- Unique activities & arts
- Brand identity
- Create permanent density aka residential
- Shade trees
- Aesthetics
- Comfort
- Benches
- Branding
- Tourism
- Visitors center. Signage especially for businesses not facing court house
- Unique activities & events
- Night life
- Daytime workers
- More variety better hours
- Housing
- Stores stay open in evening
- Benches, shade, landscaping
- Stay open later
- Update theater and show more/good movies
- Parking/benches/shade/landscaping/ beautification lights

Question 2. What operational issues exist within the planning area? Tell us using a sticky note

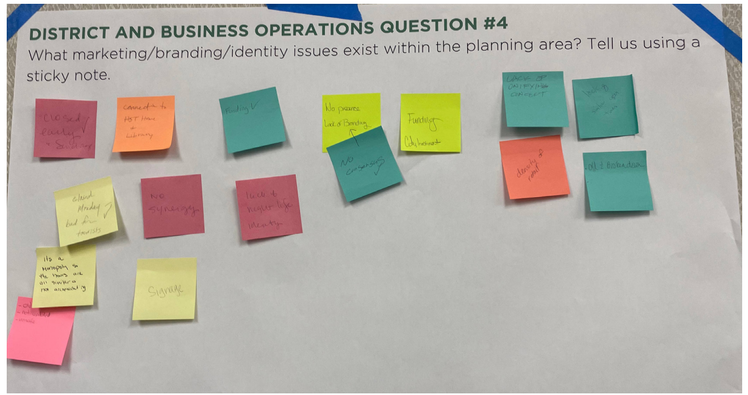
- Parking (x2)
- Wayfinding signage (x2)
- Traffic slow for parking
- Lack of tourism
- Density & residential opportunities
- Stop signs too many
- Vacant spaces between businesses
- Lack of prev. & deferred maint.
- Parking signage
- Torn up parking lots
- Signage for parking lots w/ clean signage
- Enforcing 2 hr parking
- Too many empty spaces
- More night life/some outdoor concerts
- Need variety of shopping
- Too many vacant spaces – better variety of stores, restaurants stay open later

Question 3. What maintenance issues exist within the planning area? Tell us using a sticky note.

- Sidewalks (x6)
- Poor sidewalks
- Lighting
- Walkability
- Lack of electrical outdoor outlets for events
- Lack of ways to easily water plants and landscaping
- Outdoor infrastructure
- Curbs sidewalks streetlights trees
- Torn up parking
- Light poles falling & breaking
- Need more trash/recycling bines
- Lighting/buildings need painting/ awnings-updates
- Sidewalks, broken down landscaping, buildings not kept up
- Historic preservation
- Lighting. Trash/recycle bins
- Sidewalks need improvement

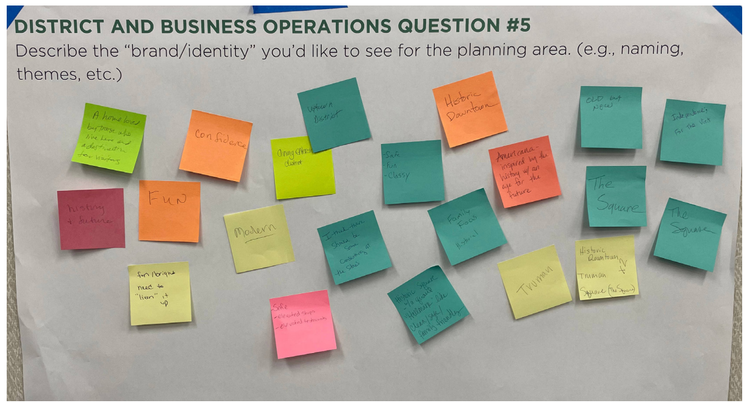
Question 4. What marketing/branding/identity issues exist within the planning area? Tell us using a sticky note.

- Connection to HST Home & Library
- Closed early on Sunday
- Funding
- No synergy
- Lack of night life identity
- No presence lack of branding
- No census
- Funding/city entertainment
- Closed early & signage
- Lack of similar open times
- Lack of unify concept
- Density of retail
- Old & Broken
- Lack of night life identity
- Signage
- Closed Monday bad for tourists
- It's a monopoly. The hours are all similar not according
- Old/not updated/unsafe



Question 5. Describe the "brand/identity" you'd like to see for the planning area. (e.g., naming, themes, etc.)

- A home loved by those who live here and a destination for visitors
- Confidence
- Uptown market



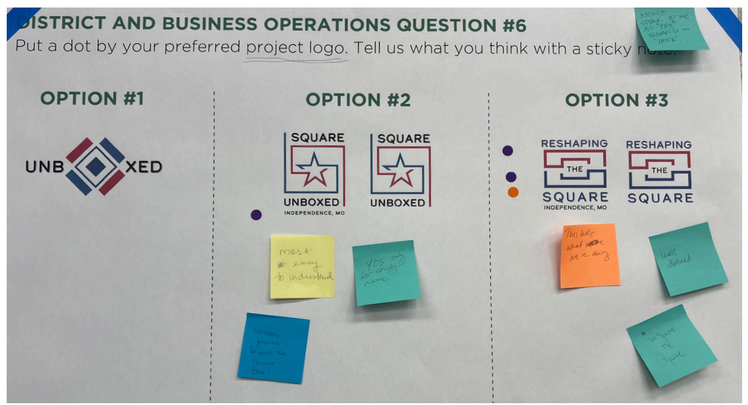
- Dining energetic district
- Fun
- Dining entertainment district
- History & future
- Modern
- Historic downtown
- Safe/fun/classy
- Americana – inspired by the history w/ an eye for the future
- Independence; for the visit
- Old but new
- The square (x2)
- Family focus, historical
- Truman
- Historic Downtown/Truman/Square
- Historic square w/a quality "Hallmark" like clean/safe/family friendly
- I think there should be some consistency at the stores
- Safe/elevated shops/elevated restaurants
- Fun/bright need to be "liven" it up

Question 6. Put a dot by your preferred project logo. Tell us what you think with a sticky note.

- Option 2 (x1)
  - » Most easy to understand
  - » Yes only for story name
  - » Whats possible beyond the square box?
- Option 3 (x3)
  - » None speak to me as the "Brand or Hook"
  - » This feels what were doing
  - » Well defined
  - » Unsquare the square

What did we miss?

- Keeping the city hall on the square
- Transit integrated and further development
- Keep police/trail court next to bus depot connecting to independence + KC
- The city needs to commit to the square + keep constant presence
- Embracing our civil war history
- Fire Museum in the Station #1 @ Truman & Main
- There is no tourism department to promote it
- Be more inviting to a variety of businesses
- More attention to 3 trails + civil war history



Proposed Vision Statement

Option A:

The Square District strives to be a thriving community gathering place attracting residents and visitors of all ages to a unique historic destination providing diverse retail, dining, and entertainment experiences.

Option B:

The Square District is the heart of the community: A unique and diverse mix of vibrant retail, dining, entertainment, and business destinations; built on historic character and reimagined for all.

Proposed Core Values

Home Grown

The Square is an iconic historic downtown that is well-supported by an involved community, celebrated through the legacy of Harry S. Truman and activated with a variety of events throughout the year.

Solid Foundation

The built form of the Square consists of quality infrastructure that naturally facilitates a balanced flow of traffic and activity through careful design.

Lively Spirit

The vibrant Square consistently attracts residents and visitors for its variety of unique and beloved businesses and attractions. Making it a desirable community to live work, and do business.

Functional Beauty

Walking around the Square is a joyful, exciting, and favorite activity for many, regardless of age and ability, who enjoy admiring the historic buildings, spending time outdoors and being a part of the activity in a beautiful downtown setting.

What did we miss?

- Keeping the city hall on the square
- Transit integrated and further development
- Keep police/trail court next to bus depot connecting to independence + KC
- The city needs to commit to the square + keep constant presence
- Embracing our civil war history
- Fire Museum in the Station #1 @ Truman & Main
- There is no tourism department to promote it
- Be more inviting to a variety of businesses
- More attention to 3 trails + civil war history

Concept 1

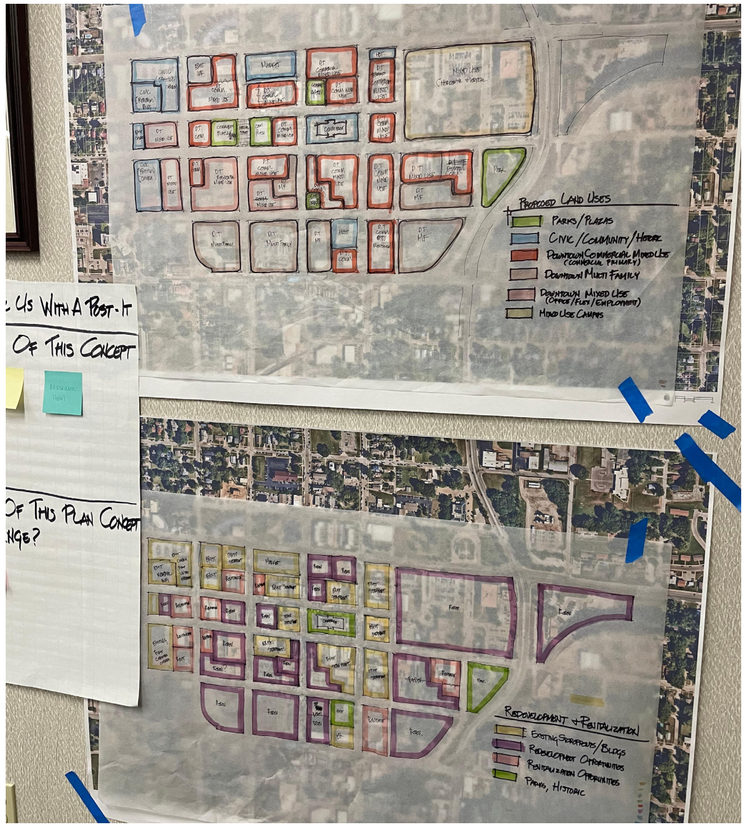
"Proposed Land Uses and Redevelopment Sites"

Tell us with a post it.

- Multi fam
- Pools!
- Museum Hotel

What elements of this plan concept would you change?

- City hall needs to be on the square
- Presence the historic fire house for a museum for education center
- Preserve & rehab vs redevelop (tear down)
- Include city hall in a museum or office development



Concept 2 — "Maple Street Spine"

Tell us with a post it.

- Connection to McCoy Park/coming from Truman Library
- Library is biggest tourist destination
- Cell the trees
- Corner of Lynn and Truman is hard to turn from – no sight lines
- Be sure of New NPS boundaries
- Love going across Noland
- Yes
- Liking bringing community center east of Noland + creating plaza green space adjacent to the square
- Happy Thursday!
- Market rate multi-family rental!!
- Increase! Green space. Roof top overall appears to be more lively
- Like having grocery w/in walking distance to support walkability

What elements of this concept would you change?

- Its time for dinner?
- Tree cant grow in asphalt
- Make a new entrance to courthouse annex from Walnut
- No rental housing



(Continued from previous page - Concept 2)

- This concept needs to include a theater in community center. We can not lose the current theatre @ the sermon center
- Preserve the historic station for a museum/education

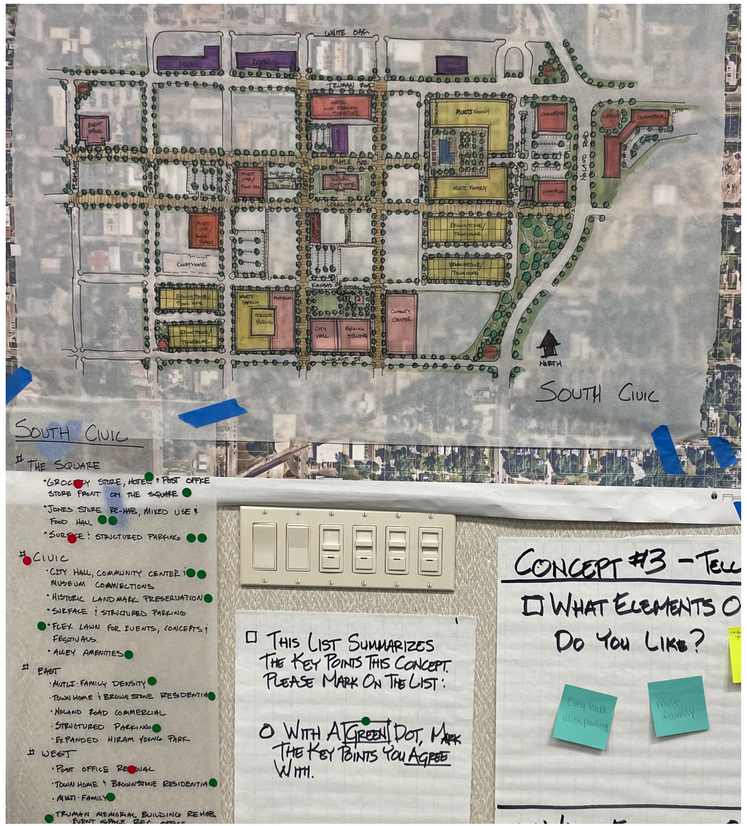
Concept 3 — "Civic South"

Tell us with a post it.

- City hall with parking
- Multi-family housing
- Happy Thursday! I hope you had a great day
- I like the Civic Square ideas
- Food hall/rooftop

What elements of this concept would you change?

- Prefer concepts that keep large multi-family on the center portions of the square + public use (comm. center) closer
- Preserve the historic station for a museum/education
- Leave post office just update and fix parking lot
- Too much housing – not enough business space



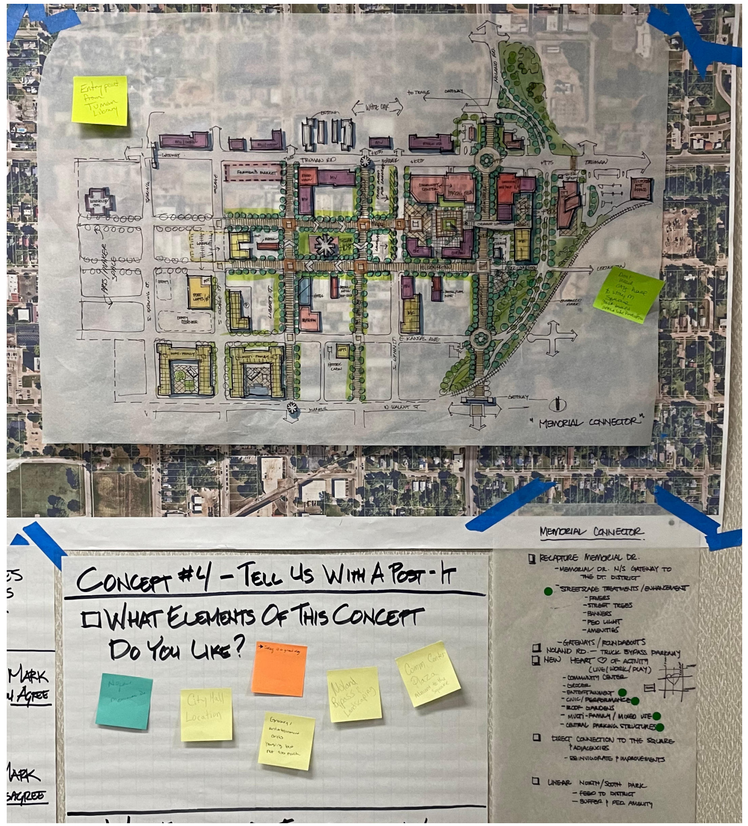
Concept 4 — "Memorial Connector"

Tell us with a post it.

- Entry point from Truman library
- Don't need city hall to stay in square just build annex like post office
- Noland Memorial Dr
- City hall location
- Grocery/entertainment areas. Housing but not too much
- Noland Bipass & landscaping
- Comm Center Plaza adjacent to the square

What elements of this concept would you change?

- Would like to see urgent care



Steering Committee Meeting

March 4, 2024

The team presented updated concepts for the three ideas and discussed narrowing to one concept. The Steering Committee developed a block diagram that directed the planning team for the development of the final plan.

Attendees: Korey Schulz, Darren Varner, Cody Peratt, Taylor Goetzinger, Ken Boone, Bill Crandell, Matt Medley, Jennifer Goeke, Lisa Reynolds, Zach Walker, Tom Scannell, Jodi Krantz, Laurie Dean Wiley, Doug Cowan

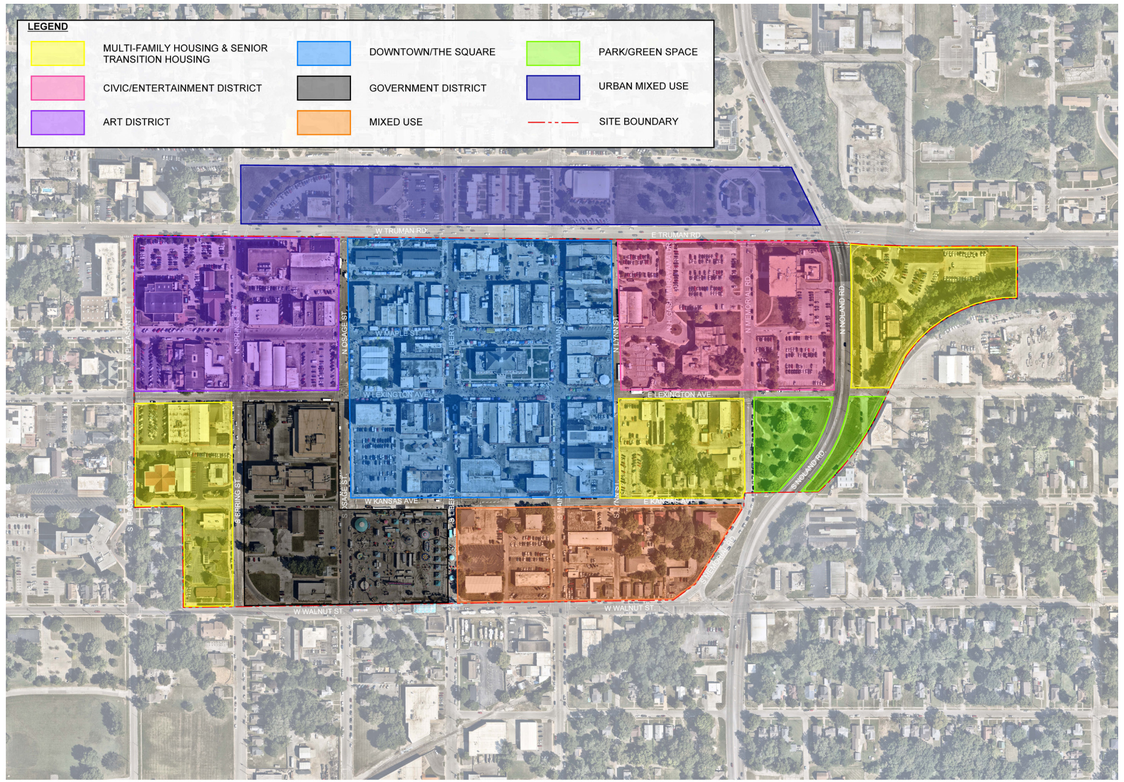
INTRODUCTION

1. What are our goals? Increase redevelopment opportunities downtown
    - How is that done: through acquisition, assembly, etc.
    - We know that things will evolve. What is the market doing and how is that having an effect?
2. What are the big moves? And what are the questions we need to answer to direct the next steps of the project?

REVIEWING PLAN OPTIONS

1. What are the plans for city hall and other municipal services?
    - Functions that aren't bringing people to the square for economic purposes will be moved out to I-70.
2. Tiered seating in council chambers
    - Lenexa planning chambers as an example.
    - Rotating podium.
3. Multi-functional building
    - Pros and cons of combining theater and chamber.
    - Theater would need back of house and practice space.
    - Chamber would need security measures that might make it difficult to open to the public for performance events.
4. Civic campus/area
    - Preference is to the east.
5. Noland Road CID funding
    - Noland Road committee can help fund some of the streetscape that runs within the right-of-way along 'The Square' up to the four corners of Truman Road.
    - Is there a possibility to annex areas of downtown to include in the Noland Road CID? That would need to be a conversation but it's possible.
6. Area south of the proposed multi-family, at the southwest corner, is not very desirable. Could be a potential expansion area.
7. Place the housing on the perimeter and having entertainment and open space in the center of the square.
8. Civic area in one location (makes signage easier to incorporate and direct)
9. Sub-districts
    - Government
    - Community
    - Mixed civic and entertainment
10. "The mullet" plan – work in the back, party in the front (referencing the government and housing to the southwest and the civic and entertainment to the northeast)
11. Southeast parcels could be multifamily.
12. Government parking with government buildings to southwest.
13. There's a need for safer and more approachable hotels.
    - Need for meeting space/conference rooms.

14. Do not want to lose the historic feel of the downtown. Can bring in the more modern amenities but need to ensure that the historic feel is not lost.
15. Overland Park post office revitalization project is a good example of reducing post office services to a smaller space and then utilizing the other spaces for different services or entertainment.
16. Memorial theater will be 100 years old in 2026.
17. Involving churches in future conversations.
18. Lack of senior transition housing in the area.
19. Urban façade on Truman Road? Right now, it has a more suburban feel, but this is the front door as you enter the project site. Do you activate both sides of Truman to make it a more urban feel? Yes, the majority liked that idea.
20. Liked the “Reshape the Square” slogan/ logo option for the project.
21. The national park service is redoing the museum (Strata is also involved).



Steering Committee Meeting

May 20, 2024

A final meeting with the Steering Committee was held on May 20, 2024 where the final plan was presented for feedback and comment.

Attendees: Korey Schulz, Darren Varner, Cody Peratt, Taylor Goetzinger, Bill Crandell, Bret Gross, Morris Herde, Mackenzie Teclaw, Chaz Pruente, Shawn Cross, Dan Pierce, Laurie Dean Wiley, John Perkins, Doug Cowan, Jodi Krantz, Lisa Reynolds, Zach Walker, Tom Scannell, Jennifer Goeke

PROGRESS AND ENGAGEMENT

1. Summary of what we have done from charrette to summary meeting.
    - Review summary.
2. Redevelopment Plan and Overlay Plan
    - Bret and Darren presented on redevelopment opportunities plan.
    - Red does not mean it can't be developed but that right now it's not viable.
    - Interesting migration/pattern of red in west "stop" and green in east "go".
3. Noland Road is an important piece of the master plan.
4. Alleyways can be a branding hook/ opportunity.
    - Help to connect different amenities and areas throughout the downtown.
5. Be cognizant of the topo change from Walnut St. to Truman Rd.
6. Green side is primarily government buildings/land.
    - This will make land acquisition easier in the future.
7. These plans are aspirational, but you must start somewhere.
    - Won't be grabbing all this land right away. It will happen more organically and over time.
8. Will there be detail provided, as we move forward, on the number of units possible for housing?
    - Yes, a square footage can be provided for each type to then give an approximate number of units possible.

ILLUSTRATIVE PLAN AND REPRESENTATIVE IMAGES

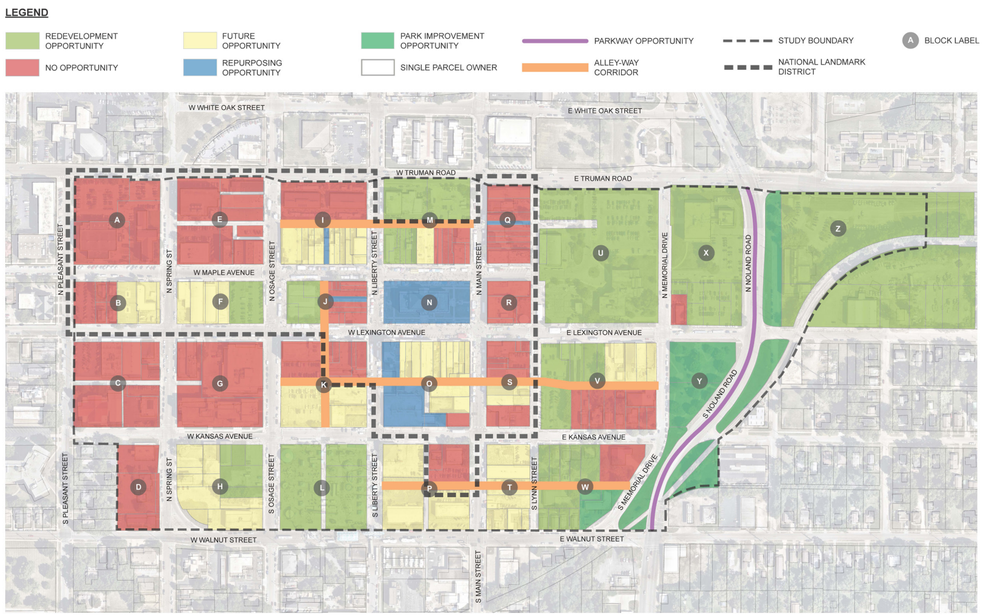
1. Would like streetscape to include trees, benches, etc.
2. The Square plans around the courthouse are at 90%.
3. Waiting on traffic study on Noland Road
    - Removing 4 lanes down to 3 and adding bike lanes
    - May affect our master plan graphic and future development.
    - Looking at stacking in turn lane.
    - Raise grant application – city provide a copy.
    - Calming, vegetation, pedestrian, and gateway
4. Tourism
    - Farmers market and courthouse add to the tourism plan highlight opportunities.
5. Grocery Store
    - Closer to the main throughfare Noland or Truman
    - Next to streets
    - East of Noland?
    - American/Mexican goods – mix
6. Flex Lawn and Civic Area
    - Restoring the glory of downtown.
    - These areas provide reason for patrons, that don't live in Independence, to come to the area.
7. Highlight pre-existing assets.

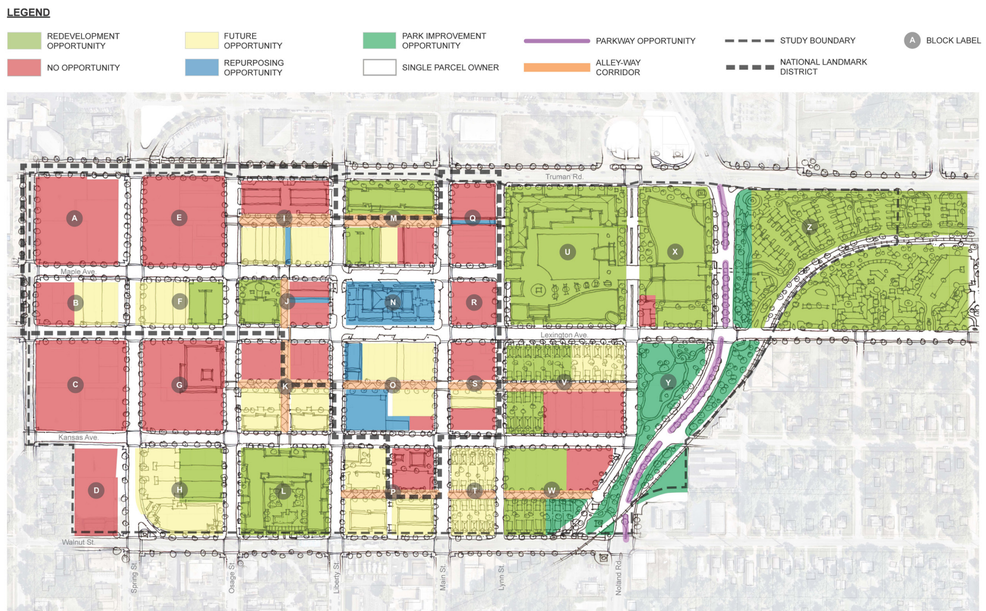
ECONOMIC PLAN AND BUSINESS PLAN

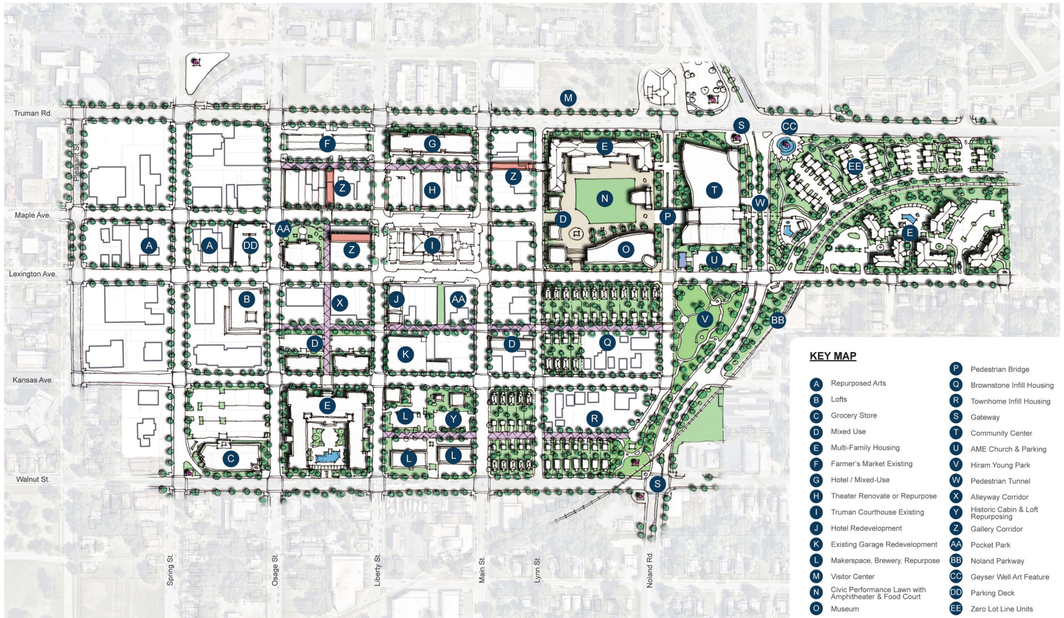
1. Public vs. Private; how do we fund this?
2. How to serve the general obligation bond
3. Can it all get done?
4. June work session (June 10): Bonds 101 presentation
    - Give presentation to council and give them an overview of the project.
5. Debt dashboard will be shared with the city in June.
6. August/September will have community center feasibility study results.

OTHER

1. Density – new living environment
2. Choice neighborhoods with Habitat for Humanity
    - Capital improvements program.
3. Tif
    - Success in the area – grants for facades
    - 353s that have expired.
4. Geo bond
    - Citizen group to be our voice.
    - Grassroots effort
    - To be champions for this effort and to help explain the project to others in the community.
    - Chamber young professionals committee to help with this.
    - Jodi to help get connected.
    - Presentation to that group
    - Make sure they are independence residents.
    - Property owners in the square
    - Education is important. There is currently a negative connotation of the downtown. Need to let the public know that this is good for Independence.


LEGEND
REDEVELOPMENT OPPORTUNITY
NO OPPORTUNITY
FUTURE OPPORTUNITY
REPURPOSING OPPORTUNITY
PARK IMPROVEMENT OPPORTUNITY
SINGLE PARCEL OWNER
PARKWAY OPPORTUNITY
ALLEY-WAY CORRIDOR
STUDY BOUNDARY
NATIONAL LANDMARK DISTRICT
A BLOCK LABEL
W WHITE OAK STREET
E WHITE OAK STREET
W TRUMAN ROAD
E TRUMAN ROAD
W MAPLE AVENUE
W LEXINGTON AVENUE
E LEXINGTON AVENUE
W KANSAS AVENUE
E KANSAS AVENUE
W WALNUT STREET
E WALNUT STREET
N PLEASANT STREET
N SPRING ST
N OSAGE STREET
N LIBERTY STREET
N MAIN STREET
N MEMORIAL DRIVE
N NOLAND ROAD
S PLEASANT STREET
S SPRING ST
S OSAGE STREET
S LIBERTY STREET
S MAIN STREET
S LYNN STREET
S MEMORIAL DRIVE
S NOLAND ROAD
RESHAPING THE SQUARE
REDEVELOPMENT OPPORTUNITY PLAN
INDEPENDENCE, MISSOURI
05.20.2024 / 023-02374
0' 50' 100' 200'
TESSERE
copaken brooks
olsson studio


LEGEND
REDEVELOPMENT OPPORTUNITY
NO OPPORTUNITY
FUTURE OPPORTUNITY
REPURPOSING OPPORTUNITY
PARK IMPROVEMENT OPPORTUNITY
SINGLE PARCEL OWNER
PARKWAY OPPORTUNITY
ALLEY-WAY CORRIDOR
STUDY BOUNDARY
NATIONAL LANDMARK DISTRICT
A BLOCK LABEL
Truman Rd
Maple Ave
Lexington Ave
Kansas Ave
Walnut St
Spring St
Osage St
Liberty St
Main St
Lynn St
Noland Rd
RESHAPING THE SQUARE
LAND USE OVERLAY PLAN
INDEPENDENCE, MISSOURI
05.20.2024 / 023-02374
0' 50' 100' 200'
TESSERE
copaken brooks
olsson studio



RESHAPING THE SQUARE

CONCEPTUAL ILLUSTRATIVE MASTER PLAN

INDEPENDENCE, MISSOURI

05.20.2024 / 023-02374

0' 50' 100' 200'

TESSERE | copaken brooks | olsson studio

1414 Main Street / Kansas City, MO 64105
O 816.842.1604 / olsson.com

STEERING COMMITTEE MEETING

RESHAPING THE SQUARE
INDEPENDENCE, MO

MAY 20, 2024

AGENDA

Review updated master plan and redevelopment opportunities to guide future development.

Topics include:

- Process and Engagement
- Redevelopment Opportunities Plan
- Master Plan
- Representative Images
- Master Economic Plan
- Master Business Plan
- Next Steps

RESHAPING THE SQUARE INDEPENDENCE, MO

2

PROCESS AND ENGAGEMENT



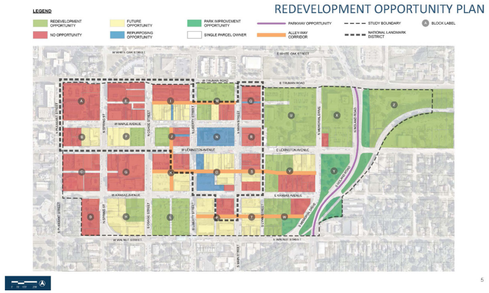



RESHAPING THE SQUARE INDEPENDENCE, MO

3

REDEVELOPMENT OPPORTUNITIES PLAN

RESHAPING THE SQUARE
INDEPENDENCE, MO



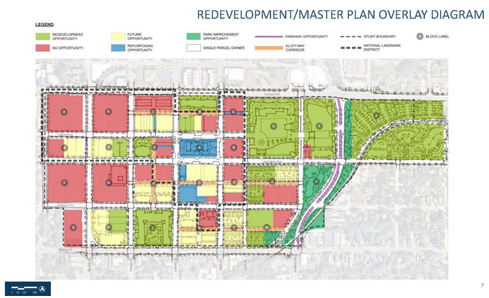
MASTER PLAN

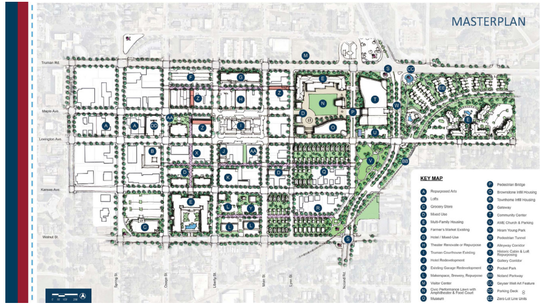
RESHAPING THE SQUARE
INDEPENDENCE, MO

REPRESENTATIVE IMAGES

RESHAPING THE SQUARE
INDEPENDENCE, MO



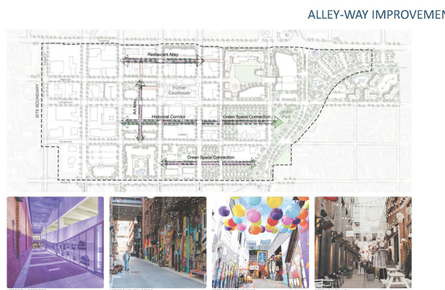




STREETSCAPE



ALLEY-WAY IMPROVEMENTS



PLAZA




NIGHT ON THE TOWN


MARKET DAYS


PLANTED PLAZAS


ARTISTIC COURTYARDS

13

GREENSPACE




ROOFTOP GARDENS


TALK OF THE TOWN


STEP INTO HISTORY


FLEX LAWN

14

ENTERTAINMENT




TASTE OF THE TOWN


EAT-ERTAINMENT


MUSICAL GATHERINGS


EVENTFUL OUTINGS

17

TOURISM




BOUTIQUE HOTEL


HOME AWAY FROM HOME


MUSEUM OUTINGS


HISTORIC STAYS

18

COMMUNITY




ACCESSIBLE GROCERIES


COMMUNITY CENTER


ARTFUL ENCOUNTERS


MINI-GALLERIES

15

HOUSING




ZERO-LOT-LINE UNITS


TOWNHOMES


ROOFTOP AMENITIES


MID-RISE APARTMENTS

16

MASTER ECONOMIC PLAN

RESHAPING THE SQUARE
INDEPENDENCE, MO

MASTER ECONOMIC PLAN

- Bond Analysis
  - Assessment of Independence's current and projected bonding capacity
  - Bonds 101 City Council working schedule
- Comprehensive Public Development Budget
  - Land Acquisition
  - Public Infrastructure
  - Municipal Facilities
- Development Incentives Strategy

20

MASTER BUSINESS PLAN

RESHAPING THE SQUARE
INDEPENDENCE, MO

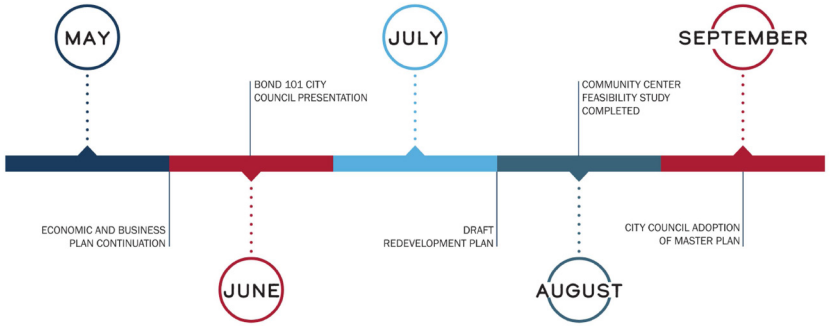
MASTER BUSINESS PLAN

- Market Study
- Private Investment Feasibility Analysis and Proforma
- Land Acquisition Strategy
- Conceptual Development Timeline

NEXT STEPS

RESHAPING THE SQUARE
INDEPENDENCE, MO

NEXT STEPS



THANK YOU

RESHAPING THE SQUARE
INDEPENDENCE, MO
MAY 20, 2024

B

APPENDIX

RESHAPING THE SQUARE

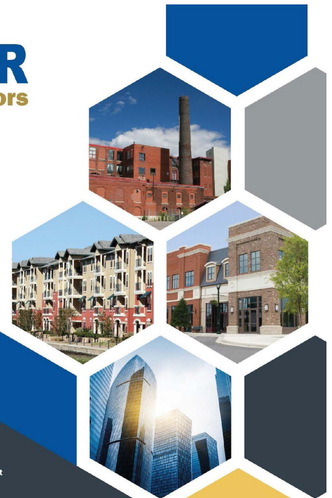


MARKET AND ECONOMIC ANALYSIS

This appendix outlines market strategies and opportunities for the future of Independence Square, providing an objective review of market conditions within the city and the downtown area.

PARTNER
Valuation Advisors

A New Solution for
CRE Valuation



Independence Square Redevelopment
113 W Lexington Ave
Independence, MO, 64050

Report Date
April 4, 2024

Project Numbers
Partner: 23-428925

Prepared for:
City of Independence

www.PARTNERval.com

PARTNER
Valuation Advisors

April 4, 2024

City of Independence
c/o William Crandall
Copaken Brooks
1100 Walnut, Suite 2000
Kansas City, Missouri 65108

Subject: Market Study Report
Independence Square Redevelopment
113 W Lexington Ave
Independence, MO 64050
Partner Project No. 23-428925

Dear Mr. Crandall,

Partner Valuation Advisors is pleased to submit the accompanying market study of the referenced property. The purpose of the market and feasibility study is to develop an opinion of market conditions retail, multifamily, office and hospitality markets in the City of Independence. The client for the assignment is City of Independence, and the intended use is to guide the City of Independence in evaluating redevelopment opportunities within the boundaries of Independence Square.

The area under study and the subject of this report is Independence Square. The area is approximately 86 acres, 30 acres of which are streets and public rights-of-way. The are approximately 210 separate tax parcels with significantly fewer individual owners. The area is a government center within the Kansas City MSA. Independence Square is the location of Independence City Hall and Jackson County Annex. The remainder of the study area is comprised of commercial and supporting land uses.

The market study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the guidelines of City of Independence.

PARTNER
Valuation Advisors

Based on the methodology, analysis, and conclusions presented in the accompanying report, and the definitions, assumptions, and limiting conditions expressed in the report, my opinions of value are as follows:

- Retail
- Multifamily
- Office
- Hospitality

My opinions are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property sectors studied herein to differ materially from my estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. My projections presume a future real estate market with a reasonable abundance of transactions sufficient to measure buyer and seller expectations and tenant and resident requirements.

Additionally, my opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although I am of the opinion that my findings are reasonable based on available evidence, I am not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time. In the following pages we report specifically on ***PRESENT*** conditions within the study area and its immediate surrounding area or neighborhood.

If you have any questions or comments regarding the contents of this report, please do not hesitate to contact the undersigned. Thank you for the opportunity to be of service.

Sincerely,

Partner Valuation Advisors, LLC

Kenneth Jaggers, MAI, FRICS
Managing Director
Missouri Certificate #RA003190
Certified General Real Property Appraiser
Telephone: 9132140057
E-mail: kjaggers@partnerval.com

CONCLUSIONS

Retail

Independence Square has a lower retail supply per capita than do competing neighborhoods. This suggests demand is presently met; however, this metric suggests significant increase without consideration of the health ratio of potential retailers and the impact of construction costs and the lower than feasible rents for new construction or renovation. These factors will temper new development. I expect a potential of 100,000 to 150,000 square feet of the next several years. This includes Independence Square and its surrounding neighborhood.

Multifamily

Independence Square has seen no multifamily construction over the past 20+ years. While it can be said that the household growth in the immediate area does not, on its face, support additions to the supply, it is also the case that some submarkets have captured far more than 100% of demand than is historically supported by household and income growth. In fact, the Kansas City MSA including all submarkets and individually Overland Park and the Northland submarkets have captured from 107% to 184%. I have developed the market study for Independence Square considering that there has been no new multifamily development in the area, thus nothing to entice residents to the area. Accounting for this I project demand of up to 160 units between now and 2028. While there is demand in the study area, feasibility is not attained based upon current and projected market characteristics. I have used current construction costs, capitalization rates, market rent and expenses to forecast both the cost feasible rent and the rent feasible cost. In both exercises, the economics of multifamily in Independence Square indicate that development of multifamily is presently unfeasible. Certainly, market conditions change and incentives may play a part in improving the prospects of new development.

Office

It is my opinion that there will be no demand for office space in Independence Square that cannot reasonably be accommodated by the existing supply based on projected population growth. A modest increase in occupied office of 5% of the existing supply (21,700 SF) is reasonable. Obviously, this forecast presumes a relatively stable economic environment and organic growth. A significant increase in the population in the neighborhood, increased pedestrian traffic, tourist activities, or unforeseen external demand to the market could change the projection of office demand.

Hospitality

A select service product, in the upscale chain scale segment would be best suited to the intentions and expectations of a repositioned Independence Square. I project that Leisure and Group travel would comprise the largest component of demand for hospitality in Independence Square. Leisure travel will include informal or unorganized outings to the numerous historic and cultural offerings and celebrations in Independence Square. Leisure demand will also include family visits and holidays, shopping and sporting event trips. The group and meeting travel will include fraternal organizations, religious organizations, social

organizations and family events. I foresee significant occupancy driven by Santacaligon Days, the Mormon and Community of Christ Churches and the museums, Kansas City Chiefs and Royals. However, at present, these specific demand drivers are not sufficient to justify new supply in the immediate area as indicated by the occupancy of the upscale submarket which is 56.5% and the competitive set which is presently 56.4%.

Certainly, any new product is at least two years from delivery and construction costs continue to be volatile so I am providing my perspective with 2024 as a basis. The specific location of the property, brand, loyalty program and chain scale, reservation system, planned amenities, meeting and F&B offerings will all impact the occupancy and ADR.

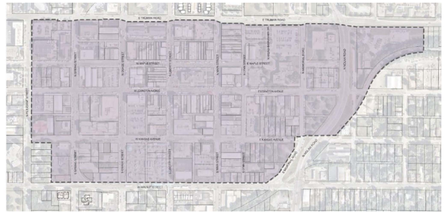
TABLE OF CONTENTS

Contents

TABLE OF CONTENTS **6**
1.0 GENERAL INFORMATION **7**
1.1 Identification Study Area Property 7
1.2 Market Study Information 8
2.0 SCOPE OF WORK **9**
2.1 Scope of Services 9
2.2 Research 9
2.3 Inspection 9
3.0 DEMOGRAPHIC ANALYSIS **10**
3.1 Area Overview 10
3.2 Population 11
3.3 Households 11
3.4 Employment Trends 12
3.5 Major Employers 13
3.6 Median Household Income 14
3.7 Economic Analysis Conclusion 14
4.0 SURROUNDING AREA DESCRIPTION **15**
4.1 Neighborhood Boundaries 15
4.2 Characteristics 16
4.3 Existing Land Use 16
4.4 Access & Linkages 17
4.5 Neighborhood Demand Generators 18
4.5.1 Employers 18
4.5.2 Attractions 19
4.6 Safety and Public Services 20
4.7 Schools 21
4.8 Economic/Surrounding Area Analysis Conclusion 21
5.0 CERTIFICATION **22**
6.0 ASSUMPTIONS & LIMITING CONDITIONS **24**
APPENDIX A: QUALIFICATIONS **25**
APPENDIX B: RETAIL STUDY **27**
APPENDIX C: MULTIFAMILY STUDY **28**
APPENDIX D: OFFICE STUDY **29**
APPENDIX E: HOSPITALITY **30**

1.0 GENERAL INFORMATION

1.1 Identification Study Area Property



Property Identification

Property Name	Independence Square Redevelopment
Property Major Type	Future Mixed Use
Property Type	Future Retail, Multifamily, Office and Hospitality
Address	The area bound by Truman Rd North, Walnut St South, Noland Rd East, and Pleasant St West
City	Independence
County	Jackson
State	MO
Zip	64050
Tax ID	Approximately 210 separate tax parcels
Legal Description	Multiple lot and block legal descriptions
Owner	Approximately 100 separate owners

1.2 Market Study Information

Client
City of Independence

Purpose of the Appraisal
To provide current and near future market conditions for multifamily, retail, and office property sectors

Intended Use
To guide the City of Independence in evaluating redevelopment opportunities within the boundaries of Independence Square

Intended User(s)
City of Independence

Narrative Report
Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this consulting assignment, a narrative report format was used.

Property Rights
Not Specific

Prior Services
The appraisers have not performed any prior services regarding the subject within the previous three years of the date of this assignment.

2.0 SCOPE OF WORK

2.1 Scope of Services

To determine the appropriate scope of work for the assignment, I considered the intended use of the market study, the needs and perspective of the user, the complexity of the assignment, and other applicable factors. The objective of this analysis is to provide the client and intended users current market conditions and forecasts with respect to four specific land uses within the specifically described study area. The methodology and reasoning are akin to parts of a highly detailed and reported appraisal. For this assignment I have relied on the levels of market study provided by the Appraisal Institute. This market study conforms with the relevant parts of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal.

- Market Study – Multifamily, Retail, Hospitality, Office
  - Location
  - Demand
  - Competitive Supply
  - Competitive Markets
  - Feasibility - Multifamily

This market study report presents four separate land use; 1) Multifamily, 2) Retail, 3) Hospitality and 4) Office. I extend the analysis and findings of multifamily to include feasibility.

2.2 Research

My opinions and forecasts are based, in part, on data obtained from interviews and third-party sources, which are not always completely reliable and no warranty to their reliability is inferred. My conclusions are reasonable based on evidence researched and analyzed, I am not responsible for data inaccuracies or the effects of future occurrences that cannot be reasonably foreseen at this time. The data sources relied upon for this study include, but are not limited to the following:

- CoStar
- ESRI
- Home Builder of Kansas City
- Heartland MLS
- Smith Travel
- Marshall Valuation Service
- Independence School District
- JLL
- Moschoolrankings.org
- Numerous local and regional real estate developers and investors
- PwC
- Boulder Group
- Globe Street
- CBRE
- KCATA
- IndeBus/TransLoc
- TREPP
- KCADC
- City of Independence
- Jackson County
- US Census Bureau
- Green Street
- Appraisal Institute

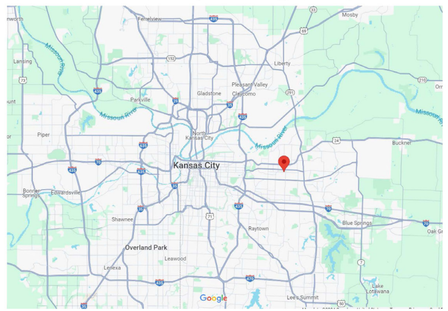
2.3 Inspection

Kenneth Jaggers has conducted an inspection of the study area from nearby collector streets, rights-of-way, and other public areas.

3.0 DEMOGRAPHIC ANALYSIS

3.1 Area Overview

Shown below is the location and general demographic characteristics of the study area. These characteristics are described here in my general discussion of the study area. Specific demographic and economic activity characteristics are described in the land use analysis sections of the appendix to this report.



The study area is located in the Kansas City MSA, as defined by the U.S. Office of Management and Budget. The Kansas City MSA is 7,256 square miles in size. Independence Square is identified above and is located in a first ring suburb to Kansas City. It is about ten miles east of the CBD.

3.2 Population

In evaluating the study area, I have considered the area within one mile, three miles, and five miles of Independence Square in addition to Jackson County, the Kansas City MSA, the State of Missouri, and the United States, inclusively referred to as the Geos. The Kansas City MSA has an estimated 2020 population of 2,238,618. Kansas City MSA added an average of 15,528 residents per year over the 2020-2023 period. The study area is included within the one-mile trade area identified below. The study area has 3,504 persons per square mile as compared with 2,593 persons for the three-mile area and 1,818 for the five-mile area. These smaller geos are almost entirely within the City of Independence and significantly exceed population density for Jackson County, Kansas City MSA, Missouri and the US.

Population Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Trade Area							
Area (sq mile)	3	28	79	604	7,256	68,752	3,533,719
Total Population							
2000 Total Population	12,125	72,979	134,662	654,880	1,811,254	5,595,211	281,421,906
2010 Total Population	11,191	70,950	137,608	674,139	2,009,342	5,968,827	308,745,538
2020 Total Population	11,521	73,917	143,388	717,204	2,192,035	6,154,913	331,449,281
2023 Total Population	11,372	73,068	143,264	726,225	2,238,618	6,208,310	337,470,185
2028 Total Population	11,232	71,909	141,435	728,581	2,273,691	6,239,262	342,640,129
Population Growth							
2000 - 2020 Annual Growth	-0.26%	0.06%	0.31%	0.46%	0.96%	0.48%	0.82%
2010 - 2020 Annual Growth	0.29%	0.41%	0.41%	0.62%	0.87%	0.27%	0.71%
2020 - 2023 Annual Growth	-0.40%	-0.35%	-0.03%	0.39%	0.65%	0.27%	0.56%
2023 - 2028 Annual Growth	-0.25%	-0.32%	-0.26%	0.06%	0.31%	0.10%	0.30%

3.3 Households

The one, three, and five-mile areas all show positive household growth between the 2010 and 2020 census and negative household for 2020-2023 and 2023-2028. The one-mile geo has the oldest median year built and home price of the areas studied and the highest percentage renter occupied housing.

Households Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Total Households							
2000 Total Households	5,234	31,349	56,038	266,294	708,309	2,194,594	105,480,101
2010 Total Households	4,710	30,042	56,720	274,799	789,533	2,375,611	116,716,292
2020 Total Households	4,967	31,096	59,010	297,580	868,375	2,479,146	126,817,580
2023 Total Households	4,963	30,930	59,082	303,618	892,148	2,514,933	129,917,449
2028 Total Households	4,939	30,615	58,709	308,146	914,075	2,550,757	133,099,006
Household Growth							
2000 - 2020 Annual Growth	-0.26%	-0.04%	0.26%	0.56%	1.02%	0.61%	0.93%
2010 - 2020 Annual Growth	0.53%	0.35%	0.40%	0.80%	0.96%	0.43%	0.83%
2020 - 2023 Annual Growth	-0.02%	-0.16%	0.04%	0.62%	0.83%	0.44%	0.75%
2023 - 2028 Annual Growth	-0.10%	-0.20%	-0.13%	0.30%	0.49%	0.28%	0.49%
Average Household Size							
2010 Average Household Size	2.31	2.33	2.40	2.41	2.51	2.45	2.58
2020 Average Household Size	2.23	2.34	2.40	2.37	2.49	2.41	2.55
2023 Average Household Size	2.20	2.33	2.40	2.36	2.47	2.40	2.53
2028 Average Household Size	2.18	2.31	2.38	2.33	2.45	2.38	2.51

Housing Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Housing Units							
2000 Total Housing Units	5,786	33,472	59,936	288,231	757,344	2,442,017	115,904,641
2010 Total Housing Units	5,613	33,884	63,115	312,099	871,952	2,712,729	131,704,730
2020 Total Housing Units	5,621	34,223	64,363	329,579	938,503	2,786,621	140,498,736
2023Total Housing Units	5,602	34,036	64,382	336,513	964,610	2,832,246	144,063,309
2028Total Housing Units	5,621	34,102	64,616	341,453	986,393	2,867,644	147,336,052
Median Home Value							
2023 Median Home Value	$189,698	$210,189	$221,632	$262,924	$302,437	$257,565	$350,006
2023 Housing Affordability							
Percent of Income for Mortgage	21.3%	17.2%	18.6%	20.4%	21.0%	20.7%	25.6%
2020 Owner Occupied by Mortgage Status							
With Mortgage/Loan	63.8%	63.0%	63.9%	68.4%	70.4%	65.3%	66.7%
Owned Free & Clear	36.2%	37.0%	36.1%	31.6%	29.6%	34.7%	33.3%

3.4 Employment Trends

The percentage of college graduates within the Kansas City MSA exceeds the national average. The one-mile radius from Independence Square has lower educational levels than do the other geos. The three smallest geo areas have slightly higher unemployment than Jackson County, Kansas City MSA and Missouri.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
2023 Total (NAICS11-99) Employees	5,251	21,077	51,545	440,726	1,163,379	3,155,209	153,323,159
2023 Total (NAICS11-99) Businesses	547	1,869	3,688	24,787	76,034	213,371	12,297,209
2023 Unemployment Rate	3.8%	4.3%	3.7%	3.1%	3.3%	3.0%	4.3%
% College Graduate	13.6%	16.9%	20.0%	34.5%	40.1%	32.6%	36.1%
Avg Work Travel Time	0	0	0	24	24	24	27

3.5 Major Employers

The table below contains the major employers for the Kansas City MSA which represent a broad diversity across the Government, Healthcare, and the Manufacturing sectors:

Name	Description	Employees
Federal Government	Government	45,932
University of Kansas Health System	Health services	12,521
Oracle Cerner	Health care information systems	11,900
Saint Luke's Health System	Health services	9,062
State of Kansas	State Government	7,984
Ford Motor Company	Motor vehicle mfg.	7,260
Children's Mercy	Health services	7,012
NNSA, managed by Honeywell FM&T	Electronic & mech. weapons components mfg.	6,000
Kansas State University	Higher education	6,000
State of Missouri	Government	5,994
Amazon	Fulfillment center, post office	5,975
HCA Midwest Health	Health services (Division Hdq.)	5,540
Stormont-Vail Hospital	Health services	5,455
State of Kansas	State Government	5,364
Olathe Public School District	Public education	5,100
Garmin International Inc.	Global positioning system mfg. (Hdq.)	4,693
T-Mobile	Telecommunications (Hdq.)	4,674
University Health	Health services	4,432
Burns & McDonnell	Full-service engineering, architecture, construction, enviro	4,405
VA Medical Center	Health services	4,273
Hallmark Cards, Inc.	Greeting card mfg. (Hdq.)	4,253
University of Kansas	Higher education	4,194
City of Kansas City, Missouri	Government	4,063
United Parcel Service	Delivery services	3,888
Kansas City Kansas Public Schools	Public education	3,800
Evergy	Energy and related services (Hdq.)	3,799
Shawnee Mission Public Schools	Public education	3,553
North Kansas City Hospital	Health services	3,551
BNSF Railway Company	Railroad	3,550
FedEx	Delivery services call center	3,469
North Kansas City School District	Public education	3,469
Johnson County, Kansas	Government	3,335
Mosaic Life Care	Health services	3,317
Blue Valley School District	Public education	3,275
Lee's Summit School District	Public education	3,222
Quest Diagnostics, Inc.	Medical testing customer service center	3,070
SS&C Technologies Holdings, Inc.	Financial and healthcare services (shared service center)	2,995
Walmart	Retailer distribution center	2,812
Triumph Foods, LLC	Pork processing (Hdq.)	2,800
University of Missouri-Kansas City	Higher education	2,721
AdventHealth Mid-America Region	Health services	2,625
Independence School District	Public education	2,600
Black & Veatch	Architects/Engineering (Hdq.)	2,486
Topeka Public Schools	Public education	2,471
Olathe Health	Health services	2,460
Commerce Bank	Banking (Hdq.)	2,365
Kansas City Public Schools	Public education	2,317
Unified Government of Wyandotte Co	Government	2,300
General Motors Corp.	Motor vehicle mfg.	2,229
UnitedHealthcare	Insurance	2,146
Maximus	Data mgmt. services for education & gov't.	2,100
Blue Springs School District	Public education	2,091
Farmers Insurance Group	Insurance	2,063
Olin Winchester, Lake City Ammunition	Ammunition mfg.	2,033

Source: KCADC

3.6 Median Household Income

The Kansas City MSA has a similar average household income to the national average. The specific areas of Independence show lower median and average incomes than the other geo-areas measured.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Household Income							
Median HH Income	$38,161	$51,928	$56,085	$64,919	$76,890	$63,390	$72,603
Average HH Income	$56,554	$68,979	$75,612	$92,658	$106,269	$92,777	$107,008
Per Capita Income	$29,484	$29,200	$31,249	$39,796	$42,409	$37,703	$41,310
Population Distribution by Income							
- $15,000	769	3,161	5,328	27,452	65,756	243,099	12,298,792
$15,000 - $24,999	753	3,214	5,360	21,924	51,095	197,419	9,182,566
$25,000 - $34,000	716	3,461	5,923	26,098	62,658	216,554	9,577,830
$35,000 - $49,999	809	5,067	8,071	38,089	100,393	315,323	14,019,287
$50,000 - $74,999	863	6,410	12,047	55,995	153,445	454,572	21,371,026
$75,000 - $99,999	446	3,995	8,196	40,908	126,600	339,081	16,439,881
$100,000 - $149,999	345	3,617	8,402	49,960	183,859	388,192	21,948,226
$150,000 - $199,999	128	1,466	3,162	24,731	86,287	184,451	11,109,323
$200,000+	94	605	1,624	19,565	81,915	176,198	13,766,961

Source: Esri 2023

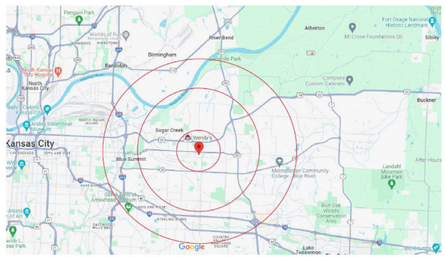
3.7 Economic Analysis Conclusion

The study area property and surrounding one, three, and five-mile areas under perform Jackson County, the Kansas City MSA, Missouri and the United States. These present conditions alone are not evidence of the presence or absence of unaccommodated demand for real estate. It does, however, warrant specific consideration of the impact of population and income growth on future demand. I have found instances of demand emerging in spite of underlying demographic conditions and it is the objective of this study to determine future demand and if that demand warrants new development, redevelopment, or change in land use. These will be discussed in the respective land use discussions in the Appendix.

4.0 SURROUNDING AREA DESCRIPTION

4.1 Neighborhood Boundaries

The study area and surrounding neighborhood is located entirely within the city of Independence, a first-ring suburb in the Kansas City MSA. The city of Independence has an estimated 122,000 residents and grew by some 6,000 residents between the 2010 and 2020 census. The study area reported herein is the City Center which includes City and County offices, tourism attractions, a handful of residential properties, retail and office uses and surface parking lots. The study area comprises 5% of the area within one mile of its center. In the following pages we report specifically on ***PRESENT*** conditions within the study area and its immediate surrounding area or neighborhood.



The area under study and the subject of this report is Independence Square. The area is approximately 86 acres, 30 acres of which are streets and public rights-of-way. The are approximately 210 separate tax parcels with significantly fewer individual owners. The area is a government center within the Kansas City MSA. Independence Square is the location of Independence City Hall and Jackson County Annex. The remainder of the study area is comprised of commercial and supporting land uses.

Area Description & Boundaries	
Neighborhood:	Independence Square
Location:	Suburban
Neighborhood Boundaries	
North:	US Highway 24
South:	West 23rd St
East:	M 291
West:	Sterling Ave

The above boundaries are generally consistent with the one-mile radius.

4.2 Characteristics

Characteristics of land use within the neighborhood are described in the following exhibits. These are developed using a number of sources and my observation of the study area and the larger Kansas City market over 30 years.

Area & Property Use Characteristics

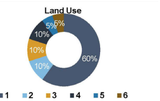
							Up	Stbl	Dn
Location			Urban	x	Suburban	Rural			
Built Up		Fully Developed	x	Over 75%	25% to 75%	Under 25%	Population Trend		x	
Development Pace				Rapid	Steady	x Slow	Employment Trend		x	
Property Values				Increasing	x Stable	Declining	Personal Income Level		x	
Demand/Supply-Commercial/Multifamily				Shortage	x In Balance	Over Supply	Retail Sales		x	
Vacancy Trend				Increasing	x Stable	Declining	New Construction			x
Change in Economic Base				Likely	x Unlikely	Taking Place	Vacancy Trend		x	
Typical Exposure Time	12	Months					Rental Demand		x	

4.3 Existing Land Use

My observation is summarized in this paragraph is that the study area is underutilized. There is an excess of improperly located surface parking which has been demonstrated to be an obstacle to redevelopment. Buildings on the square are typically one to three-stories and include retail on the first level and a mix of uses on the upper floors.

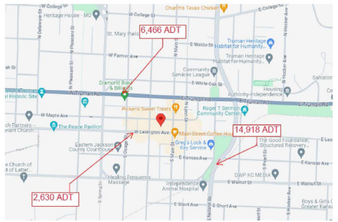
Land Use Trends

Neighborhood Land Use		Study Area Land Use	
Single-Family	60%	Commercial, Institutional, Parking	
Retail	10%		
Multifamily	10%		
Office	10%		
Industrial	5%		
Vacant/Parking	5%		
	100%		
Change in Land Use		Likely	



4.4 Access & Linkages

Shown below are traffic counts reported by MoDOT for the primary access points to and within the study area. For comparison, the average daily traffic count (ADT) on Mo 291at Truman Rd, approximately 47,000 cars per day, I-70 east of Noland Road is 137,000 cars per day, and Noland Road at 39th St., carries 26,000 cars per day.

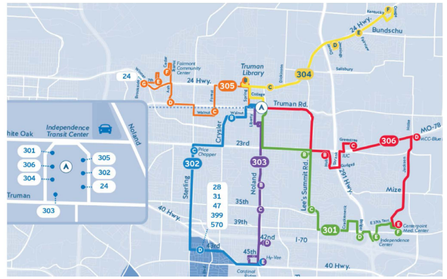


The study area has below access and linkages. Access to and within the study area is bound by US Highway 24/Independence Ave., to the north and M291 to the east. Access from the north is limited to M291 (two miles east) and I-435 (4 miles west) by the Missouri River. Those are the only two bridges over the Missouri River serving Independence and are over six miles apart. US Highway 24 and Mo Highway 78 are approximately one mile north and south of the study area and carry moderate traffic volumes east and west. I-70 the primary route through the Kansas City MSA, east to west, is three miles south. Traffic within the study area is almost entirely local traffic.

Access, Linkages and Transit

Primary Access to Area	M 291, I-70 and I-435	
Public Transportation Provider	IndeBus which is a regional transit provider of Ride KC.	
Main Source of Transportation	Automobile	
	Description	**Distance from Subject**
Nearest On-Ramp	E Truman and M 291	2.00 (Miles)
Nearest Bus Stop	Six routes with numerous stops within the study area	NA (Miles)
Nearest Subway Station	Streetcar Downtown Kansas City	5.00 (Miles)
Nearest Train Station	Union Station	5.00 (Miles)
Nearest Airport	Kansas City International Airport	35 (Minutes)

KCI Airport is within a 35-minute drive of the study area. Mass transit is comprised of the IndeBus which offers service throughout Independence every day but Sunday. IndeBus is a regional transit provide of Ride KC and according to Ride KC IndeBus is well integrated into the larger Kansas City area transit system. Ride KC/KCATA developed and maintains the Independence Transit Center. The transit center is located just north of the study area and patrons can readily access transit in Kansas City, Missouri from the Transit Center. IndeBus is operated by a private operator, TransLoc. There are six Bus routes designated by color and number providing transit to major commercial centers within Independence. According to Ride KC, this is their preferred relationship that allows integration of regional systems to the larger RideKC system.



4.5 Neighborhood Demand Generators

4.5.1 Employers

The top Independence employers contribute to daytime population. Within the one-mile radius of the study area, there are 5,351 employees serving 547 businesses. The employee to residential population ratio is 47% which is a significant positive aspect to the study area potential relative to the rest of Independence. Three and five-mile radii areas are 29% and 36% respectively. Jackson County, Kansas City MSA and Missouri are higher than the one-mile radius.

1.	Independence School District	1,957
2.	Centerpoint Medical Center	1,850
3.	Winchester	1,545
4.	City of Independence	1,035
5.	Phoenix Home Health	550

Source: Townfolio/Com, KC Bus Journal

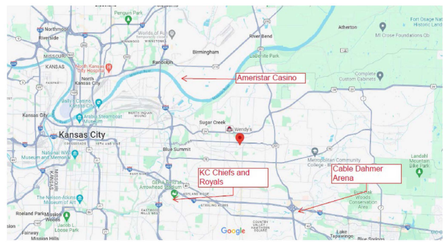
4.5.2 Attractions

In October 2023 PGAV prepared a study titled Tourism and Museum Master Plan for the City of Independence which describes the events and attractions that help to define Independence, Missouri and particularly the Independence Square Study Area. There are approximately 50 events occurring within Independence Square over the course of a year. Major attractions resulting in significant traffic, visits, and spending are identified below.

- **Santacaligon Days**: This is an annual four-day event occurring on Independence Square each Labor Day weekend. Santacaligon is as celebration of the three major trails, the Santa Fe, California, and Oregon Trails, which facilitated the westward expansion of the United States in the mid-19th century. Wagon trains were outfitted and provisions were purchased for the westward journey. The PGAV study cited 88% of the 117,000 visitors to the event with cell phones came from over 30 miles away and stayed an average of 113 minutes. Other sources cite as many as 300,000 attendees annually.
- **Truman Library and Museum:** Is located approximately on mile north of the Independence Square. It is part of the Presidential Libraries system. It opened in 1957 and recently completed a $20 million renovation. According to the National Archives, the Harry S. Truman Presidential Library and Museum generated 48,152 visits in 2022. The Ronald Reagan Museum and Library generated the most visits in 2022 with over 215,000 and Herbert Hoover's with the least, just under 19,000. COVID had dramatic negative impact on the Library system more severe than other attractions which more quickly recovered.
- **Mormon Visitors Center:** Located two blocks west of Independence Square. The center exhibits describe the growth of the Latter-day Saint community in Jackson County, Missouri beginning in the 1830's. This attraction reports approximately 40,000 visitors per year.
- **Truman Home:** This attraction is located just north of Independence Square and is administered by the National Parks Service. The home was originally built in 1885. The home is open six or seven days a week and the nearby Visitors Center is open seven days a week. Tours are modestly priced. This attraction accounts for some 30,000 visits per year.
- **Community of Christ:** The Independence Temple of the Community of Christ Church is an iconic structure in the Kansas City area. It is located a few blocks west of Independence Square. This attraction accounts for over 13,000 visitors to the area per year.
- **National Frontier Trails Museum:** This museum is located at the northwest gateway to Independence Square. It provides films and exhibits that tell the story of the settlement of the American West, particularly the Santa Fe, California and Oregon Trails. Visitors to the museum total 12,000 per year.

There are many attractions in the area which are not specific to Independence Square that contribute to economic activity in eastern Jackson County and the entire Kansas City area. The map below identifies these significant attractions.

- **Cable Dahmer Arena:** This attraction is located at I-70 and I-470. This 5,800-seat arena hosts the Kansas City Mavericks of the East Coast Hockey League and the Kansas City Comets of the Major Arena Soccer League. It hosts numerous concerts and events throughout the year as well. The PGAV study reports annual attendance of 500,000 per year. Cable Dahmer Arena is 5 miles southeast of the study area.
- **Kansas City Royals and Chiefs:** In 2023 the Royals averaged 16,000 attendees for home games during 2023 for total attendance of approximately 1,300,000 persons. The Royals will relocate to Kansas City's Crossroads District so it is not prudent to recognize future economic activity generated by the Royals. The Chiefs generated attendance of nearly 600,000 in 2022 and averaged 71,000 per game for the home regular and pre-season. New development of mixed use and hospitality has never materialized in the stadium area in spite of its 40-year history of both teams at this location. The stadiums are 4 ½ mile southwest of the study area.
- **Ameristar Casino:** According to the Missouri Gaming Commission Ameristar had just of 3.1 million admissions in 2022 which ultimately generated approximately $42 million in gaming taxes for the state and a payroll of over $26 million to a total of 595 employees. This facility offers 1,823 slots and other electronic gaming devises, 48 game tables, and five restaurants. Ameristar Casino has the Star Pavilion, a concert venue with capacity for 1,350 guests and a 184-room hotel. Ameristar is 5 ½ miles northwest of the subject.



4.6 Safety and Public Services

Local government services like fire and police are provided in this area at city level and are considered typical for this region. The fire department has six divisions and ten stations supporting 192 employees. The police department has eight divisions supporting 230 officers and 96 staff. Both police and fire stations are within or adjacent to the study area.

The nearest public services to the subject are detailed in the following chart.

Public Services and Amenities

Category	Description	Distance from Subject
Grocery	Small format stores nearby	0.50 (Miles)
Shopping Center	Grocery anchored	2.50 (Miles)
Fire Station	Station Four and Fire Dept. HQ	1.00 (Miles)
Police Station	Noland Rd and Truman Rd.	0.00 (Miles)
Hospital	Centerpoint	6.00 (Miles)
Airport	Kansas City International Airport	35.00 (Minutes)

The grounds supporting the aforementioned nearby attractions and McCoy Park and Dickinson Park are within ½ and 1-mile respectively provide good green space for the area's residents.

4.7 Schools

School District Summary

School District	Independence 30
District Spending	$16,731 per student
Student Teacher Ratio	15:1
Enrollment	17,947
Ranking/GPA	398 of 552
School District URL	www.isdschool.org and moschoolrankings.org

Van Horn High School is located approximately 2 ½ miles west of the study area and William Chrisman High School is within a mile of the study area.

4.8 Economic/Surrounding Area Analysis Conclusion

I have evaluated the study area and its one-mile radius in comparison to other regions and neighborhoods in east Jackson County, Missouri.

Market Area Comparison

Arterial (Highway) Access	Below Average
Public Transit	Above Average
Governmental Services	Above Average
New Construction	Below Average
Gentrification	Below Average
Amenities	Average
Market Sentiment	Below Average
Employment Trends	Average
Demand Generation	Below Average

I conduct this analysis under the expectation that suitably supported land uses can be entitled and are physically supported by the vacant land or existing buildings within the study area. Thus, my findings are not limited by current zoning or future land use restrictions. The following appendices present my findings of the current and projected market supply, existing and potential demand, competitive locations and properties, and a conclusion as to probability of development in the study area.

5.0 CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the study area of this report, and no personal interest or bias with respect to the parties involved or property.
4. Kenneth Jaggers, MAI, FRICS has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. Our engagement in this assignment was neither contingent upon developing or reporting predetermined results, nor is our compensation for completing this assignment is contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Kenneth Jaggers, MAI, FRICS has made a personal inspection of the property that is the study area of this report.
10. No one provided significant real property assistance to the persons signing this certification.
11. We have experience in appraising properties similar to the study area and are in compliance with the Competency Rule of USPAP.
12. As of the date of this report, Kenneth Jaggers, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.



Kenneth Jaggers, MAI, FRICS
Managing Director
Missouri Certificate #RA003190
Certified General Real Property Appraiser
Telephone: 9132140057
E-mail: kjaggers@parnerval.com

6.0 ASSUMPTIONS & LIMITING CONDITIONS

A. VALUATION SERVICE PROVIDER. Partner Valuation Advisors, LLC ("PVA") is a real estate appraisal and advisory firm with expertise in valuation services. PVA is a separate legal entity possessing some common ownership and management services with Partner Assessment Corporation, Inc. ("PAC"). PVA are not experts in engineering, environmental assessments and conditions (including but not limited soil and subsoil matters), zoning/regulatory compliance, seismic survey, and/or title matters, and the purpose of this engagement does not include an expectation from the Client that any or all of such services have been or will be provided without the need for a separate engagement of such services from an outside entity which will be study area to a separate limitation of liability. If any such services are separately provided and referenced in our report, and if such services are found to be in error which causes a material impact on our value conclusion, PVA reserves the right to amend our value opinion accordingly. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

B. FORECAST UNCERTAINTY. All work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of property and market performance and conditions. Actual results may vary from those forecast in the report.

C. RELIANCE PARTY. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement. Neither the whole report, nor any part, nor reference thereto, may be referenced or published in any manner without our prior written approval.

D. HAZARDOUS MATERIAL EXCLUSION. Unless specifically noted, in preparing the Appraisal Report, PVA will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material) on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee

E. TAX MATTERS. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that PVA provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that PVA shall have no responsibility or liability to Client or any other party for such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from PVA relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.

F. INFORMATION RELIANCE. The appraisal process requires our evaluation of information from a wide variety of sources including the Client, its agents, and other sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has material affect on our appraisal has been withheld. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions.

G. MARKETABLE TITLE. We assume each property has a good and marketable title, including but not limited to, no encumbrances, restrictions, easements, or other adverse title conditions, which would have a material affect on the value of the interest under consideration. There is no material litigation pending involving the property.

H. REGULATORY COMPLIANCE. We assume that the property possesses and/or is compliance with all required licenses, certificates of occupancy, consents, environmental regulations, and other legislative or administrative requirements from any local, state, or national government or private entity or organization, or possession or compliance can be obtained or renewed for any use on which the opinion of value contained in this report is based.

I. FLOOD RISK. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that the floodplain and/or wetlands interpretations are accurate.

J. ADDITIONAL SERVICES. Client agrees that if PVA is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's or PVA's expertise, or the Property, Client shall pay PVA's additional costs and expenses, including , but not limited to PVA's attorneys' fees, and additional time incurred by PVA based on PVA's then prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and PVA's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.

K. CONSTRUCTION RISK. Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

L. PRUDENT OPERATION. The property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

M. DATA VISUALS. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report.

N. VALUE ALLOCATIONS. Any allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the study area property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal are not valid for any such use.

O. FURNITURE, FIXTURES, & EQUIPMENT. All furnishings, equipment, and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the study area property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal are not valid for any such use.

P. PROPERTY BOUNDARIES & ENCROACHMENTS. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct up to date and can be relied upon.

Q. TENANT CREDIT RISK. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless are informed otherwise, that the tenants are capable of meeting their financial obligations under their leases, all rent and other amounts payable under the lease have been paid when due, and that there are no undisclosed breaches of the leases.

R. RELIANCE. No party shall be allowed to use or rely on any report(s) or information generated in the completion of this project until payment in full is made to PVA for any outstanding invoices related to the Services rendered. Client understands that Services governed by this Agreement are strictly for their sole use and benefit. The parties expressly agree that no third party, including, but not limited to, any heirs, devisees, representatives, successors, assigns, affiliates, and subsidiaries of the parties or any partnership, corporation or other entity controlled by the parties or which control the parties, may rely on or raise any claim relating to the Services or this Agreement. Client shall not disseminate, distribute, make available or otherwise provide our Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by PVA as an "Intended User" of the Appraisal Report provided that either PVA has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to PVA against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event PVA consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided PVA with complete copies of such materials and PVA has approved all such materials in writing. Client shall not modify any such materials once approved by the PVA. In the absence of satisfying the conditions of this paragraph H with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and PVA shall have no liability for such unauthorized use and reliance on any Appraisal Report. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be study area to the assumptions, limitations, and qualifying statements contained in the report.

PARTNER
Valuation Advisors

Kenneth Jaggers, MAI, FRICS
Managing Director

Experience Summary



Kenneth Jaggers is Managing Director for Partner Valuation Advisors and operates from Kansas City. Mr. Jaggers has over 30 years of commercial real estate appraisal, consulting, and loan underwriting experience. For the past 20 years Mr. Jaggers has led teams of professionals providing appraisal and consulting services for some of the largest portfolio, acquisition, and infrastructure assignments in the region.

Mr. Jaggers has completed assignments of commercial properties of all types, primarily for institutional investors, banks, and private owners/developers. His expertise is in large and/or complex assignments for discerning clients and intended users. Areas of specialty include statutory compliance, highest and best use and feasibility analysis, and disposition consulting. Recently Mr. Jaggers completed the appraisal of two portfolio transactions industrial, mixed use, retail, office, and development land comprising 35 and 46 properties. Other recent projects include two vacated corporate headquarters, an art gallery in the Flint Hills, and an infrastructure project totaling +-20 property in the Kansas City MSA. Lenders, owners/developers, public entities, attorneys, and investors look to Mr. Jaggers for his experience and expertise.

Prior to joining Partner Valuation Advisors, Mr. Jaggers was Managing Director at JLL Valuation Advisory and prior to that Integra Realty Resources.

Highlights

- 30+ years in CRE valuation and advisory
- 20 years managing and mentoring professionals

Education & Affiliations

Appraisal Institute – Designated Member
Royal Institute of Chartered Surveyors – Fellow
Westwood, KS - Planning Commission 2000-2015
UMKC Bloch School/Lewis White Real Estate Center – Guest Lecturer and Case Studies Judge
Project REAP Kansas City - 2017 Sponsor and Guest Lecturer
Greater Kansas City Chamber - Development Group
Bachelor of Arts – Chadron State College, Chadron, Nebraska
Economics and Marketing with a Minor in Business Administration

Appraisal Licenses

Arkansas	Iowa	Missouri
Colorado	Kansas	Nebraska

Contact: kjaggers@partnerval.com

State of Missouri
Division of Professional Registration
State Certified General Real Estate Appraiser

VALID THROUGH JUNE 30, 2024
ORIGINAL CERTIFICATE/LICENSE NO. RA003190
KENNETH JAGGERS
JLL VALUATION & ADVISORY SERVICES
7500 COLLEGE BLVD., SUITE 920
OVERLAND PARK KS 66210
USA

KENNETH JAGGERS
JLL VALUATION & ADVISORY SERVICES
7500 COLLEGE BLVD., SUITE 920
OVERLAND PARK KS 66210
USA

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

VALID THROUGH JUNE 30, 2024
ORIGINAL CERTIFICATE/LICENSE NO. RA003190

KENNETH JAGGERS
JLL VALUATION & ADVISORY SERVICES
7500 COLLEGE BLVD., SUITE 920
OVERLAND PARK KS 66210
USA

EXECUTIVE DIRECTOR

DIVISION DIRECTOR

TABLE OF CONTENTS

Contents

TABLE OF CONTENTS 1
1.0 EXISTING SUPPLY AND DEMAND ANALYSIS 2
1.1 Overview of Kansas City Retail Market 2
1.2 Kansas City Inventory & Occupancy 2
1.3 Kansas City Rental Rates & Rent Growth 3
1.4 Kansas City Market Supply & Demand 4
1.5 Kansas City Sales Volume & Average Price 5
1.6 Kansas City Cap Rate vs. National Average 5
1.7 East Jackson County Submarket Review 6
1.8 East Jackson County Submarket Inventory & Occupancy 8
1.9 East Jackson County Submarket Rental Rates & Rent Growth 9
1.10 Submarket New Supply 10
1.11 Retail Market & Submarket Summary and Conclusions 10
2.0 TRADE AREA CHARACTERISTICS 11
2.1 Demographics 11
2.1.1 Population and Households 11
2.1.2 Housing 12
2.1.3 Income 13
2.1.4 Employment Business and Industry 14
2.1.5 Consumer Spending 17
3.0 RETAIL TRENDS 19
3.1 Retail Leakage 19
3.2 Retail Health Ratio 19
3.3 Retail Potential Analysis 19
4.0 CONCLUSION 24

1.0 EXISTING SUPPLY AND DEMAND ANALYSIS

An understanding of the factors influencing the retail market begins with a study of the existing supply, demand, and market conditions. I undertake this in the pages to follow.

1.1 Overview of Kansas City Retail Market

As the 31st largest retail metropolitan area in the country based on inventory. Kansas City has a robust retail market which is analyzed in the following section.

1.2 Kansas City Inventory & Occupancy

Kansas City Retail Market Analysis

Total Inventory	Vacancy	Net Absorption	New Supply (Net Delivered)
132.4M SF	4.30%	518K SF Last 12 Mo	501K SF Last 12 Mo
31st Largest Retail MSA	*-3 bps YoY*	*30.5% Below 5 Yr Average*	*0.4% of inventory*

Kansas City Retail Market Trends

Year/ Current Quarter	Buildings	Inventory (M SF)	Vacancy Rate	Completions (K SF)	Completions %	Net Absorption (K SF)	Under Construction (K SF)	Net Delivered (K SF)	New Supply Rate	Demand (M SF)
2012									0.00%	
2013	10,558	127.7	8.34%	1,062	0.83%	1,017	3,919	719	3.07%	117.0
2014	10,603	128.4	7.88%	1,288	1.00%	1,683	4,048	772	3.15%	118.3
2015	10,658	129.4	7.20%	1,064	0.82%	1,112	2,403	902	1.86%	120.3
2016	10,717	129.2	6.27%	1,602	1.24%	1,673	5,664	-71	4.38%	121.1
2017	10,807	130.2	5.75%	1,450	1.11%	605	3,535	509	2.72%	122.7
2018	10,868	130.1	5.32%	1,235	0.95%	622	3,543	655	2.72%	123.2
2019	10,913	130.7	5.14%	1,192	0.91%	562	2,794	469	2.34%	124.0
2020	10,965	131.1	5.47%	988	0.75%	-290	2,320	545	1.77%	123.9
2021	11,028	131.7	5.56%	865	0.66%	1,318	1,786	498	1.36%	124.4
2022	11,079	132.0	4.55%	696	0.53%	1,516	2,670	312	2.02%	126.0
2023 Q3	11,170	132.4	4.30%	183	0.14%	130	660	160	0.48%	126.1
10 Year Averages	10,819	130.0	6.14%	1,144	0.88%	982	3,268	469	2.51%	122.1
5 Year Averages	10,971	131.1	5.11%	995	0.76%	746	2,263	494	2.05%	124.1
2023	11,159	132.4	4.23%	709	0.54%	413	2,263	574	1.71%	126.8
2024	11,205	132.8	4.39%	640	0.48%	122		192	0.00%	126.9
2025	11,210	133.0	4.40%	818	0.61%	252		349	0.00%	127.2
2026	11,210	133.5	4.50%	960	0.72%	292		500	0.00%	127.5
2027	11,210	134.0	4.62%	1,074	0.80%	414		609	0.00%	127.8
Projection Averages	11,199	133.1	4.43%	840	0.63%	299	453	445	0.34%	127.2

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The Kansas City market vacancy rate of 4.3% is generally consistent with the national retail average vacancy rate of 3.9%. Absorption in the market has averaged 982K SF (0.8% of average inventory) and 746K SF (0.6%) over the last 10 and 5 years, respectively. Absorption has slowed in the last year, as the market absorbed 413K SF, representing a 45% decrease from the 5-year average. New supply under construction is 2,263K SF through 3rd quarter 2023. This is less then all preceding ten years except 2021. Entitlement and construction, slowed by the COVID pandemic, is now also pressured by the current interest rate environment and inflation.

1.3 Kansas City Rental Rates & Rent Growth

Kansas City Retail Market Rental Rates & Rent Growth

Rental Rate
$17.65
+4.07% YoY

Kansas City Retail Market Rental Trends

Year/ Current Quarter	Asking Rent/SF	Rent Growth (YoY)
2012		-
2013	$13.29	-
2014	$13.59	2.20%
2015	$13.82	1.71%
2016	$14.08	1.90%
2017	$14.54	3.25%
2018	$15.02	3.34%
2019	$15.42	2.66%
2020	$15.65	1.46%
2021	$16.04	2.49%
2022	$16.82	4.89%
2023 Q3	$17.65	4.07%
10 Year Averages	$14.84	2.65%
5 Year Averages	$15.79	2.96%
2023	$17.58	4.47%
2024	$17.82	1.39%
2025	$17.96	0.80%
2026	$18.14	0.97%
2027	$18.30	0.90%
Projection Averages	$17.96	0.81%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

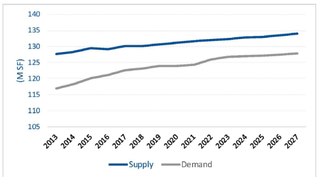
The projected growth rate for the ensuing five years is 0.81% annually. This rate is suppressed as there is a shortage of new construction which will generate rents significantly higher than current average rents.



Source: CoStar ©2023, reprinted with permission. All rights reserved.

Kansas City's average retail rental rate grew 4.07% over the prior year to $17.65 PSF. Cumulative rental rate growth over the last 10 years and 5 years has been 2.65% and 2.96% per annum, respectively. Rental rate growth was increasing prior to the pandemic, a trend that has continued since its impact has subsided. Rental rate growth is expected to average 0.8% over the next 5 years. The CoStar model is by design inclusive of all qualities of retail properties. There is an outsized impact of poorly occupied, functionally obsolete space on both the vacancy in the market and rental rate. It is my opinion that the rental growth rate is understated and vacancy is somewhat overstated by inclusion of functionally obsolete, chronically vacant retail.

1.4 Kansas City Market Supply & Demand



Source: CoStar ©2023, reprinted with permission. All rights reserved.

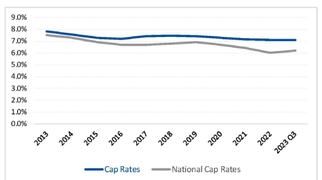
1.5 Kansas City Sales Volume & Average Price



Source: CoStar ©2023, reprinted with permission. All rights reserved.

Annual retail sales volume for the Kansas City area averaged $487M and $414M over the last 10 and 5 years, respectively. The average sales price per SF has experienced minimal growth from $115.15 to $162.30 over the last decade, representing annual compound price growth of 3.9%. Prices have accelerated in the last two years; however, it is expected to moderate over the coming 5-years to a pace of -1.2%/year. Kansas City traditionally trends below the US in transaction volume, and price per square foot and above in capitalization rates.

1.6 Kansas City Cap Rate vs. National Average

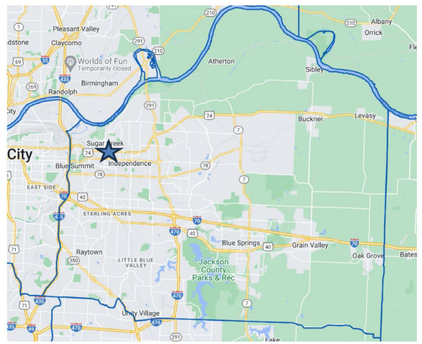


Source: CoStar ©2023, reprinted with permission. All rights reserved.

Both the Kansas City and National retail markets had experienced capitalization rate contraction over the past decade. Retail assets in the Kansas City market typically trade at capitalization rates that are higher than the national average within the market, as the average capitalization rate in the Kansas City retail was 7.1% in the most recent prior year versus 6.0% nationally.

1.7 East Jackson County Submarket Review

The study area is within the East Jackson County Submarket. It is the largest retail submarket in the Kansas City Market. It includes all of Independence, Blue Springs, Raytown and parts of Kansas City and Lee's Summit as shown in the CoStar map below.



#	SubMarket Name	Inventory SF (K)	% of Market	Market Rent/SF	Rental Rate Rank	Occupancy Rate	Occupancy Rank
1	East Jackson County	19,250	14.4%	$15.28	17	92.8%	23
2	South Johnson County	16,584	12.4%	$21.10	4	94.0%	22
3	I-35 Corridor	13,860	10.4%	$16.68	15	97.5%	12
4	Northwest Johnson County	10,406	7.8%	$17.98	12	95.8%	17
5	Kansas City KS	8,903	6.7%	$16.77	14	96.3%	16
6	Northeast Johnson County	8,465	6.3%	$19.15	8	96.6%	15
7	Southeast Jackson County	6,939	5.2%	$20.84	5	98.6%	7
8	I-29 Corridor	6,422	4.8%	$19.83	6	95.7%	18
9	South Kansas City MO	6,148	4.6%	$14.84	19	92.5%	24
10	Cass County	5,724	4.3%	$16.21	16	97.9%	9
11	Kansas City MO	4,902	3.7%	$14.18	20	97.5%	13
12	College Blvd	4,611	3.5%	$22.29	3	97.7%	11
13	Midtown	3,466	2.6%	$18.03	11	95.0%	20
14	Leavenworth County	2,807	2.1%	$13.32	22	95.3%	19
15	Ward Parkway	2,302	1.7%	$18.40	10	97.9%	10
16	Outer South Kansas City	2,242	1.7%	$13.56	21	99.0%	6
17	Outlying KC MO	2,177	1.6%	$9.29	24	99.4%	3
18	Country Club Plaza	2,063	1.5%	$29.47	1	96.8%	14
19	CBD	1,525	1.1%	$19.24	7	99.5%	2
20	Lafayette County	1,491	1.1%	$5.90	25	86.3%	25
21	Downtown Kansas KC KS	1,044	0.8%	$10.54	23	99.8%	1
22	Freight House District	886	0.7%	$18.94	9	97.9%	8
23	Crown Center	481	0.4%	$16.79	13	99.2%	4
24	Brookside	422	0.3%	$27.05	2	94.1%	21
25	West Bottoms	346	0.3%	$14.89	18	99.2%	5
All Other Submarkets		**30,763**	**23.0%**	**$16.79**		**96.9%**	
Totals		133,464	100.0%	$17.58		95.7%	

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The East Jackson County submarket commands the 17th highest rental rates in the market. Occupancy for the submarket (92.8%) is lower than the average of the market (95.7%) and lower than all but two submarkets.

1.8 East Jackson County Submarket Inventory & Occupancy

East Jackson County Retail Submarket Analysis

Inventory	Vacancy	Net Absorption	New Supply Delivered
19.2M SF	7.25%	+13K SF Last 12 Mo	34K SF Last 12 Mo
4.5% of the Kansas City - MO metro market	*+21 Bps YoY*	*138.5% Below 5 YR Average*	*0.2% of Inventory*

East Jackson County Retail Submarket Trends

Year	Buildings	Inventory (M SF)	% of Market	Vacancy Rate	Completions (K SF)	Completions %	Net Absorption (K SF)	Under Construction (K SF)	Net Delivered (K SF)	New Supply Rate	Demand (M SF)
2012										0.00%	
2013	1,485	18.1	14.2%	9.59%	125	0.69%	11	285	125	1.57%	16.4
2014	1,490	18.2	14.2%	9.23%	110	0.60%	357	208	105	1.14%	16.5
2015	1,494	18.3	14.1%	7.39%	80	0.44%	310	482	65	2.63%	16.9
2016	1,505	18.5	14.3%	6.22%	427	2.31%	627	1,021	421	5.51%	17.4
2017	1,518	18.9	14.5%	6.06%	252	1.23%	82	713	228	3.78%	17.7
2018	1,527	19.0	14.6%	6.03%	144	0.76%	112	343	-52	1.81%	17.8
2019	1,537	19.0	14.5%	5.23%	111	0.58%	159	481	34	2.54%	18.0
2020	1,545	19.1	14.6%	5.91%	159	0.83%	-220	195	101	1.02%	18.0
2021	1,556	19.1	14.5%	7.45%	121	0.63%	-101	328	82	1.71%	17.7
2022	1,565	19.2	14.6%	7.13%	114	0.59%	220	133	72	0.69%	17.8
2023 Q3	1,574	19.2	14.5%	7.25%	12	0.06%	6	12	0	0.00%	17.8
10 Year Averages	1,522	18.7	14.4%	7.00%	162	0.87%	156	419	118	2.24%	17.4
5 Year Average	1,549	19.1	14.5%	6.39%	129	0.66%	156	349	45	1.61%	17.8
2023	1,571	19.2	14.5%	7.27%	29	0.15%	-104	38	28	0.20%	17.8
2024	1,574	19.2	14.5%	7.39%	20	0.10%	-61		-45	0.00%	17.8
2025	1,574	19.2	14.5%	7.49%	101	0.53%	6		14	0.00%	17.8
2026	1,574	19.3	14.4%	7.63%	125	0.65%	22		59	0.00%	17.8
2027	1,574	19.3	14.4%	7.78%	140	0.72%	37		74	0.00%	17.8
10 Year Average	1,574	19.3	14.5%	7.51%	97	0.50%	20	8	45	0.04%	17.8

Source: CoStar ©2023, reprinted with permission. All rights reserved.

CoStar forecasts a modest 83K SF per year in completions over the next five years which is just 0.43% of the total supply. For comparison, the entire Kansas City market will experience new construction averaging 840K SF over the next five years which is 0.63% of the existing supply. This demonstrates that the East Jackson County submarket's position relative to other large submarkets is declining. Every major submarket in Kansas City features some component of modern mixed use which has led to improved quality and occupancy for retail tenants and patrons. Certainly, Independence Square and the surrounding blocks do qualify in a broad sense as mixed use, but quality, condition and utility of the retail improvements are a generation behind the standard.

1.9 East Jackson County Submarket Rental Rates & Rent Growth

East Jackson County Retail Submarket Rental Rates & Rent	
	Rental Rate
	$15.28
	+4.37% YoY

East Jackson County Retail Submarket Rental Trends

Year	Asking Rent/SF	Rent Growth (YoY)
2012		-
2013	$11.41	-
2014	$11.64	2.04%
2015	$11.81	1.48%
2016	$12.03	1.86%
2017	$12.41	3.12%
2018	$12.82	3.35%
2019	$13.20	2.93%
2020	$13.43	1.76%
2021	$13.81	2.83%
2022	$14.54	5.32%
2023 Q3	$15.28	4.37%
10 Year Averages	$12.73	2.74%
5 Year Averages	$13.56	3.23%
2023	$15.23	4.74%
2024	$15.40	1.10%
2025	$15.49	0.58%
2026	$15.61	0.77%
2027	$15.72	0.69%
Projection Averages	$15.49	0.63%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

Rent growth in East Jackson County exceeds that of the entire Kansas City Market considering year over year increases as well as the five and ten-year averages. The age of retail properties and lack of investment or reinvestment have led to functional obsolescence within the submarket. The retail offerings within East Jackson County are less modern than competing major submarkets and unless new or reinvestment is supported the submarket will continue to lose stature. Of the top ten submarkets, only East Jackson County, Kansas City KS and, South KCMO have not seen significant new construction. In fact. These submarkets are effectively an entire generation behind the others which have seen significant retail development or redevelopment. This includes modern community and neighborhood shopping centers as well as mixed use redevelopment. From the perspective of supply, there is certainly room for an improvement in the quality, design, and utility of the retail space offered.

1.10 Submarket New Supply

Market	Inventory SF (K)	SF Under Construction (K)	% of Inventory
East Jackson County Submark	19,250	38.0	**0.2%**
Kansas City Market	132,430	639.9	0.5%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

Presently, there is minimal new construction occurring in the East Jackson County Submarket, totaling 0.2% whereas the entire Kansas City market is adding 0.5% of the total supply for 2023.

1.11 Retail Market & Submarket Summary and Conclusions

Based upon these stated dynamics of the Kansas City and the East Jackson County submarkets, I have identified mixed use with street retail as the most complementary retail use for the study area and that with the best opportunity for success. Unlike competing neighborhoods as described later, no meaningful redevelopment or new construction has occurred within the East Jackson County submarket. The last meaningful retail development was Menards, located at I-70 and Little Blue Parkway built in 2016 and before that Costco and surrounding properties in Eastgate in 2000. There is abundant vacancy in the retail projects along Noland Road, Highway 40 and M 291/I-470. Notably, Independence Center, the 950K SF troubled mall with approximately 80% occupancy is listed for sale now at an undisclosed price, after being acquired for just $57 million from its special servicer.

2.0 TRADE AREA CHARACTERISTICS

In the following paragraphs I provide relevant information relating to the area's suitability to its existing retail supply and the prospects for new development. I have analyzed the same geos as in the area description in the body of this report.

2.1 Demographics

2.1.1 Population and Households

Population Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Trade Area							
Area (sq mile)	3	28	79	604	7,256	68,752	3,533,719
Total Population							
2000 Total Population	12,125	72,979	134,662	654,880	1,811,254	5,595,211	281,421,906
2010 Total Population	11,191	70,950	137,608	674,139	2,009,342	5,988,927	308,745,538
2020 Total Population	11,521	73,917	143,388	717,204	2,192,035	6,154,913	331,449,281
2023 Total Population	11,372	73,068	143,264	726,225	2,238,618	6,208,310	337,470,185
2028 Total Population	11,232	71,909	141,435	728,581	2,273,691	6,239,262	342,640,129
Population Growth							
2000 - 2020 Annual Growth	-0.26%	0.06%	0.31%	0.46%	0.96%	0.48%	0.82%
2010 - 2020 Annual Growth	0.29%	0.41%	0.41%	0.62%	0.87%	0.27%	0.71%
2020 - 2023 Annual Growth	-0.40%	-0.35%	-0.03%	0.39%	0.65%	0.27%	0.56%
2023 - 2028 Annual Growth	-0.25%	-0.32%	-0.26%	0.06%	0.31%	0.10%	0.30%

Households Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Total Households							
2000 Total Households	5,234	31,349	56,038	266,294	708,309	2,194,594	105,480,101
2010 Total Households	4,710	30,042	56,720	274,799	789,533	2,375,611	116,716,292
2020 Total Households	4,967	31,096	59,010	297,580	868,375	2,479,146	126,817,580
2023 Total Households	4,963	30,930	59,082	303,618	892,148	2,514,933	129,917,449
2028 Total Households	4,939	30,615	58,709	308,146	914,075	2,550,757	133,099,006
Household Growth							
2000 - 2020 Annual Growth	-0.26%	-0.04%	0.26%	0.56%	1.02%	0.61%	0.93%
2010 - 2020 Annual Growth	0.53%	0.35%	0.40%	0.80%	0.96%	0.43%	0.83%
2020 - 2023 Annual Growth	-0.02%	-0.16%	0.04%	0.62%	0.83%	0.44%	0.75%
2023 - 2028 Annual Growth	-0.10%	-0.20%	-0.13%	0.30%	0.49%	0.28%	0.49%
Average Household Size							
2010 Average Household Size	2.31	2.33	2.40	2.41	2.51	2.45	2.58
2020 Average Household Size	2.23	2.34	2.40	2.37	2.49	2.41	2.55
2023 Average Household Size	2.20	2.33	2.40	2.36	2.47	2.40	2.53
2028 Average Household Size	2.18	2.31	2.38	2.33	2.45	2.38	2.51

2.1.2 Housing

Housing Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Housing Units							
2000 Total Housing Units	5,786	33,472	59,936	288,231	757,344	2,442,017	115,904,641
2010 Total Housing Units	5,613	33,884	63,115	312,099	871,952	2,712,729	131,704,730
2020 Total Housing Units	5,621	34,223	64,363	329,579	938,503	2,786,621	140,498,736
2023Total Housing Units	5,602	34,036	64,382	336,513	964,610	2,832,246	144,063,309
2028Total Housing Units	5,621	34,102	64,616	341,453	986,393	2,867,644	147,336,052
Median Home Value							
2023 Median Home Value	$189,698	$210,189	$221,632	$262,924	$302,437	$257,565	$350,006
2023 Housing Affordability							
Percent of Income for Mortgage	21.3%	17.2%	18.6%	20.4%	21.0%	20.7%	25.6%
2020 Owner Occupied by Mortgage Status							
With Mortgage/Loan	63.8%	63.0%	63.9%	68.4%	70.4%	65.3%	66.7%
Owned Free & Clear	36.2%	37.0%	36.1%	31.6%	29.6%	34.7%	33.3%

Household Occupancy	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
2000 Households by Tenancy	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	5,786	100.0%	33,472	100.0%	59,936	100.0%	288,231	100.0%	757,344	100.0%	2,442,017	100.0%	115,904,641	100.0%
Owner Occupied	2,373	41.0%	19,428	58.0%	37,693	62.9%	167,461	58.1%	482,600	63.7%	1,542,149	63.2%	69,815,753	60.2%
Renter Occupied	2,862	49.5%	11,921	35.6%	18,345	30.6%	98,833	34.3%	225,709	29.8%	652,445	26.7%	35,664,348	30.8%
Vacant	552	9.5%	2,123	6.3%	3,898	6.5%	21,937	7.6%	49,035	6.5%	247,423	10.1%	10,424,540	9.0%
2010 Households by Tenancy														
Total	5,613	100.0%	33,884	100.0%	63,115	100.0%	312,099	100.0%	871,952	100.0%	2,712,729	100.0%	131,704,730	100.0%
Owner Occupied	2,093	37.3%	18,028	53.2%	36,578	58.0%	168,792	54.1%	530,278	60.8%	1,633,610	60.2%	75,986,074	57.7%
Renter Occupied	2,617	46.6%	12,008	35.4%	20,140	31.9%	106,007	34.0%	259,255	29.7%	742,001	27.4%	40,730,218	30.9%
Vacant	903	16.1%	3,842	11.3%	6,395	10.1%	37,300	12.0%	82,419	9.5%	337,118	12.4%	14,988,438	11.4%
2020 Households by Tenancy														
Total	5,621	100.0%	34,223	100.0%	64,363	100.0%	329,579	100.0%	938,503	100.0%	2,786,621	100.0%	140,498,736	100.0%
Owner Occupied	1,943	34.6%	16,774	49.0%	34,963	54.3%	168,229	51.0%	553,629	59.0%	1,636,545	58.7%	80,051,358	57.0%
Renter Occupied	3,024	53.8%	14,322	41.8%	24,047	37.4%	129,351	39.2%	314,746	33.5%	842,601	30.2%	46,766,222	33.3%
Vacant	612	10.9%	3,127	9.1%	5,328	8.3%	31,999	9.7%	70,128	7.5%	307,475	11.0%	13,681,156	9.7%
2023 Households by Tenancy														
Total	5,602	100.0%	34,036	100.0%	64,382	100.0%	336,513	100.0%	964,610	100.0%	2,832,246	100.0%	144,063,309	100.0%
Owner Occupied	2,032	36.3%	17,849	52.4%	36,429	56.6%	179,210	53.3%	589,233	61.1%	1,716,586	60.6%	84,286,498	58.5%
Renter Occupied	2,931	52.3%	13,081	38.4%	22,653	35.2%	124,408	37.0%	302,915	31.4%	798,347	28.2%	45,630,951	31.7%
Vacant	639	11.4%	3,106	9.1%	5,300	8.2%	32,895	9.8%	72,462	7.5%	317,313	11.2%	14,145,860	9.8%
2028 Households by Tenancy														
Total	5,621	100.0%	34,102	100.0%	64,616	100.0%	341,453	100.0%	986,393	100.0%	2,867,644	100.0%	147,336,052	100.0%
Owner Occupied	2,075	36.9%	18,042	52.9%	36,805	57.0%	181,071	53.0%	603,577	61.2%	1,753,513	61.1%	87,122,578	59.1%
Renter Occupied	2,864	51.0%	12,573	36.9%	21,904	33.9%	127,075	37.2%	310,498	31.5%	797,244	27.8%	45,976,428	31.2%
Vacant	682	12.1%	3,487	10.2%	5,907	9.1%	33,307	9.8%	72,318	7.3%	316,887	11.1%	14,237,046	9.7%

The information above describes the study area and its immediate surrounding neighborhood with limited total houshold unit growth and a median home value that is 72% that of the all of Jackson County. Households within the immediate area pay a significantly larger percentage of total income on housing. 21.3% versus 17.2% - 21.0% for the Kansas City areas. The immediate area also has a higher percentage of renter occupied housing, 52.3% versus 21.4% to 38.4% for the Kansas City area geos.

2.1.3 Income

Projected Income Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Median Age							
2010 Median Age	37.7	38.7	38.2	36.1	36.5	37.8	37.1
2020 Median Age	39.1	38.8	38.7	36.8	37.7	39	38.8
2023 Median Age	39.9	40.3	40.3	38.3	38.7	39.8	39.1
2028 Median Age	40.7	41	41	39	39.4	40.7	39.8
Per Capita Income							
2023 Per Capita Income	$25,335	$29,250	$31,178	$38,796	$42,409	$37,703	$41,310
2028 Per Capita Income	$29,867	$34,603	$36,640	$45,044	$48,302	$43,472	$47,525
Median Household Income							
2023 Median Household Income	$37,482	$51,456	$55,957	$64,919	$76,890	$63,390	$72,603
2028 Median Household Income	$41,741	$58,154	$64,200	$75,548	$85,591	$73,286	$82,410
Median Household Income Growth							
2023 - 2028 Median Household Income Growth	2.2%	2.5%	2.8%	3.1%	2.2%	2.9%	2.6%
Average Household Income							
2023 Average Household Income	$56,222	$68,907	$75,473	$92,658	$106,269	$92,777	$107,008
2028 Average Household Income	$66,035	$81,080	$88,139	$106,365	$120,005	$106,043	$122,048
Disposable Income							
2023 Median Disposable Income	$32,423	$43,118	$47,865	$54,433	$62,177	$53,426	$58,809
2023 Average Disposable Income	$44,893	$55,016	$59,796	$70,539	$79,864	$70,213	$79,104

Principle to the demand for retail goods and services leading to demand for retail real estate is the disposable income. Disposalbe income in the sudy area is significantly less than every other geos in both median and average income categories. The Independence Square study area and its one mile radius under performs the surrounging three and five-mile radii by 20% to 35%. This informs the retail demand by the area residents as described in the following sections of this study.

2.1.4 Employment Business and Industry

Shown below is a description of the labor force and daytime population of the study area as compared to the previously described geo areas.

Business Type by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Business Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	547	100.0%	1,869	100.0%	3,688	100.0%	24,787	100.0%	76,834	100.0%	213,371	100.0%	12,297,209	100.0%
Agriculture & Mining	7	1.3%	32	1.7%	61	1.7%	394	1.6%	1,668	2.2%	5,533	2.6%	283,921	2.3%
Construction	21	3.8%	114	6.1%	241	6.5%	1,489	6.0%	5,116	6.7%	13,446	6.3%	786,039	6.4%
Manufacturing	14	2.6%	54	2.9%	112	3.0%	769	3.1%	2,372	3.1%	7,158	3.4%	383,471	3.1%
Transportation	6	1.1%	45	2.4%	92	2.5%	564	2.3%	1,973	2.6%	6,418	3.0%	348,927	2.8%
Communication	5	0.9%	19	1.0%	41	1.1%	226	0.9%	612	0.8%	1,885	0.9%	101,670	0.8%
Utility	0	0.0%	3	0.2%	10	0.3%	92	0.4%	291	0.4%	1,010	0.5%	44,182	0.4%
Wholesale Trade	11	2.0%	56	3.0%	147	4.0%	842	3.4%	2,698	3.5%	7,753	3.6%	394,881	3.2%
Retail Trade Summary	92	16.8%	422	22.6%	916	24.8%	4,992	20.1%	14,236	18.5%	43,701	20.5%	2,446,615	19.9%
Home Improvement	3	0.5%	20	1.1%	44	1.2%	240	1.0%	840	1.1%	2,814	1.3%	139,997	1.1%
General Merchandise Stores	2	0.4%	22	1.2%	50	1.4%	223	0.9%	629	0.8%	2,168	1.0%	106,715	0.9%
Food Stores	13	2.4%	51	2.7%	99	2.7%	487	2.0%	1,461	1.9%	4,630	2.2%	282,263	2.3%
Auto Dealers & Gas Stations	17	3.1%	82	4.4%	154	4.2%	640	2.6%	1,736	2.3%	6,157	2.9%	285,726	2.3%
Apparel & Accessory Stores	4	0.7%	16	0.9%	65	1.8%	267	1.1%	763	1.0%	2,000	0.9%	135,937	1.1%
Furniture & Home Furnishings	2	0.4%	17	0.9%	36	1.0%	244	1.0%	787	1.0%	2,485	1.2%	157,818	1.3%
Eating & Drinking Places	23	4.2%	121	6.5%	264	7.2%	1,785	7.2%	4,739	6.2%	13,293	6.2%	773,898	6.3%
Miscellaneous Retail	27	4.9%	93	5.0%	205	5.6%	1,106	4.5%	3,281	4.3%	10,154	4.8%	564,261	4.6%
Finance, Insurance, Real Estate Summary	43	7.9%	174	9.3%	341	9.2%	2,694	10.9%	8,734	11.4%	22,434	10.5%	1,183,990	9.6%
Services Summary	260	47.5%	779	41.7%	1,465	39.7%	10,643	42.9%	31,049	40.4%	85,880	40.2%	4,845,568	39.4%
Government	66	12.1%	87	4.7%	100	2.7%	569	2.3%	2,138	2.8%	9,360	4.4%	399,420	3.2%
Unclassified Establishments	22	4.0%	83	4.4%	163	4.4%	1,513	6.1%	5,947	7.7%	8,793	4.1%	1,078,525	8.8%

Labor Force by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Employee Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	5,351	100.0%	21,077	100.0%	51,645	100.0%	440,726	100.0%	1,165,374	100.0%	3,155,295	100.0%	153,323,159	100.0%
Agriculture & Minings	44	0.8%	140	0.7%	353	0.7%	3,274	0.7%	12,998	1.1%	45,706	1.4%	2,363,116	1.5%
Construction	144	2.7%	681	3.2%	1,955	3.8%	18,004	4.1%	49,584	4.3%	119,741	3.8%	6,474,074	4.2%
Manufacturing	159	3.0%	1,145	5.4%	2,621	5.1%	26,872	6.1%	81,170	7.0%	261,064	8.3%	11,883,768	7.8%
Transportation	117	2.2%	906	4.3%	2,635	5.1%	19,266	4.4%	39,872	3.4%	94,690	3.0%	4,599,293	3.0%
Communication	69	1.3%	159	0.8%	298	0.6%	3,976	0.9%	9,300	0.8%	27,715	0.9%	1,273,563	0.8%
Utility	0	0.0%	30	0.1%	362	0.7%	3,333	0.8%	6,337	0.5%	19,925	0.6%	912,578	0.6%
Wholesale Trade	85	1.6%	467	2.2%	1,941	3.8%	16,285	3.7%	52,431	4.5%	123,299	3.9%	6,093,211	4.0%
Retail Trade Summary	905	16.9%	5,264	25.0%	15,414	29.8%	78,485	17.8%	230,260	19.8%	621,679	19.7%	30,492,920	19.9%
Home Improvement	69	1.3%	172	0.8%	1,013	2.0%	4,365	1.0%	16,416	1.4%	41,161	1.3%	1,957,651	1.3%
General Merchandise Stores	14	0.3%	571	2.7%	1,800	3.5%	7,003	1.6%	25,209	2.2%	72,793	2.3%	3,100,244	2.0%
Food Stores	93	1.7%	832	3.9%	1,803	3.5%	8,603	2.0%	26,882	2.3%	75,440	2.4%	4,256,775	2.8%
Auto Dealers & Gas Stations	162	3.0%	984	4.7%	1,976	3.8%	7,997	1.8%	23,349	2.0%	70,499	2.2%	3,143,931	2.1%
Apparel & Accessory Stores	21	0.4%	111	0.5%	1,165	2.3%	2,964	0.7%	9,422	0.8%	19,556	0.6%	1,144,818	0.7%
Furniture & Home Furnishings	18	0.3%	68	0.3%	617	1.2%	3,107	0.7%	13,171	1.1%	23,483	0.7%	1,431,799	0.9%
Eating & Drinking Places	417	7.8%	2,009	9.5%	5,334	10.3%	31,803	7.2%	83,023	7.1%	224,037	7.1%	11,111,183	7.2%
Miscellaneous Retail	112	2.1%	518	2.5%	1,707	3.3%	12,643	2.9%	32,788	2.8%	94,710	3.0%	4,346,519	2.8%
Finance, Insurance, Real Estate Summary	160	3.0%	810	3.8%	1,809	3.5%	40,076	9.1%	103,864	8.9%	202,977	6.4%	10,542,116	6.9%
Services Summary	2,607	48.7%	10,032	47.6%	22,380	43.3%	192,890	43.8%	500,321	42.9%	1,414,850	44.8%	67,775,749	44.2%
Government	1,045	19.5%	1,344	6.4%	1,648	3.2%	35,653	8.1%	71,954	6.2%	206,337	6.5%	9,913,829	6.5%
Unclassified Establishments	15	0.3%	98	0.5%	228	0.4%	2,612	0.6%	7,283	0.6%	17,312	0.5%	998,942	0.7%

Employees by NAICS Industry Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Employee Count by NAICS Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	5,351	100.0%	21,077	100.0%	51,645	100.0%	440,726	100.0%	1,165,374	100.0%	3,155,295	100.0%	153,323,159	100.0%
Agriculture, Forestry, Fishing & Hunting	2	0.0%	6	0.0%	17	0.0%	619	0.1%	2,558	0.2%	18,649	0.6%	716,479	0.5%
Mining	0	0.0%	10	0.0%	27	0.1%	242	0.1%	1,275	0.1%	7,293	0.2%	394,572	0.3%
Utilities	0	0.0%	6	0.0%	291	0.6%	2,648	0.6%	4,706	0.4%	15,009	0.5%	589,705	0.4%
Construction	163	3.0%	760	3.6%	2,089	4.0%	18,997	4.3%	52,989	4.5%	126,787	4.0%	7,071,257	4.6%
Manufacturing	96	1.8%	1,096	5.2%	2,913	5.6%	26,434	6.0%	81,174	7.0%	261,143	8.3%	11,741,155	7.7%
Wholesale Trade	85	1.6%	467	2.2%	1,942	3.8%	16,255	3.7%	52,214	4.5%	121,543	3.9%	6,047,237	3.9%
Retail Trade	453	8.5%	3,179	15.1%	9,638	18.7%	45,372	10.3%	143,849	12.3%	386,329	12.2%	18,692,297	12.2%
Motor Vehicle & Parts Dealers	149	2.8%	890	4.2%	1,765	3.4%	6,479	1.5%	22,957	2.0%	56,274	1.8%	2,649,165	1.7%
Furniture & Home Furnishings Stores	7	0.1%	35	0.2%	118	0.2%	1,538	0.3%	6,062	0.5%	11,413	0.4%	712,477	0.5%
Transportation & Warehousing	122	2.3%	873	4.1%	2,574	5.0%	17,945	4.1%	36,554	3.1%	83,201	2.6%	3,957,450	2.6%
Information	175	3.3%	509	2.4%	764	1.5%	9,560	2.2%	26,179	2.2%	67,202	2.1%	4,008,058	2.6%
Real Estate, Rental & Leasing	80	1.5%	437	2.1%	1,387	2.7%	16,367	3.7%	41,436	3.6%	78,535	2.5%	4,318,399	2.8%
Professional, Scientific & Tech Services	386	7.2%	1,333	6.3%	2,082	4.0%	37,319	8.5%	101,830	8.7%	227,844	7.2%	11,331,020	7.4%
Accommodation	16	0.3%	49	0.2%	364	0.7%	4,205	1.0%	11,191	1.0%	40,824	1.3%	2,545,444	1.7%
Food Services & Drinking Places	435	8.1%	2,044	9.7%	5,410	10.5%	32,072	7.3%	84,005	7.2%	226,260	7.2%	11,363,839	7.4%
Other Services (except Public Administration)	816	15.2%	2,325	11.0%	4,102	7.9%	26,924	6.1%	66,391	5.7%	187,058	5.9%	9,284,835	6.1%
Automotive Repair & Maintenance	51	1.0%	285	1.4%	754	1.5%	3,586	0.8%	10,050	0.9%	29,624	0.9%	1,281,422	0.8%
Public Administration	1,028	19.2%	1,327	6.3%	1,661	3.2%	35,814	8.1%	72,243	6.2%	206,252	6.5%	9,885,394	6.4%
Unclassified Establishments	15	0.3%	98	0.5%	228	0.4%	2,612	0.6%	7,281	0.6%	17,283	0.5%	990,750	0.6%

Employment to Population	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Employment							
Total Businesses	547	1,869	3,688	24,787	76,834	213,371	12,297,209
Total Employees	5,351	21,077	51,645	440,726	1,165,374	3,155,295	153,323,159
Total Residential Population	11,372	73,068	143,264	726,225	2,238,618	6,208,310	337,470,185
Employee/Residential Population Ratio (per 100 Residents)	47%	29%	36%	61%	52%	51%	45%

2023 Labor Force Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
2023 Labor Force, Age 16+							
Total Population Age 16+	9,137	58,614	115,213	582,435	1,775,629	5,027,603	272,621,098
Population Age 16+ in Labor Force	4,898	34,886	71,030	386,782	1,203,118	3,107,662	170,341,597
Employed	4,714	33,392	68,369	374,962	1,163,861	3,013,596	163,036,143
Unemployed	184	1,495	2,661	11,820	39,257	94,066	7,305,454
Unemployment Rate	3.8%	4.3%	3.7%	3.1%	3.3%	3.0%	4.3%
Labor Force Participation Rate	53.6%	59.5%	61.7%	66.4%	67.8%	61.8%	62.5%
Employment-Population Ratio	51.6%	57.0%	59.3%	64.4%	65.5%	59.9%	59.8%
2023 Economic Dependency Ratio							
Total	141.2	118.7	109.4	92.9	91	104	105
Child (<16)	47.4	43.3	41	38.3	39.8	39.2	39.8
Working-Age (16-64)	52.4	39	33.8	28.5	26.4	33.6	35.7
Senior (65+)	41.5	36.4	34.5	26.1	24.8	31.2	29.5
2023 Population 25+ by Educational Attainment							
Total	7,965	51,357	100,953	502,714	1,537,023	4,323,195	233,596,126
Less than 9th Grade	3.1%	2.3%	2.3%	2.0%	2.1%	2.1%	4.1%
9th - 12th Grade, No Diploma	6.6%	7.1%	7.0%	5.3%	4.2%	5.5%	5.5%
High School Graduate	30.9%	35.1%	33.4%	25.4%	22.4%	27.1%	22.9%
GED/Alternative Credential	7.7%	6.3%	5.8%	3.9%	3.5%	4.6%	4.1%
Some College, No Degree	28.0%	22.8%	22.1%	20.4%	19.3%	19.1%	17.7%
Associate Degree	10.1%	9.5%	9.5%	8.6%	8.6%	9.1%	9.5%
Bachelor's Degree	8.4%	11.3%	13.4%	22.1%	25.3%	20.4%	22.3%
Graduate/Professional Degree	5.2%	5.6%	6.6%	12.4%	14.8%	12.2%	13.9%
2023 Daytime Population							
Daytime Popuation	11,682	60,906	127,063	785,656	2,243,372	6,214,118	335,744,666
Daytime Residents	4,932	20,662	51,059	430,397	1,163,269	3,025,217	161,357,608
Daytime Workers	6,750	40,244	76,004	355,259	1,080,103	3,188,901	174,387,058
Commute							
Average Commute	-	-	-	24 minutes	24 minutes	24 minutes	27 minutes

The study area employment to population ratio is superior to the three and five-mile surrounding areas which identifes there to be daytime activies and presumably more total spending per resident than in the surrounding areas. According to the Labor Force by SIC Code, retail employees comprise 17% of all employees in the one-mile trade area. The three and five-mile trade areas are 25% and 30% respectively. Similarly, retail business establishments as a percentage of total establishments is well below the average of the other measured geos. These same metrics by NAICS code suggest the same imbalance.

From the perspective of a potential developer or retailer, offerings within the study area are underrepresented as compared to the other geo codes.

2.1.5 Consumer Spending

Household Sales by NAICS Code 2023		1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Average Sales per Household by NAICS Code								
44-45, 722	Retail Trade, Food Services & Drinking Place	$15,097	$18,416	$19,971	$23,891	$27,184	$24,295	$27,406
44-45	Retail Trade	$12,954	$15,817	$17,119	$20,367	$23,188	$20,836	$23,395
722	Food Services & Drinking Places	$2,144	$2,599	$2,852	$3,523	$3,997	$3,459	$4,010

Aggregate Retail Sales by NAICS Code 2023		1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Aggregate Sales Summary by NAICS Code								
44-45, 722	Retail Trade, Food Services & Drinking Place	$74,927,747	$569,595,961	$1,179,919,691	$7,253,621,252	$24,252,444,122	$61,100,184,544	$3,560,472,971,089
44-45	Retail Trade	$64,288,848	$489,222,826	$1,011,422,052	$6,183,855,976	$20,686,760,080	$52,401,908,824	$3,039,472,412,780
722	Food Services & Drinking Places	$10,638,899	$80,373,117	$168,497,639	$1,069,765,276	$3,565,684,042	$8,698,475,720	$521,000,558,309

Index by NAICS Code 2023		1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Index of Sales Summary by NAICS Code								
44-45, 722	Retail Trade, Food Services & Drinking Place	55	67	73	87	99	89	100
44-45	Retail Trade	55	68	73	87	99	89	100
722	Food Services & Drinking Places	53	65	71	88	100	86	100

An indication of demand for retail goods and services is an imbalance of retail sales per household or resident within a certain geo area. The data set above shows that the retail sales of any geo area divided by the number of households in that area is a measure of how the households in any given area contribute to retail sales. In the study area and surrounding one-mile radius, there are retail sales totaling $15,097 per household. This is a mathematic calculation of the total retail sales, not an tabulation of every retail dollar spent by individual household in each area. The index above suggests that retail sales per household in the Kansas City MSA are 99% of the sales per household throughout the United States with an index of 100. The smaller geo codes decline for Jackson County, the five-mile radius, three-mile radius, finally to 55% within the one-mile radius. The combination of limited retail offerings and the lower household and disposable income drive this disparity. While there is a demonstrable imbalance spending in the study area, the disparity cannot be addressed without recognition much lower disposable incomes and inferior functional utility of the supply in the Independence Square area.

The impact of disposable income is better described within the exhbit below.

Projected Spending by Household	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028
Apparel & Services	$1,227	$1,441	$1,459	$1,717	$1,584	$1,849	$1,957	$2,248	$2,204	$2,490	$1,895	$2,166	$2,199	$2,508
Entertainment/Recreation/Pets	$2,025	$2,380	$2,507	$2,949	$2,723	$3,180	$3,269	$3,790	$3,774	$4,260	$3,398	$3,882	$3,782	$4,314
Food	$5,760	$6,767	$6,937	$8,161	$7,555	$8,821	$9,345	$10,616	$10,454	$11,806	$9,216	$10,532	$10,524	$12,003
Food Away from Home	$1,997	$2,346	$2,417	$2,843	$2,650	$3,095	$3,293	$3,783	$3,733	$4,217	$3,222	$3,684	$3,723	$4,246
Alcoholic Beverages	$353	$415	$431	$508	$472	$551	$582	$669	$665	$751	$572	$654	$675	$769
Health Care	$4,167	$4,897	$5,129	$6,034	$5,531	$6,459	$6,475	$7,421	$7,404	$8,352	$6,801	$7,765	$7,359	$8,393
Household Furnishings and Equipment	$972	$1,143	$1,198	$1,410	$1,311	$1,531	$1,597	$1,833	$1,827	$2,063	$1,618	$1,849	$1,820	$2,075
Household Operations	$1,362	$1,601	$1,688	$1,986	$1,845	$2,154	$2,239	$2,569	$2,582	$2,915	$2,284	$2,609	$2,586	$2,950
Health Insurance	$2,805	$3,297	$3,447	$4,056	$3,715	$4,338	$4,351	$4,987	$4,968	$5,603	$4,561	$5,208	$4,944	$5,638
Shelter	$13,130	$15,427	$15,800	$18,590	$17,338	$20,246	$21,546	$24,749	$24,447	$27,617	$20,989	$23,997	$24,776	$28,258
Transportation	$5,725	$6,725	$6,977	$8,208	$7,561	$8,829	$9,105	$10,450	$10,309	$11,639	$9,266	$10,585	$10,206	$11,640

I have identified the average annual expenditure (2023) and projected expenditure (2028) by several spending categories. The disparity is across all spending categories and demonstrate that there is little in the way of additional spending that the residents of the study area can absorb given current and projected income levels. That suggests that that any new retail development or reinvestment in existing retail space within the study area will need to strike the balance of serving visitors and employees comprising the daytime population of the area with that of the existing residents

3.0 RETAIL TRENDS

In reviewing CoStar which has listing or property information on most properties within the one-mile trade area I observe the following meaningful characteristics. These metrics are limited by participation of property owners and representatives reporting to CoStar.

- The average reported parking ratio is 4.21 per 1,000 SF.
- The average year of construction is 1944.
- Occupancy averages approximately 95%.
- The trade area totals just over 600,000 SF with a large contribution of functionally obsolete buildings.
- The retail supply includes neighborhood shopping centers, street retail properties, and free-standing properties.
- There are several notable restaurants are in or near Independence Square including Ophelia's, Café Verona, Hi-Boy, and Three Trails Brewing.
- There are small format grocers in the area but no large modern supermarkets.

3.1 Retail Leakage

Retail leakage to help understand the retail dynamics of a given geography, also identified as a gap analysis. It identifies gaps in the retail market where demand for goods or services by category is exceeds the capacity of the existing retail supply. The resulting gap is an opportunity for new or redevelopment and is recognized when a defined trade area does not generate a sales commensurate with the population and income levels of that area. Given the stable population within the trade area and low median household and disposable income I did not identify a significant retail opportunities for specific retail categories within the one-mile trade area.

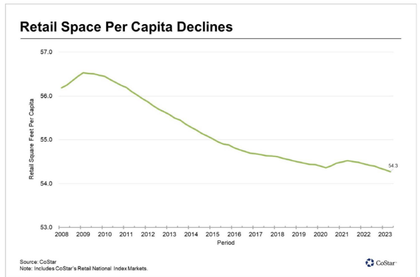
3.2 Retail Health Ratio

The retail health ratio describes a retailers and a specific locations retail health as a measure of total occupancy costs to retail sales. Absent a highly detailed and proprietary data set relative to specific retailers it is difficult to describe. There is a rule of thumb which identifies 10% of retail sales is a typical amount that a retailer can afford to spend on occupancy costs. Occupancy costs include rent, triple net charges, and property taxes. This impacts the study area in that the retail sales per square foot will determine what new tenants in the area can afford to pay in rent. The existing income levels in Independence Square neighborhood residents will limit the rent that can be paid and the cost of construction will make rent even more prohibitive for new development. Without quantifying, I recognize the retail health ratio will keep rents low and below a level of cost feasibility.

3.3 Retail Potential Analysis

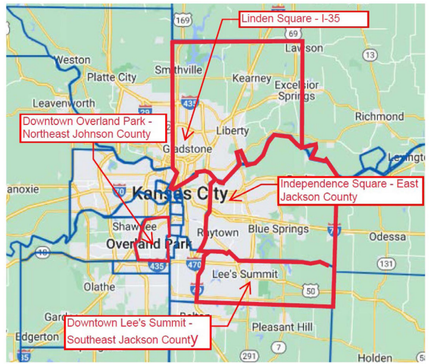
One key metric in determining the absence or presence of demand for retail space is an analysis of retail square foot per resident. Not so long ago, but pre COVID, the United States was considered to be significantly over retailed. However, the pandemic and mixed messaging from demographic groups and retailers themselves, and most recently, extensive inflation of construction costs and interest rate uncertainty have led to decline in new construction and the demolition or repurposing of obsolete retail centers.

Consequently, CoStar reports that retail space per capital has hit a multi-decade low of 54.3 SF per capita which is 4% less than in 2009. Many larger markets have declined by over 7%. The following exhibit shows the trend in retail building square footage per capita nationally.

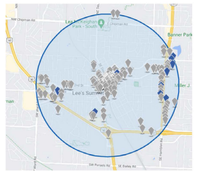


According to CoStar "E-commerce has certainly shifted spending, especially for apparel, footwear, and electric goods, retail sales have never been higher. There has also been a pronounced shift in users of retail space diversifying to more service-based tenants such as food and beverage, healthcare, fitness, and beauty. Overall, the retail sector has benefitted from a growing population pushing consumption higher while operating from an existing footprint that has not increased in proportional size."

To determine if by the retail square feet per resident metric, there is an imbalance of supply to the study area, I have compared Independence Square and its immediate neighborhood to some secondary downtown trade areas in the Kansas City market. These are identified in the following exhibits along with a one-mile radius and map pins for retail properties and with the exception of Independence Square each as seen healthy redevelopment or new development.



A one-mile ring around these four areas along with map tags identifying retail properties in each are shown on the following page.



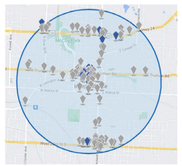
Downtown Lee's Summit



Downtown Overland Park



Gladstone Linden Square



Independence Square

Each of the areas is identified as a one-mile radius surrounding the center of the district. Using CoStar I have determined the retail square footage in each area and allocated that over the resident population for the last three censues dates, not a detailed survey of individual properties.

Retail SF Per Capita and Trade Area Ratings

	SF/Capita 2000	SF/Capita 2010	SF/Capita 2023	Median HH Income	Employment	Acces
Downtown Lee's Summit	112	117	122	$54,476	Superior	Superior
Downtown Overland Park	73	89	86	$67,040	Superior	Superior
Gladstone/Linden St	78	91	83	$54,476	Similar	Superior
Independence Square	49	53	53	$35,137		

In spite of these measures of supply, retail sales, and thus retail demand, have been negatively impacted over the last three years by increasing inflation/CPI among consumer goods, housing and transportation which has led to declining consumer sentiment. Another component impacting favorably the demand for retail space is the effect of Gen Z consumers. While this consumer group is adept at e-commerce, it is also more demanding of in person/brick and mortar retail experiences. This has led to a proliferation of food and beverage, experiential, and service-oriented retailers to accommodate a generation that spent its most formative years under the cloud of a pandemic and is evident in the described trade areas above.

Retail offerings are not the only critical element of the strength of a trade area. Referring to the surrounding area discussion presented earlier, the access and linkages within the study area and immediate surrounding area are not conducive to larger platform retailers which, by virtue of size, must accommodate a larger population. I do not foresee any meaningful demand for traditional junior anchors or anchors and in fact the traditional shopping center design is not suited to the trade area. To improve the retail offerings in the area will most likely come with small scale retail development in the form of mixed use and some free-standing buildings.

Downtown Lee's Summit outperforms the other areas because of its proximity to highly traveled regional commuter routes. If the retail square footage per person for Gladstone/Linden Square and Downtown Overland Park are applied to Independence Square to say 75 square feet per person, a simple calculation suggests a shortage of 310,000 SF rounded. This would be a 50% increase in the total retail supply within a one-mile radius which is certainly not practical or supported given history in the neighborhood. Another metric to consider is that the study area median household income is 40% less than the average of the three competing trade areas and lower than the geos considered throughout my demographic analysis. I also consider that access to the study area is inferior to each of the competing trade areas and employment opportunities are inferior to each of the competing trade areas.

Given these considerations one can infer demand for an additional 100,000 to 150,000 square feet over the next several years. Presuming recognized demand of 150,000 square feet and an average depth of 70' which is a modern standard for neighborhood center shopping space, I can estimate 2,200 linear feet of street front retail which is approximately six blocks given the length of a typical block in Independence Square. When dispersed across the study area this square footage is readily integrated among functionally obsolete storefronts and surface parking areas.

4.0 CONCLUSION

Independence Square has a lower retail supply per capita than do competing neighborhoods. This suggests demand is presently, however this metric suggests significant increase without consideration of the health ratio of potential retails and the impact of construction costs and the lower than feasible rents for new construction or renovation. These factors will temper new development. I expect a potential of 100,000 to 150,000 square feet of the next several years. This includes Independence square and its surrounding neighborhood.

APPENDIX C: MULTIFAMILY STUDY

TABLE OF CONTENTS

Contents

TABLE OF CONTENTS **1**
1.0 EXISTING SUPPLY AND DEMAND ANALYSIS **2**
1.1 Overview of Kansas City Multifamily Housing Market 2
1.2 Kansas City Market Inventory & Occupancy 2
1.3 Kansas City Market Rental Rates & Rent Growth 3
1.4 Kansas City Market Supply & Demand 4
1.5 Kansas City Market Sales Volume & Average Price 5
1.6 Kansas City Market Cap Rate vs. National Average 6
1.7 Outlying Jackson County Submarket Review 7
1.8 Outlying Jackson County MO Submarket Inventory & Occupancy 9
1.9 Outlying Jackson County MO Submarket Rental Rates & Rent Growth 10
1.10 New Supply 11
1.11 Multifamily Market Summary and Conclusions 11
2.0 TRADE AREA CHARACTERISTICS **12**
2.1 Demographics 12
2.1.1 Population and Households 12
2.1.2 Housing 13
2.1.3 Income 15
3.0 MULTIFAMILY MARKET FORECAST **17**
3.1 Demand 17
3.2 Absorption 19
3.3 Analysis of Current Market Rent 20
3.4 Rent Growth ..... **Error! Bookmark not defined.**
3.5 Projection of Market Rent 22
3.6 Feasibility 24
4.0 CONCLUSION **25**

1.0 EXISTING SUPPLY AND DEMAND ANALYSIS

An understanding of the factors influencing the multifamily market begins with a study of the existing supply, demand, and market conditions. I undertake this in the pages to follow.

1.1 Overview of Kansas City Multifamily Housing Market

As the 29th largest multifamily metropolitan area in the country based on inventory, Kansas City has a strong multifamily market which is analyzed in the following section.

1.2 Kansas City Market Inventory & Occupancy

Kansas City Multifamily Market Analysis

Inventory	Occupancy	Net Absorption	New Supply
174,283 Units	91.43%	-2,424 Units Last 12 Mo	5,039 Units Last 12 Mo
1st Largest Multi-Family MSA	*-118 bps YoY*	*375.1% Below 5 Yr Average*	*2.9% of inventory units*

Kansas City Multifamily Market Trends

Year	Buildings	Inventory Units	Occupancy	Net Delivered Units	Absorption Units	Net Absorption Units	Demand Units
2013				0	0	0	
2014	2,044	135,058	92.65%	1,899	1,882	-17	125,134
2015	2,058	138,484	92.11%	4,165	3,176	-989	127,560
2016	2,077	142,084	92.00%	3,641	2,509	-1,132	130,719
2017	2,103	147,027	91.58%	4,537	4,740	203	134,654
2018	2,123	150,191	92.30%	3,794	3,521	-273	138,633
2019	2,141	152,891	92.58%	2,328	2,879	551	141,553
2020	2,168	157,650	91.78%	5,962	3,228	-2,734	144,696
2021	2,192	162,700	92.76%	4,556	7,420	2,864	150,914
2022	2,217	167,455	93.29%	4,360	3,552	-808	156,222
2023	2,248	172,246	92.06%	5,039	2,615	-2,424	158,569
2023 Q4	2,259	174,283	91.43%	1,253	76	-1,177	159,352
10 Year Averages	2,137	152,578	92.32%	4,028	3,552	-476	140,865
5 Year Averages	2,193	162,588	92.50%	4,449	3,939	-510	150,591
2024		176,992	91.12%	4,532	3,625	-907	161,269
2025		181,160	91.20%	3,437	3,434	-3	165,215
2026		183,330	91.66%	1,939	2,673	734	168,027
2027		186,047	91.90%	3,047	3,063	16	170,975
2028		189,356	92.00%	3,407	3,292	-115	174,191
Projection Averages		183,377	91.58%	3,272	3,217	-55	167,936

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The Kansas City market is the 29th largest multifamily market in the country. Its occupancy rate of 91.4% compares negatively to the national multifamily average occupancy rate of 92.8%. Net absorption in the market has averaged -476 units (-0.3% of average inventory) and -510 units (-0.3%) over the last 10 and 5 years, respectively. Demand for apartment units has increased by an average of 3,344 annually for the previous ten years and 3,987 units over the preceding five years.

1.3 Kansas City Market Rental Rates & Rent Growth

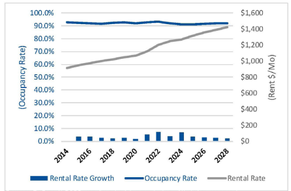
Kansas City Multifamily Market Rental Rates & Rent Growth

Market Asking Rent/Mo	Market Asking Rent/SF
$1,245	$1.34
+2.94% YoY	*+2.29% YoY*

Kansas City Multifamily Market Rental Trends

Year	Market Asking Rent/Mo	Market Asking Rent/SF	Mkt. Rent/Mo Growth (YoY)	Effective Asking Rent/Mo	Effective Asking Rent/SF	Eff. Rent/Mo Growth (YoY)
2013			-			-
2014	$915	$0.99	-	$905	$0.98	-
2015	$946	$1.02	3.46%	$929	$1.00	2.65%
2016	$976	$1.05	3.17%	$960	$1.03	3.33%
2017	$1,001	$1.08	2.48%	$979	$1.06	2.01%
2018	$1,023	$1.10	2.23%	$1,001	$1.08	2.21%
2019	$1,048	$1.13	2.50%	$1,031	$1.11	3.09%
2020	$1,068	$1.15	1.86%	$1,055	$1.14	2.26%
2021	$1,123	$1.21	5.15%	$1,112	$1.20	5.45%
2022	$1,201	$1.30	6.99%	$1,195	$1.29	7.41%
2023	$1,247	$1.34	3.82%	$1,238	$1.33	3.64%
2023 Q4	$1,245	$1.34	2.94%	$1,234	$1.33	2.69%
10 Year Averages	$1,063	$1.15	3.51%	$1,076	$1.13	3.55%
5 Year Averages	$1,147	$1.23	4.06%	$1,159	$1.22	4.08%
2024	$1,272	$1.38	6.73%	$1,259	$1.36	1.68%
2025	$1,313	$1.42	3.21%	$1,299	$1.41	3.21%
2026	$1,354	$1.47	3.10%	$1,340	$1.45	3.10%
2027	$1,389	$1.50	2.62%	$1,375	$1.49	2.63%
2028	$1,421	$1.54	2.30%	$1,406	$1.52	2.30%
Projection Averages	$1,351	$1.46	2.24%	$1,337	$1.44	2.24%

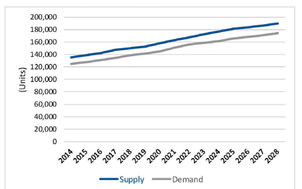
Source: CoStar ©2023, reprinted with permission. All rights reserved.



Source: CoStar ©2023, reprinted with permission. All rights reserved.

The average multifamily market rental rate grew 2.94% year over year to $1,245 per month. Cumulative market rental rate growth over the last 10 years and 5 years has been 3.51% and 4.06% per annum, respectively. Rental rate growth was increasing prior to the pandemic, a trend that has continued since its impact has subsided. Rental rate growth is expected to average 2.2% over the next 5 years.

1.4 Kansas City Market Supply & Demand



Source: CoStar ©2023, reprinted with permission. All rights reserved.

I project supply increases averaging 3,272 units per year to slightly outpace demand. 3,217 units per year over the next five years. Kansas City definitely presents a strong and sustaining market with a healthy availability of and demand for new supply as of 2024 and looking forward to 2028.

1.5 Kansas City Market Sales Volume & Average Price



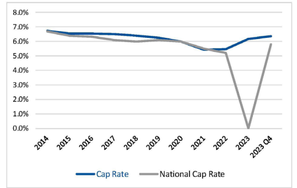
Source: CoStar ©2023, reprinted with permission. All rights reserved.



Source: CoStar ©2023, reprinted with permission. All rights reserved.

Annual multifamily sales volume for the Kansas City area averaged $799M and $890M over the last 10 and 5 years, respectively. The average sales price per unit has experienced material growth from $71,347 to $139,900 over the last decade, representing annual compound price growth of 7.8%. Prices have accelerated through mid-2002, with the average sales price growing at a higher annual compound price growth rate of 7.9%. Since then, interest rate increases have caused the prices paid and the number of transactions to slow.

1.6 Kansas City Market Cap Rate vs. National Average



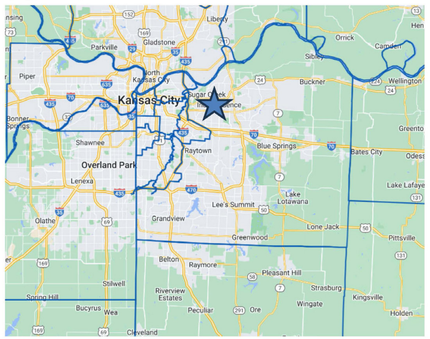
Source: CoStar ©2023, reprinted with permission. All rights reserved.

The Kansas City market experienced capitalization rate contraction while the National multifamily market experienced capitalization rate expansion over the past decade. Multifamily assets in the Kansas City market typically trade at capitalization rates that are higher than the national average within the market, as the average capitalization rate in the Kansas City multi-family was 6.2% in the most prior year versus just shy of 6.0% nationally. These individual and average cap rates included all classes of property. The highest sale price over the past two years was $390,000 for a high-rise in the Crossroads and $307,000 in Overland Park, KS. Those were 2022 transactions which would certainly trade at a 10%+ discount in today's interest rate environment. New construction will often trade at cap rates some 200 basis points less than the average of all properties.

While there is presently an anticipation of rate cuts, either three or six, coming in the next 12 months, it is not likely that interest, thus capitalization rates, will meet previously low levels. This is recognized in my feasibility exercise to follow.

1.7 Outlying Jackson County Submarket Review

I am analyzing the potential for multifamily residential development in the Independence Square area. Independence Square is in the Outlying Jackson County submarket which includes all of Independence, Blue Springs, Grandview, and Lee's Summit.



#	SubMarket Name	Inventory Units	% of Market	Market Rent/Mo	Rental Rate/Mo Rank	Occupancy Rate	Occupancy Rank
1	Johnson County KS	61,325	35.2%	$1,360	2	93.3%	7
2	Northland	29,329	16.8%	$1,196	6	90.7%	15
3	Outlying Jackson County M	26,540	15.2%	$1,126	7	90.6%	16
4	Downtown Kansas City MO	14,033	8.1%	$1,528	1	90.8%	14
5	Wyandotte County	9,053	5.2%	$1,043	10	91.0%	13
6	Midtown Kansas City MO	8,108	4.7%	$1,075	8	90.5%	17
7	Inner Jackson County MO	7,544	4.3%	$994	12	86.1%	20
8	Plaza Area	6,021	3.5%	$1,319	3	92.1%	10
9	Cass County	3,384	1.9%	$1,256	5	89.7%	19
10	East Side Kansas City MO	2,860	1.6%	$885	14	89.9%	18
11	Northeast Kansas City MO	2,106	1.2%	$661	16	91.4%	11
12	Leavenworth County	1,335	0.8%	$1,059	9	92.3%	9
13	Platte County	945	0.5%	$1,008	11	91.1%	12
14	Clay County	714	0.4%	$971	13	98.3%	1
15	Miami County	605	0.3%	$1,269	4	72.7%	21
16	Lafayette County	145	0.1%	$575	18	94.1%	3
17	Clinton County	85	0.0%	$647	17	94.9%	2
18	Ray County	64	0.0%	$832	15	92.9%	8
19	Bates County	64	0.0%	$0	19	93.8%	4
20	Linn County	12	0.0%	$0	19	93.8%	5
21	Caldwell County	11	0.0%	$0	19	93.8%	6
All Other Submarkets		**18,351**	**10.5%**	**$1,097**		**90.9%**	
Totals		174,063	100.0%	$1,237		91.4%	

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The subject property is located in Kansas City's 3rd largest submarket based on inventory; Outlying Jackson County MO. This submarket commands the 7th highest rental rates in the market. Occupancy for the submarket (90.6%) is lower than the average of the market (91.4%), but not materially.

1.8 Outlying Jackson County MO Submarket Inventory & Occupancy

Outlying Jackson County MO Multifamily Submarket Analysis

Inventory	Occupancy	Net Absorption	New Supply
26,540 Units	90.59%	-676 Units Last 12 Mo	956 Units Last 12 Mo
1st Largest Multi-Family MSA	*-229 bps YoY*	*280.6% Below 5 Yr Average*	*3.6% of inventory units*

Outlying Jackson County MO Multifamily Submarket Trends

Year	Buildings	Inventory Units	% of Market	Occupancy	Net Delivered Units	Absorption Units	Net Absorption Units	Demand Units
2013					0	0	0	
2014	273	21,699	16.1%	92.83%	0	207	207	20,142
2015	273	21,755	15.7%	91.99%	75	-77	-152	20,012
2016	273	21,774	15.3%	92.74%	0	180	180	20,194
2017	278	22,330	15.2%	92.54%	921	686	-235	20,664
2018	281	22,893	15.2%	92.53%	255	395	140	21,184
2019	283	23,090	15.1%	93.08%	558	245	-313	21,492
2020	286	23,814	15.1%	92.24%	570	745	175	21,965
2021	291	24,832	15.3%	92.34%	1,393	978	-415	22,930
2022	297	25,560	15.3%	92.81%	113	454	341	23,723
2023	302	26,256	15.2%	91.16%	956	280	-676	23,936
2023 Q4	304	26,540	15.2%	90.59%	198	-49	149	24,044
10 Year Averages	284	23,400	15.3%	92.41%	484	409	-75	21,624
5 Year Averages	292	24,774	15.2%	92.11%	717	549	-170	22,908
2024		27,057	15.3%	90.16%	710	591	-119	24,394
2025		27,555	15.2%	90.59%	314	448	134	24,963
2026		27,686	15.1%	91.09%	221	233	12	25,219
2027		27,998	15.0%	91.14%	350	335	-15	25,517
2028		28,378	15.0%	91.23%	391	384	-7	25,890
Projection Averages		27,735	15.1%	90.85%	397	398	1	25,196

Source: CoStar ©2023, reprinted with permission. All rights reserved.

Within the Outlying Jackson County Submarket, apartment demand has increased steadily over the past ten years at 379 units annually and 275 units annually over the past five years. The occupancy has trended downward slightly over the past four years due to the delivery of new product totaling 17% of the entire supply. Conversely, the impact of recent interest rate increases has slowed construction which will allow occupancy to recover. Net absorption is projected to be modestly positive over the next five years. I have observed that multifamily development can be difficult to entitle in suburban areas of Kansas City. Density can be concern among suburban communities and as an example the City of Blue Springs recently defeated a proposed 360-unit project north of I-70 at Adams Dairy Parkway and Duncan Rd. This project was originally proposed for 410 units. The project may come back at 330 units however that would likely result in fewer amenities and possibly diminish feasibility.

Lee's Summit has entitled several new projects over the past several years. These include approximately 2,800 units at Discover Park. Discovery Park is expected to add apartment units to this submarket over the next six+- years. There is a 273-unit project under construction near Bass Pro Shops in Independence, the Adirondack. These are scheduled for mid-2024 and the developer is Case & Associates of Tulsa. The Arabella is 176-unit project though construction has not commenced.

According to CoStar there are an additional 600-700 units in various stages of entitlement or construction which is far fewer than CoStar projected additions to the supply averaging 397 net units per year through

2029. Net is new construction less any demolition or conversion. Overall, the CoStar projections provide a reasonable estimate for coming additions to the supply.

1.9 Outlying Jackson County MO Submarket Rental Rates & Rent Growth

Outlying Jackson County MO Multifamily Submarket Rental Rates & Rent Growth

Market Asking Rent/Mo	Market Asking Rent/SF
$1,126	$1.23
+3.18% YoY	*+3.36% YoY*

Outlying Jackson County MO Multifamily Submarket Rental Trends

Year	Market Asking Rent/Mo	Market Asking Rent/SF	Mkt. Rent/Mo Growth (YoY)	Effective Asking Rent/Mo	Effective Asking Rent/SF	Eff. Rent/Mo Growth (YoY)
2013			-			-
2014	$808	$0.88	-	$799	$0.87	-
2015	$837	$0.91	3.57%	$822	$0.90	2.90%
2016	$866	$0.94	3.47%	$852	$0.93	3.60%
2017	$886	$0.97	2.35%	$868	$0.95	1.95%
2018	$903	$0.98	1.91%	$883	$0.96	1.75%
2019	$931	$1.01	3.06%	$919	$1.00	4.07%
2020	$958	$1.04	2.97%	$952	$1.04	3.54%
2021	$1,014	$1.11	5.84%	$1,008	$1.10	5.89%
2022	$1,078	$1.17	6.32%	$1,071	$1.17	6.29%
2023	$1,121	$1.22	3.93%	$1,113	$1.21	3.85%
2023 Q4	$1,126	$1.23	3.18%	$1,117	$1.22	2.97%
10 Year Averages	$947	$1.03	3.70%	$956	$1.02	3.75%
5 Year Averages	$1,024	$1.12	4.47%	$1,016	$1.11	4.25%
2024	$1,146	$1.25	6.88%	$1,135	$1.24	2.03%
2025	$1,182	$1.29	3.15%	$1,171	$1.28	3.15%
2026	$1,218	$1.33	3.08%	$1,207	$1.32	3.08%
2027	$1,250	$1.37	2.59%	$1,238	$1.35	2.59%
2028	$1,278	$1.40	2.25%	$1,266	$1.38	2.25%
Projection Averages	$1,216	$1.33	2.21%	$1,204	$1.31	2.21%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The average multifamily market rental rate grew 3.18% year over year to $1,126 per month. Annual market rental rate growth over the last 10 years and 5 years has been 3.70% and 4.47%, respectively. Rental rate growth was increasing prior to the pandemic, a trend that has continued since its impact has subsided. Rental rate growth is expected to average 2.2% over the next 5 years. Notably, these projections are made based upon existing supply and do not materially account for new product. The existing stock of multifamily in Independence, but for a couple of new projects is largely Class B- and C property for which rent growth is less robust and thus a suppressing factor in overall rent growth.

1.10 New Supply

Market	Inventory Units	# of Construction Buildings	# of Units Under Construction	% of Inventory
Outlying Jackson County MO	26,540	4	1,030	3.9%
Kansas City Market	174,283	38	7,747	4.4%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

There are currently 4 buildings containing 1,030 units under construction in the subject's Outlying Jackson County MO submarket. This represents 3.9% of existing inventory. Overall, the Kansas City Market has 4.4% of existing inventory under construction which similarly does not represent a threat to long-term multifamily operations unless there is an unexpected degradation in renter demand.

1.11 Multifamily Market Summary and Conclusions

From this submarket level analysis, it is apparent that Independence and also neighboring Blue Springs have seen the lion's share of multifamily development (as with office, retail and hospitality) go to Lee's Summit. This gives Lee's Summit higher overall rents and occupancies, higher sales prices and higher rent growth than the rest of the suburban Jackson County area. As will be demonstrated in the sections to follow, multifamily demand can be generated by existing population within an area where new product was previously unavailable. Likewise, modern multifamily development gives potential residents, such as parents looking to age their current community or to be closer to children, young adults to be closer to employment or entertainment, or current residents looking to downsize. New development will afford the opportunity to consider a new neighborhood that heretofore had limited appeal. This has been demonstrated in other neighborhoods in Kansas City such as Downtown Overland Park, Linden Square in Gladstone, Downtown Lee's Summit, Brookside, Waldo, and most notably Kansas City MO CBD. Each of these areas over the past 15+ years has supported new construction, absorption, and rent growth which exceeded that justified solely by household growth and income qualifications.

2.0 TRADE AREA CHARACTERISTICS

In the following pages I provide relevant information relating to the areas suitability to its existing multifamily supply and the prospects for new demand. I have analyzed the same one, three, five-mile rings, county, MSA, state and US areas (geos) throughout this report.

2.1 Demographics

2.1.1 Population and Households

Population Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Trade Area							
Area (sq mile)	3	28	79	604	7,256	68,752	3,533,719
Total Population							
2010 Total Population	12,135	72,979	134,662	654,880	1,811,254	5,595,211	281,421,906
2010 Total Population	11,191	70,950	137,608	674,139	2,009,342	5,988,927	308,745,538
2020 Total Population	11,521	73,917	143,288	717,204	2,192,035	6,154,913	331,449,281
2023 Total Population	11,372	73,068	143,264	726,225	2,238,618	6,208,310	337,470,185
2028 Total Population	11,232	71,909	141,435	728,581	2,273,691	6,239,262	342,640,129
Population Growth							
2000 - 2020 Annual Growth	-0.26%	0.06%	0.31%	0.46%	0.96%	0.48%	0.82%
2010 - 2020 Annual Growth	0.29%	0.41%	0.41%	0.62%	0.87%	0.27%	0.71%
2020 - 2023 Annual Growth	-0.40%	-0.35%	-0.03%	0.39%	0.65%	0.27%	0.56%
2023 - 2028 Annual Growth	-0.25%	-0.32%	-0.26%	0.06%	0.31%	0.10%	0.30%
Population Density							
2010 Population Density (per sq mile)	3,565	2,510	1,752	1,115	277	87	87
2020 Population Density (per sq mile)	3,670	2,615	1,826	1,187	302	90	94
2023 Population Density (per sq mile)	3,623	2,585	1,824	1,201	309	90	96
2028 Population Density (per sq mile)	3,578	2,544	1,801	1,205	313	91	97
Population by Urban/Rural Status							
2020 Urban Population	100.0%	99.7%	99.0%	95.7%	87.5%	69.5%	80.0%
2020 Rural Population	0.0%	0.3%	1.0%	4.3%	12.5%	30.5%	20.0%

Households Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Total Households							
2000 Total Households	5,234	**31,349**	56,038	266,294	708,309	2,194,594	105,480,101
2010 Total Households	4,710	**30,042**	56,720	274,799	789,533	2,375,611	116,716,292
2020 Total Households	4,967	**31,096**	59,010	297,580	868,375	2,479,146	126,817,580
2023 Total Households	4,963	**30,930**	59,082	303,618	892,148	2,514,933	129,917,449
2028 Total Households	4,939	**30,615**	58,709	308,146	914,075	2,550,757	133,099,006
Household Growth							
2000 - 2020 Annual Growth	-0.26%	**-0.04%**	0.26%	0.56%	1.02%	0.61%	0.93%
2010 - 2020 Annual Growth	0.53%	**0.35%**	0.40%	0.80%	0.96%	0.43%	0.83%
2020 - 2023 Annual Growth	-0.02%	**-0.16%**	0.04%	0.62%	0.83%	0.44%	0.75%
2023 - 2028 Annual Growth	-0.10%	**-0.20%**	-0.13%	0.30%	0.49%	0.28%	0.49%
Average Household Size							
2010 Average Household Size	2.31	**2.33**	2.40	2.41	2.51	2.45	2.58
2020 Average Household Size	2.23	**2.34**	2.40	2.37	2.49	2.41	2.55
2023 Average Household Size	2.20	**2.33**	2.40	2.36	2.47	2.40	2.53
2028 Average Household Size	2.18	**2.31**	2.38	2.33	2.45	2.38	2.51

A market study must apply a consistent methodology across consistent study areas in order to provide comprehensive findings. For the study of the potential of multifamily for Independence Square I have looked to the three-mile radius surrounding the square. With negative growth projected for 2020-2023 and 2023-2028, one could infer no demand for multifamily in the study area. However, this disagrees with the specific areas studied so I have considered a slightly different trade area in the demand section to follow.

2.1.2 Housing

Housing Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Housing Units							
2000 Total Housing Units	5,786	33,472	58,936	288,231	757,344	2,442,017	115,904,641
2010 Total Housing Units	5,613	33,884	63,115	312,099	871,952	2,712,729	131,704,730
2020 Total Housing Units	5,621	34,223	64,363	329,579	938,503	2,786,621	140,498,736
2023Total Housing Units	5,602	34,036	64,382	336,513	964,610	2,832,246	144,063,309
2028Total Housing Units	5,621	34,102	64,616	341,453	986,393	2,867,644	147,336,052
Median Home Value							
2023 Median Home Value	$189,698	$210,189	$221,632	$262,924	$302,437	$257,565	$350,006
2028 Median Home Value	$132,923	$147,053	$173,071	$220,455	$268,319	$218,294	$308,943
Average Home Value							
2023 Average Home Value	$287,084	$264,602	$261,175	$295,482	$339,669	$297,649	$448,624
2028 Average Home Value	$195,140	$194,497	$204,317	$255,014	$309,420	$263,924	$405,750
2023 Housing Affordability							
Percent of Income for Mortgage	21.3%	17.2%	18.6%	20.4%	21.0%	20.7%	25.6%
2020 Owner Occupied By Mortgage Status							
With Mortgage/Loan	63.8%	63.0%	63.9%	68.4%	70.4%	65.3%	66.7%
Owned Free & Clear	36.2%	37.0%	36.1%	31.6%	29.6%	34.7%	33.3%
2020 Housing Units By Urban/Rural Status							
Urban	100.0%	99.7%	99.2%	96.5%	88.1%	69.4%	78.8%
Rural	0.0%	0.3%	0.8%	3.5%	11.9%	30.6%	21.2%

The study area shows only a modest increase in housing units (751) between 2000 and 2020. Projections are for a modest decline to 2023 then more modest increase to 2028. From this I can interpret that ESRI does not recognize or consider new construction and likewise does not consider residences falling out of the total due to demolition or redevelopment to other uses. In any case, the reality of the study area and the aforementioned neighborhoods suggests that there are additional considerations when studying the demand for multifamily housing. The average home value in the three-mile radius is less than the one-mile radius and Jackson County and Kansas City MSA.

Household Occupancy	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
2000 Households by Tenancy	Number	%	**Number**	**%**	Number	%	Number	%	Number	%	Number	%	Number	%
Total	5,786	100.0%	**33,472**	**100.0%**	59,936	100.0%	288,231	100.0%	757,344	100.0%	2,442,017	100.0%	115,904,641	100.0%
Owner Occupied	2,373	41.0%	**19,428**	**58.0%**	37,693	62.9%	167,461	58.1%	482,600	63.7%	1,542,149	63.2%	69,815,753	60.2%
Renter Occupied	2,862	49.5%	**11,921**	**35.6%**	18,345	30.6%	98,833	34.3%	225,709	29.8%	652,445	26.7%	35,664,348	30.8%
Vacant	552	9.5%	**2,123**	**6.3%**	3,898	6.5%	21,937	7.6%	49,035	6.5%	247,423	10.1%	10,424,540	9.0%
2010 Households by Tenancy														
Total	5,613	100.0%	**33,884**	**100.0%**	63,115	100.0%	312,099	100.0%	871,952	100.0%	2,712,729	100.0%	131,704,730	100.0%
Owner Occupied	2,093	37.3%	**18,028**	**53.2%**	36,578	58.0%	168,792	54.1%	530,278	60.8%	1,633,610	60.2%	75,986,074	57.7%
Renter Occupied	2,617	46.6%	**12,008**	**35.4%**	20,140	31.9%	106,007	34.0%	259,255	29.7%	742,001	27.4%	40,730,218	30.9%
Vacant	903	16.1%	**3,842**	**11.3%**	6,395	10.1%	37,300	12.0%	82,419	9.5%	337,118	12.4%	14,988,438	11.4%
2020 Households by Tenancy														
Total	5,621	100.0%	**34,223**	**100.0%**	64,363	100.0%	329,579	100.0%	938,503	100.0%	2,786,621	100.0%	140,498,736	100.0%
Owner Occupied	1,943	34.6%	**16,774**	**49.0%**	34,963	54.3%	168,229	51.0%	553,629	59.0%	1,636,545	58.7%	80,051,358	57.0%
Renter Occupied	3,024	53.8%	**14,322**	**41.8%**	24,047	37.4%	129,351	39.2%	314,746	33.5%	842,601	30.2%	46,766,222	33.3%
Vacant	612	10.9%	**3,127**	**9.1%**	5,328	8.3%	31,999	9.7%	70,128	7.5%	307,475	11.0%	13,681,156	9.7%
2023 Households by Tenancy														
Total	5,602	100.0%	**34,036**	**100.0%**	64,382	100.0%	336,513	100.0%	964,610	100.0%	2,832,246	100.0%	144,063,309	100.0%
Owner Occupied	2,032	36.3%	**17,849**	**52.4%**	36,429	56.6%	179,210	53.3%	589,233	61.1%	1,716,586	60.6%	84,286,498	58.5%
Renter Occupied	2,931	52.3%	**13,081**	**38.4%**	22,653	35.2%	124,408	37.0%	302,915	31.4%	798,347	28.2%	45,630,951	31.7%
Vacant	639	11.4%	**3,106**	**9.1%**	5,300	8.2%	32,895	9.8%	72,462	7.5%	317,313	11.2%	14,145,860	9.8%
2028 Households by Tenancy														
Total	5,621	100.0%	**34,102**	**100.0%**	64,616	100.0%	341,453	100.0%	986,393	100.0%	2,867,644	100.0%	147,336,052	100.0%
Owner Occupied	2,075	36.9%	**18,042**	**52.9%**	36,805	57.0%	181,071	53.0%	603,577	61.2%	1,753,513	61.1%	87,122,578	59.1%
Renter Occupied	2,864	51.0%	**12,573**	**36.9%**	21,904	33.9%	127,075	37.2%	310,498	31.5%	797,244	27.8%	45,976,428	31.2%
Vacant	682	12.1%	**3,487**	**10.2%**	5,907	9.1%	33,307	9.8%	72,318	7.3%	316,887	11.1%	14,237,046	9.7%

Absent any new product within the three-mile trade area there has been no new multifamily development over the periods studied. A complete analysis must consider what may have occurred or will occur in a trade area with new product where none has been available before. The household exhibit shown above supports that there is no straight line between household growth and multifamily demand.

2.1.3 Income

Projected Households by Income and Net Worth	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
2023 Households by Income	Number	%	**Number**	**%**	Number	%	Number	%	Number	%	Number	%	Number	%
Total	4,963	100.0%	**30,930**	**100.0%**	59,082	100.0%	303,602	100.0%	892,050	100.0%	2,514,889	100.0%	129,913,902	100.0%
less than $15,000	747	15.1%	**3,163**	**10.2%**	5,372	9.1%	27,432	9.0%	65,798	7.4%	243,099	9.7%	12,298,792	9.5%
$15,000-$24,999	749	15.1%	**3,216**	**10.4%**	5,390	9.1%	21,924	7.2%	51,095	5.7%	197,419	7.9%	9,182,566	7.1%
$25,000-$34,999	806	16.2%	**3,459**	**11.2%**	5,951	10.1%	26,098	8.6%	62,658	7.0%	216,554	8.6%	9,577,830	7.4%
$35,000-$49,999	811	16.3%	**5,060**	**16.4%**	8,926	15.1%	38,089	12.5%	100,393	11.3%	315,323	12.5%	14,019,287	10.8%
$50,000-$74,999	859	17.3%	**6,392**	**20.7%**	12,051	20.4%	55,995	18.4%	153,445	17.2%	454,572	18.1%	21,371,036	16.5%
$75,000-$99,999	431	8.7%	**3,986**	**12.9%**	8,198	13.9%	40,908	13.5%	126,600	14.2%	339,081	13.5%	16,639,881	12.8%
$100,000-$149,999	328	6.6%	**3,589**	**11.6%**	8,410	14.2%	48,860	16.1%	163,859	18.4%	388,192	15.4%	21,948,226	16.9%
$150,000-$199,999	138	2.8%	**1,460**	**4.7%**	3,162	5.4%	24,731	8.1%	86,287	9.7%	184,451	7.3%	11,109,323	8.6%
$200,000 or greater	94	1.9%	**605**	**2.0%**	1,621	2.7%	19,565	6.4%	81,915	9.2%	176,198	7.0%	13,766,961	10.6%
2028 Households by Income														
Total	4,939	100.0%	**30,615**	**100.0%**	58,709	100.0%	308,130	100.0%	913,977	100.0%	2,550,713	100.0%	133,095,498	100.0%
less than $15,000	686	13.9%	**2,775**	**9.1%**	4,724	8.0%	24,785	8.0%	59,571	6.5%	217,885	8.5%	11,098,144	8.3%
$15,000-$24,999	634	12.8%	**2,433**	**7.9%**	4,129	7.0%	17,520	5.7%	41,573	4.5%	164,563	6.5%	7,602,526	5.7%
$25,000-$34,999	728	14.7%	**2,840**	**9.3%**	4,868	8.3%	22,129	7.2%	52,695	5.8%	188,377	7.4%	8,312,838	6.2%
$35,000-$49,999	789	16.0%	**4,584**	**15.0%**	7,976	13.6%	34,779	11.3%	90,703	9.9%	286,708	11.2%	12,661,699	9.5%
$50,000-$74,999	861	17.4%	**6,313**	**20.6%**	11,599	19.8%	53,605	17.4%	147,678	16.2%	439,489	17.2%	20,721,733	15.6%
$75,000-$99,999	468	9.5%	**4,245**	**13.9%**	8,571	14.6%	42,393	13.8%	130,823	14.3%	353,599	13.9%	17,197,002	12.9%
$100,000-$149,999	424	8.6%	**4,407**	**14.4%**	10,160	17.3%	55,412	18.0%	181,226	19.8%	440,797	17.3%	24,744,391	18.6%
$150,000-$199,999	224	4.5%	**2,230**	**7.3%**	4,618	7.9%	33,956	11.0%	114,267	12.5%	249,859	9.8%	14,275,941	10.7%
$200,000 or greater	124	2.5%	**789**	**2.6%**	2,064	3.5%	23,551	7.6%	95,441	10.4%	209,436	8.2%	16,481,224	12.4%

The exhibit above demonstrates that for 2023, 52% of the households have income that under basic income qualification assumptions (30% of gross income for rent) would qualify for the lowest rents demonstrated by new construction. I consider the minimum household income to be $40,000. That increases to 58% by 2028. This recognizes that some potential new residents will require a co-signor which has become commonplace given increasing housing values and rents.

Laborforce by Age	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employed Population Age 16+	4,714	100.0%	33,392	100.0%	68,369	100.0%	374,962	100.0%	1,163,861	100.0%	3,013,596	100.0%	163,036,143	100.0%
Age 16-24	726	15.4%	4,505	13.5%	9,135	13.4%	50,629	13.5%	156,393	13.4%	420,090	13.9%	21,421,643	13.1%
Age 25-54	3,108	65.9%	21,009	62.9%	43,143	63.1%	239,641	63.9%	733,556	63.0%	1,870,921	62.1%	102,750,414	63.0%
Age 55-64	652	13.8%	5,391	16.1%	10,905	16.0%	58,186	15.5%	190,417	16.4%	505,122	16.8%	27,144,930	16.6%
Age 65+	227	4.8%	2,488	7.5%	5,187	7.6%	26,506	7.1%	83,495	7.2%	217,463	7.2%	11,719,156	7.2%
Male	2,436	51.7%	18,028	54.0%	36,737	53.7%	196,158	52.3%	617,848	53.1%	1,599,451	53.1%	87,513,065	53.7%
Female	2,278	48.3%	15,364	46.0%	31,633	46.3%	178,804	47.7%	546,013	46.9%	1,414,145	46.9%	75,523,078	46.3%
Unemployed Population Age 16+	184	100.0%	1,495	100.0%	2,661	100.0%	11,820	100.0%	39,257	100.0%	94,066	100.0%	7,305,454	100.0%
Age 16-24	95	51.6%	444	29.7%	696	26.2%	2,941	24.9%	10,771	27.4%	27,982	29.7%	2,149,921	29.4%
Age 25-54	82	44.6%	901	60.3%	1,464	55.0%	6,514	55.1%	21,023	53.6%	49,399	52.5%	3,799,447	52.0%
Age 55-64	5	2.7%	123	8.2%	412	15.5%	1,746	14.8%	5,548	14.1%	11,597	12.3%	939,301	12.9%
Age 65+	2	1.1%	26	1.7%	88	3.3%	619	5.2%	1,915	4.9%	5,088	5.4%	416,785	5.7%
Male	98	53.3%	682	45.6%	1,285	48.3%	6,134	51.9%	20,497	52.2%	46,381	49.3%	3,704,777	50.7%
Female	86	46.7%	812	54.3%	1,376	51.7%	5,686	48.1%	18,760	47.8%	47,685	50.7%	3,600,677	49.3%
Unemployment Rate	3.8%		4.3%		3.7%		3.1%		3.3%		3.0%		4.3%	
Age 16-24	11.6%		9.0%		7.1%		5.5%		6.4%		6.2%		9.1%	
Age 25-54	2.6%		4.1%		3.3%		2.6%		2.8%		2.6%		3.6%	
Age 55-64	0.8%		2.2%		3.6%		2.9%		2.8%		2.2%		3.3%	
Age 65+	0.9%		1.0%		1.7%		2.3%		2.2%		2.3%		3.4%	
Male	0.8%		2.2%		3.6%		2.9%		2.8%		2.2%		3.3%	
Female	0.9%		1.0%		1.7%		2.3%		2.2%		2.3%		3.4%	

Employment is stable within the three-mile trade area as it is for each of the geos considered here. The area is identified by manufacturing, health care, and service-oriented occupations.

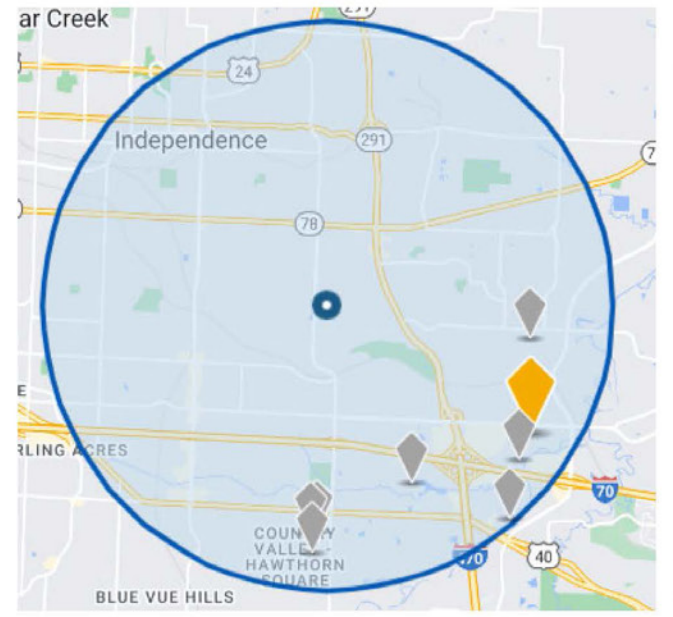
2023 Labor Force Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
2023 Labor Force, Age 16+							
Total Population Age 16+	9,137	58,614	115,213	582,435	1,775,629	5,027,603	272,621,098
Population Age 16+ in Labor Force	4,898	34,886	71,030	386,782	1,203,118	3,107,662	170,341,597
Employed	4,714	33,392	68,369	374,962	1,163,861	3,013,596	163,036,143
Unemployed	184	1,495	2,661	11,820	39,257	94,066	7,305,454
Unemployment Rate	3.8%	4.3%	3.7%	3.1%	3.3%	3.0%	4.3%
Labor Force Participation Rate	53.6%	59.5%	61.7%	66.4%	67.8%	61.8%	62.5%
Employment-Population Ratio	51.6%	57.0%	59.3%	64.4%	65.5%	59.9%	59.8%
2023 Economic Dependency Ratio							
Total	141.2	118.7	109.4	92.9	91	104	105
Child (<16)	47.4	43.3	41	38.3	39.8	39.2	39.8
Working-Age (16-64)	52.4	39	33.8	28.5	26.4	33.6	35.7
Senior (65+)	41.5	36.4	34.5	26.1	24.8	31.2	29.5
2023 Population 25+ by Educational Attainment							
Total	7,965	51,357	100,953	502,714	1,537,023	4,323,195	233,596,126
Less than 9th Grade	3.1%	2.3%	2.3%	2.0%	2.1%	2.1%	4.1%
9th - 12th Grade, No Diploma	6.6%	7.1%	7.0%	5.3%	4.2%	5.5%	5.5%
High School Graduate	30.9%	35.1%	33.4%	25.4%	22.4%	27.1%	22.9%
GED/Alternative Credential	7.7%	6.3%	5.8%	3.9%	3.5%	4.6%	4.1%
Some College, No Degree	28.0%	22.8%	22.1%	20.4%	19.3%	19.1%	17.7%
Associate Degree	10.1%	9.5%	9.5%	8.6%	8.6%	9.1%	9.5%
Bachelor's Degree	8.4%	11.3%	13.4%	22.1%	25.3%	20.4%	22.3%
Graduate/Professional Degree	5.2%	5.6%	6.6%	12.4%	14.8%	12.2%	13.9%
2023 Daytime Population							
Daytime Popuation	11,682	60,906	127,063	785,656	2,243,372	6,214,118	335,744,666
Daytime Residents	4,932	20,662	51,059	430,397	1,163,269	3,025,217	161,357,608
Daytime Workers	6,750	40,244	76,004	355,259	1,080,103	3,188,901	174,387,058

Within the one- and three-mile radii, the educational attainment is inferior to the other geos. This is reflected in the household incomes described previously. Employment rates are stable as well.

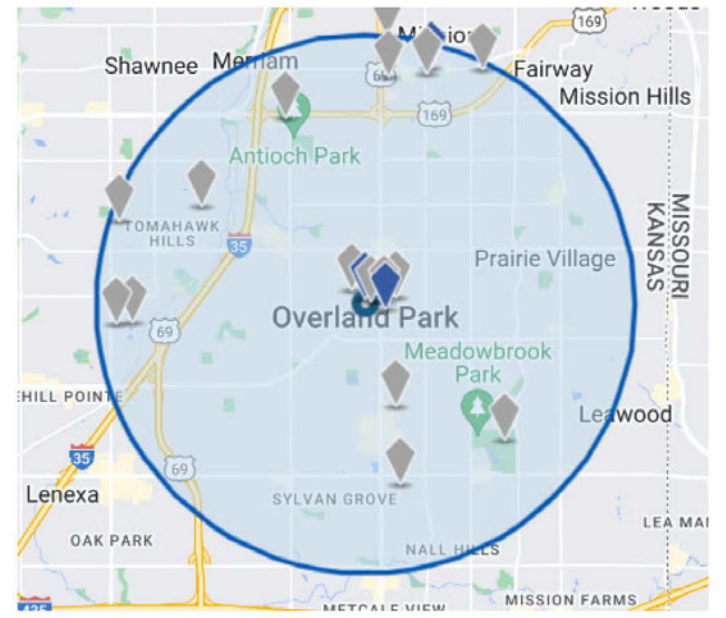
3.0 MULTIFAMILY MARKET FORECAST

3.1 Demand

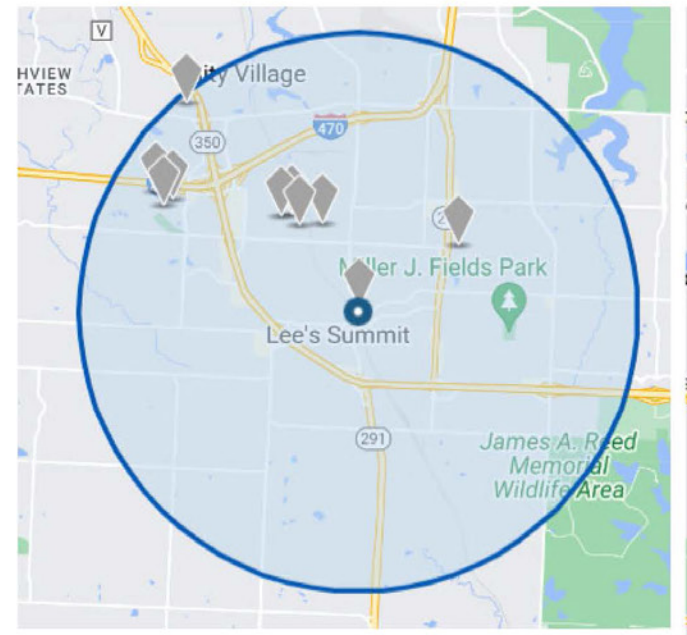
I have identified competing downtown areas; 1) Downtown Overland Park, 2) Downtown Lee's Summit, and 3) Linden Square in Gladstone, for comparison to Independence Square. The comparison is somewhat difficult because there has been no new construction, 2010 and later, within three miles of Independence Square.



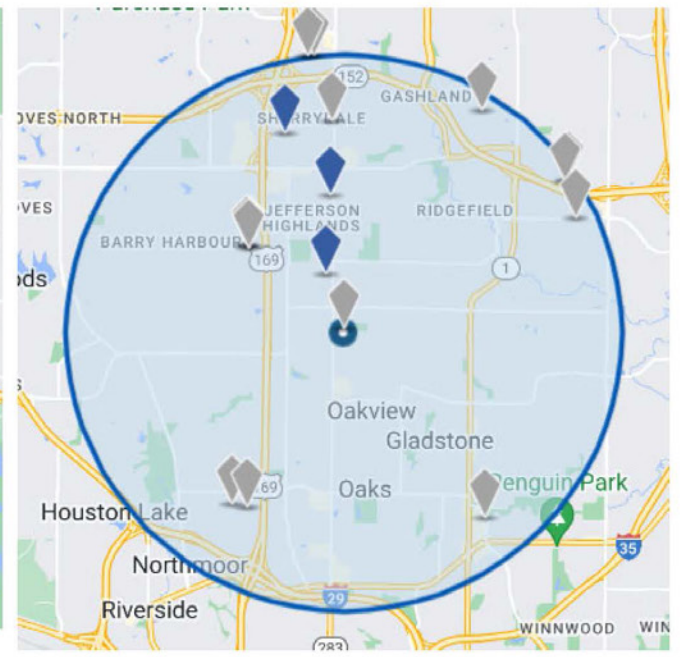
Independence



Downtown Overland Park



Downtown Lee's Summit



Linden Square

In order to recognize the post 2010 construction in Independence and the market conditions that demanded that construction I have had to adjust the trade area somewhat. I moved the center of the three-mile radius approximately two miles southeast so that it includes demographics very similar to the three-mile radius center on the Square but also includes all of Independences new multifamily construction. The other trade areas are centered on projects within each of the aforementioned neighborhoods and demonstrated on the previous page. Using CoStar and Esri I have developed the table below which demonstrates several datapoints for 2010 – 2023, 2023, and forecast for 2028. These include historic apartment units added and planned or under construction units, households added 2010-2023 and forecasting households added 2023-2028, renter occupied % of households and income qualified % of households. Using these metrics, I have forecast new demand for the Independence Square area of 242 units. There are 449 units either planned or under construction and must be accounted for in the model.

3 mile radius surrounding	Units Added 2010-23	Total HH Added 2010-23	Annual HH Growth 2010-23	Household s 2028	Forecast HH Added 2028	Renter Occupied % 2023	# Renter Occupied 2028	Income HH >$40,000 2028	New Demand 2028	Planned 2024	Unmet Demand 2024-28
Independence Square	571	1626	0.36%	63,457	1,273	32.00%	407	59.49%	242	449	0
Downtown Overland Park	2,923	2616	0.18%	107,922	653	34.44%	225	72.87%	164	845	0
Downtown Lees Summit	1,784	5106	1.97%	38,154	1,225	26.37%	323	76.24%	246	713	0
Linden Square/Gladstone	1,672	14,587	1.66%	81,742	3,337	36.57%	1,220	67.97%	829	40	789

This analysis is a simplistic analysis which applies well to suburban areas where there is some conformity of the age and quality of housing, consistency of the demographics, and lower barriers to entry. Those conditions do not apply to Independence Square so in support of the exhibit above I include supplemental analysis.

Having watched multifamily development in Kansas City for over 30 years I recognize that historic market facts as a projection of future performance needs context. Take for instance the Kansas City CBD. In the late 1990s there was no qualified demand demonstrated in historic demographic data. From 2000-24, the Downtown Kansas City submarket saw an increase of 177% from 5,054 to 14,036 units when none of the demographics known as of 2000 identified significant demand. The development in the CBD along with Johnson County, KS and Northland (Clay and Platte Counties) have occurred in spite of the demographics data points which, taken alone, do not support additions to the supply. To measure the demand that has occurred in the Kansas City MSA and its two most active suburban areas I complete the analysis below.

	Units Added 2010-23	Announced Supply	% Renter Occupied 2023	Household Growth 2010-23	Multifamily Capture
Johnson County	14,342	2,021	31.10%	34,787	1.51
Kansas City MSA	59,365	12,326	31.40%	102,615	1.84
Northland	8,884	1,977	32.50%	25,555	1.07
				2023 - 28	
Independence Square	571	449	32.00%	1,273	
Demand at 1.30 Capture		**81**			**1.30**
Demand at 1.50 Capture		**162**			**1.50**

Simply stated it uses the capture rate demonstrated by the previous 13 years in the markets identified and the projected household growth in the Independence Square area. This exercise suggests the capture will exceed the % renter occupied and household growth by anywhere from 1.07 – 1.84x. In the exhibit to follow I apply a capture rate of 1.30 x and 1.50 x to the growth in households within a three-mile radius and forecast the prospective demand.

Based upon this exercise and in recognition of the 449 units already planned or under construction in Independence (Arabella and Adirondack), I conclude that Independence Square could accommodate up to 162 units. Should the Arabella cease or suffer significant delays, opportunity within Independence Square will improve.

3.2 Absorption

Absorption is a critical element in anticipating a markets acceptance of new product. I have utilized CoStar and developed the following exhibit which identifies the monthly absorption experienced by a project after pre-leasing and up to stabilized occupancy.

New Supply Independence	Year Buil	#Units	Avg Unit SF	Vacancy %	Absorption - Units/Month
Azure	***2021***	***280***	***886***	***7.9***	***17.0***
Trinity Woods	***2021***	***240***	***892***	***21.2***	***7.0***
Connect 55+ Independence	2014	110	843	17.2	NA
Arabella	2024	176	1,362	100.0	NA
The Adirondack Apartments	2024	273	982	100.0	NA
New Supply Overland Park					
The Halston	***2020***	***36***	***1,268***	***50.5***	***NA***
6800 W 80th Townhomes	2021	18	1,294	5.5	NA
The Vue	***2019***	***219***	***935***	***6.9***	***9.0***
InterUrban Lofts	***2017***	***41***	***1,008***	***0.5***	***6.0***
Avenue 80	***2016***	***220***	***994***	***5.3***	***5.0***
Promontory	2018	291	911	4.2	10.0
New Supply Lee's Summit					
Paragon Village	2026	390			
The Donovan	2020	327	926	4.9	15.0
Summit Square	2017	308	1,001	5.7	10.0
Elevate 114	***2021***	***273***	***783***	***5.7***	***13.0***
Maple 36	2019	36	1,734	0.0	NA
Trilogy Apartments	2024	323		100.0	NA
New Supply Gladstone/KCMO					
Parkside Apartments	2023	221	998	76.5	5.0
The Heights at Linden Square	***2015***	***224***	***901***	***4.9***	***13.0***
2024 Average	2020	211	1,042	28.70%	10

Based upon these comparable indicators, one could expect modest, <18 months absorption for a new project in Independence Square. Developers will consider this a reasonable pace.

3.3 Analysis of Current Market Rent

In evaluating comparable rentals for any potential multifamily development within Independence Square I have considered the newest product in the Outlying Jackson County as well as projects specifically within competing locations. Downtown Lee's Summit is included within the submarket. Downtown Overland Park and Linden Square in Gladstone demonstrate some comparable characteristics so I have included those areas for supply and demand analysis to follow as well as rent comparables. These comparables are new or nearly new properties from the competing areas previously described. These properties will have a mixture of amenities including granite countertops, hardwood flooring, package service or lockers, pool, garage parking, fitness area, club room, pet areas, security entrances and many others. The level of amenities available will depend upon the size and location of the site and the characteristics of the neighborhood and potential renters. Any successful multifamily project in Independence Square will need to provide a reasonable amenity package along with a supportable unit mix.

The comparable rental grid shown below used to project market rents for a new multifamily property in Independence Square.

New Supply Independence	Year Built	#Units	Avg Unit SF	Vacancy %	% Studios	Studio $/SF	% 1-Bed	1 BR $/SF	% 2-Bed	2 BR $/SF	% 3-Bed	3 BR $/SF
Azure	***2021***	***280***	***886***	***7.9***			***50.00***	***$1.82***	***42.86***	***$1.24***	***7.14***	***$1.52***
Trinity Woods	***2021***	***240***	***892***	***21.2***			***57.50***	***$1.74***	***35.00***	***$1.53***	***7.50***	***$1.41***
Connect 55+ Independence	2014	110	843	17.2			34.55	$1.49	65.45	$1.57		
Arabella	2024	176	1,362	100.0								
The Adirondack Apartments	***2024***	***273***	***982***	***100.0***			***48.35***	***$1.54***	***51.65***	***$1.41***		
New Supply Overland Park												
The Halston	***2020***	***36***	***1,268***	***50.5***			***16.67***	***$1.48***	***83.33***	***$1.42***		
6800 W 80th Townhomes	2021	18	1,294	5.5					100.00	$1.62		
The Vue	***2019***	***219***	***935***	***6.9***			***57.08***	***$2.17***	***42.92***	***$1.88***		
InterUrban Lofts	***2017***	***41***	***1,008***	***0.5***			***75.61***	***$1.59***	***24.39***	***$1.48***		
Avenue 80	***2016***	***220***	***994***	***5.3***	***15.91***	***$2.35***	***40.45***	***$2.04***	***43.64***	***$1.84***		
Promontory	2018	291	911	4.2			60.14	$2.05	39.86	$1.98		
New Supply Lee's Summit												
Paragon Village	2026	390		15.38			33.33		51.28			
The Donovan	2020	327	926	4.9	6.12	$2.30	60.86	$1.89	33.03	$1.67		
Summit Square	2017	308	1,001	5.7			57.79	$1.76	42.21	$1.51		
Elevate 114	***2021***	***273***	***783***	***5.7***	***3.66***	***$2.58***	***61.54***	***$2.06***	***34.80***	***$1.71***		
Maple 36	2019	36	1,734	0.0							100.00	$1.17
Trilogy Apartments	2024	323		100.0	15.48		38.08		46.44			
New Supply Gladstone/KCMO												
Parkside Apartments	2023	221	998	76.5	2.26	$1.68	46.61	$1.47	51.13	$1.27		
The Heights at Linden Square	***2015***	***224***	***901***	***4.9***	***5.80***	***$2.28***	***52.23***	***$1.46***	***41.96***	***$1.16***		
2024 Average	2020	211	1,042	28.70%	9.23%	$2.24	49.42%	$1.75	48.82%	$1.55	38.21%	$1.37

3.4 Projection of Market Rent

The rent comparable information is summarized in the exhibit below which projects 2024 and 2028 market rental information for a project of +-100 units in Independence Square.

Potential Independence Square Project 2028	Total	Studio	1 BR	2 BR	3 BR
Typical Project Size	100	10	40	45	5
Average Unit Size - SF	860	400	650	1,100	1,300
Unit Mix	100%	10%	40%	45%	5%
2024 Market Rent - $/SF	$1.66	$2.30	$1.80	$1.40	$1.50
2028 Projected Rent - $/SF	**$1.90**	$2.65	$2.07	$1.61	$1.73

The 2024 market rent of $1.66 per square foot is projected to 2028 using aggregate rent inflation of 15%. This is slightly higher than the 2.21% per year described by CoStar for all classes of space in the Outlying Jackson County submarket. I apply $1.90 per square foot in the feasibility analysis in the following pages.

3.5 Capitalization Rate

There have been few suburban sales in the Kansas City market over the past 18 months given the interest rate increases. To that end I include the following in support of a market capitalization rate. I also recognize that the Fed has announced three to six rate cuts for the coming 12 months which may provide some relief to capitalization rates which have increased by some 100-200 basis points over the past 18 months.

Comparable	City	Price	Date	Units	Year Built	Occupancy	Price/Unit	Cap Rate
Sara Park	Mustang	$34,355,500	7/26/2023	137	2023	93.4%	$250,770	5.37%
Pine Meadow Townhomes	Shawnee	$24,550,000	5/11/2023	102	2005	99.0%	$240,686	4.75%
Centennial Park Apartments	Overland Park	$40,200,000	10/27/2022	170	1997	97.4%	$236,471	4.17%
The Del Norte Duplexes	Yukon	$21,200,010	4/26/2022	82	2016	95.3%	$258,537	4.00%
Supplementary Comparable Sale Cap Rates								
Millennium Edina	Edina, MN	$74,700,000	8/24/2023	227	2021	N/A	$329,075	5.18%
Lofts at Fores Park	St. Louis, MO	$52,000,000	8/31/2023	200	2005	N/A	$260,000	5.72%
						Low	$236,471	4.00%
						Average	$262,590	4.86%
						High	$329,075	5.72%

The exhibit to the right shows several transactions from the last 18 months since interest rate increases were widely known and priced into transaction. The two newly constructed properties traded in 2023 and indicate capitalization rates of 5.37% and 5.18%.

A summary of investor survey information provided by PriceWaterhouseCoopers. These are responses from investors primarily in large markets and as previously noted Kansas City area transactions will occur with a premium to the survey respondents.

Type	Survey Period	Low	High	Average
PWC Real Estate Investor Survey	Q3 2023	3.75%	8.00%	5.28%

Capitalization Rate Variables	
Mortgage Interest Rate	6.75%
Loan Term (Years)	30
Loan To Value Ratio	65%
Debt Coverage Ratio	1.25
Equity Dividend Rate	6.00%

Band of Investment Analysis				
Mortgage Constant		Loan Ratio		Contributions
0.078	x	65%	=	5.06%
Equity Dividend Rate		Equity Ratio		
6.00%	x	35%	=	2.10%
		Band of Investment Capitalization Rate		7.16%

Debt Coverage Ratio Analysis				
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant				
1.25 x 0.65 x 0.078			=	6.32%
		Debt Coverage Ratio Capitalization Rate		6.32%

Shown to the right is a band of investments analysis which applies recently quoted construction loan terms and investor yield requirements to a new construction project. I recognize that there is rent relief expected over the next 18 months allows for an equity dividend rate less the the mortgage interest rate. It is reasonable to expect that capitalization rates might be modestly less than the construction loan interest rate in anticipation of lower permanent loan interest rate post completion.

I have determined feasibility/unfeasibility for Independence Square multifamily using capitalizaiton rates ranging from 5.00% to 6.50%.

3.6 Feasibility

To evaluate the feasibility of a generic multifamily project located within Independence Square I have reviewed construction costs of new and proposed projects in Omaha, Denver and St. Louis. These projects have hard costs ranging from $162,000 to $229,000 per unit. Considering this range and 4% per year inflation I have forecast direct cost of $234,512 per unit, to which 10% indirect costs and 10% profit and land is added. I have also shown the construction proforma on a cost per SF net rentable area. To demonstrate feasibility or unfeasibility, have developed two exercises, the cost feasible rent and the rent feasible cost. Cost feasible rent is the contract rent and resulting NOI that a project would have to generate to support a projection of construction costs based upon cost comparables. The rent feasible cost indicates the total cost per unit or per square foot that a buyer/developer is supported in paying to generate a specific return on an NOI and the market rent necessary to generate that NOI.

Cost Feasible Rent				
	200		860	
Development Cost Reconstruction	Per ***Unit***		Per ***SF NRA***	
Land Cost	$9,000		$10.47	
Direct Cost/SF	$234,512		$272.69	
Indirect Cost/% Direct	$23,451		$27.27	
Profit/% Direct and Indirect	$25,796		$30.00	
Total Cost	$292,760		$340.42	
Market Capitalization Rate	5.00%	6.50%	5.00%	6.50%
Cost Feasible NOI	$14,638	$19,029	$17.02	$22.13
Less Total Expenses	$22,520	$29,276	$48.63	$63.22
EGI	$37,158	$48,305	$65.65	$85.35
Less Vacancy/Concessions	$2,229	$2,898	$3.94	$5.12
Other Income	$3,939	$5,120	$6.96	$9.05
Cost Feasible Market Rent	$35,449	$46,083	$62.63	$81.42
Cost Feasible Rent Per Mo	*$2,954*	*$3,840*	*$5.22*	*$6.79*

Rent Feasible Cost				
	200		860	
	Per ***Unit***		Per ***SF NRA***	
Rent Feasible Cost	*$265,554*	*$204,272*	*$308.78*	*$237.53*
Market Capitalization Rate	5.00%	6.50%	5.00%	6.50%
Projected NOI	$13,278	$13,278	$15.44	$15.44
Total Expenses	$7,150	$7,150	$8.31	$8.31
EGI	$20,427	$20,427	$23.75	$23.75
Less Vacancy /Concessions	$1,178	$1,178	$1.37	$1.37
Other Income	$1,964	$1,964	$2.28	$2.28
Projected Market Rent	$19,642	$19,642	$22.84	$22.84
Market Rent Per Month	$1,637	$1,637	$1.90	$1.90

4.0 CONCLUSION

Independence Square has seen no multifamily construction over the past 20+ years. While it can be said that the household growth in the immediate area does not, on its face, support additions to the supply, it is also the case that some submarkets have captured far more than 100% of demand than is historically supported by household and income growth. In fact, the Kansas City MSA including all submarkets and individually Overland Park and the Northland submarkets have captured from 107% to 184%. I have developed the market study for Independence Square considering that there has been no new multifamily development in the area, thus nothing to entice residents to the area. Accounting for this I project demand of up to 160 units between now and 2028. While there is demand in the study area, feasibility is not attained based upon current and projected market characteristics. I have used current construction costs, capitalization rates, market rent and expenses to forecast both the cost feasible rent and the rent feasible cost. In both exercises, the economics of multifamily in Independence Square indicate that development of multifamily is presently unfeasible. Certainly, market conditions change and incentives may play a part in improving the prospects of new development.

APPENDIX D: OFFICE STUDY

OFFICE STUDY - TABLE OF CONTENTS

Contents

TABLE OF CONTENTS 1
1.0 EXISTING SUPPLY AND DEMAND ANALYSIS 2
1.1 Overview of Kansas City Office Market 2
1.2 Kansas City Inventory & Occupancy 2
1.3 Kansas City Rental Rates & Rent Growth 3
1.4 Kansas City Market Supply & Demand 4
1.5 Kansas City Sales Volume & Average Price 5
1.6 Kansas City Cap Rate vs. National Average 5
1.7 East Jackson County Submarket Review 6
1.8 East Jackson County Submarket Inventory & Occupancy 8
1.9 East Jackson County Submarket Rental Rates & Rent Growth 9
1.10 Submarket New Supply 9
1.11 Office Market & Submarket Summary and Conclusions 10
2.0 FORECAST DEMAND 11
2.1 Employment 11
3.0 OFFICE TRENDS 17
3.1 Local office overview 17
3.2 Comparable Markets/Neighborhoods 17
3.3 Implied Demand 19
4.0 CONCLUSION 21

1.0 EXISTING SUPPLY AND DEMAND ANALYSIS

An understanding of the factors influencing the office market begins with a study of the existing supply, demands, and market conditions, first in the larger Kansas City Office Market then specifically in East Jackson County..

1.1 Overview of Kansas City Office Market

The Kansas City market is fortunate that there has been limited speculative construction over the years and there has been a historically strong employment base. Movement by employers to, from, and within the market has been the cause of vacancy fluctuation throughout recent history. This goes back to Sprint in the late 1990s, T-Mobile after the merger with Sprint, Cerner now Google, Hallmark, DST, Farmland and Waddell & Reed now Macquarie. With limited speculative construction Kansas City has shown less vacancy at the bottom of real estate cycles.

1.2 Kansas City Inventory & Occupancy

Kansas City Office Market Analysis

Inventory	Vacancy	Net Absorption	New Supply / Net Deliveries
127.8M SF	11.79%	-1,321K SF Last 12 Mo	225K SF Last 12 Mo
26th Largest Office MSA	*+119 bps YoY*	*70.8% Below 5 Yr Average*	*0.2% of Inventory*

Kansas City Office Market Trends

Year/ Current Quarter	Buildings	Inventory (M SF)	Vacancy Rate	Completions (K SF)	Completions %	Net Absorption (K SF)	Under Construction (K SF)	Net Delivered (K SF)	New Supply Rate	Demand (M SF)
2013									0.00%	
2014	5,094	122.5	11.12%	436	0.36%	858	2,856	637	2.33%	108.9
2015	5,101	122.5	10.18%	413	0.34%	968	4,316	134	5.16%	110.0
2016	5,107	123.0	8.86%	1,356	1.10%	3,243	6,876	1,284	5.39%	112.1
2017	5,124	124.2	7.29%	1,089	0.88%	2,036	5,204	427	4.19%	115.1
2018	5,127	124.6	6.54%	909	0.73%	871	9,116	365	7.32%	116.5
2019	5,139	125.2	6.95%	1,165	0.93%	136	9,523	877	7.61%	116.5
2020	5,149	126.4	8.30%	1,524	1.21%	1,055	6,111	1,095	4.83%	115.9
2021	5,157	127.3	9.36%	1,106	0.87%	105	2,824	844	2.22%	115.4
2022	5,157	127.6	10.32%	363	0.28%	-1,251	2,894	114	2.27%	114.7
2023	5,164	127.7	11.66%	529	0.41%	-1,321	3,799	225	2.97%	112.8
2023 Q4	5,169	127.8	11.79%	112	0.09%	-52	878	112	0.09%	112.8
10 Year Averages	5,132	125.5	9.04%	889	0.71%	411	5,552	473	4.44%	113.8
5 Year Averages	5,151	126.9	9.23%	917	0.74%	-774	5,030	611	3.97%	115.1
2024	5,176	127.9	12.23%	301	0.24%	-641		103	0.00%	112.2
2025	5,183	128.3	12.87%	611	0.48%	399		344	0.00%	111.8
2026	5,184	128.3	12.88%	307	0.24%	178		39	0.00%	111.8
2027	5,184	128.4	12.76%	325	0.25%	181		57	0.00%	112.0
2028	5,184	128.4	12.62%	331	0.26%	271		64	0.00%	112.2
Projection Averages	5,183	128.3	12.67%	375	0.29%	82		122	0.00%	112.1

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The Kansas City market is the 26th largest office market in the country. Its vacancy rate of 11.8% compares similarly to the national office average vacancy rate of 11.4%. Absorption in the market has averaged 411K SF (0.3% of average inventory) and -774K SF (-0.6%) over the last 10 and 5 years, respectively. Absorption has slowed in the last year, as the market saw negative absorption of 1,321K SFs, representing a 70.8% increase from the negative 5-year average. New supply under construction is 878K SF, which represents 0.7% of existing inventory.

1.3 Kansas City Rental Rates & Rent Growth

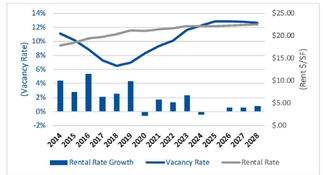
Kansas City Office Market Rental Rates & Rent Growth

Rental Rate
$22.15
2.35%

Kansas City Office Market Rental Trends

Year/ Current Quarter	Asking Rent/SF	Rent Growth (YoY)
2013	$17.15	
2014	$17.90	4.37%
2015	$18.40	2.79%
2016	$19.39	5.38%
2017	$19.79	2.06%
2018	$20.30	2.58%
2019	$21.17	4.29%
2020	$21.04	-0.61%
2021	$21.40	1.71%
2022	$21.69	1.36%
2023	$22.20	2.35%
2023 Q4	$22.15	-
10 Year Averages	$20.35	2.42%
5 Year Averages	$21.50	2.31%
2024	$22.11	-0.41%
2025	$22.11	0.00%
2026	$22.24	0.59%
2027	$22.36	0.54%
2028	$22.54	0.81%
Projection Averages	$22.27	0.39%

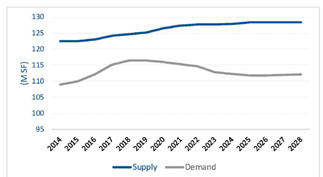
Source: CoStar ©2023, reprinted with permission. All rights reserved.



Source: CoStar ©2023, reprinted with permission. All rights reserved.

The average office rental rate grew by 2.35% year over year to $22.15 PSF. Cumulative rental rate growth over the last 10 years and 5 years has been 2.42% and 1.81% per annum, respectively. Rental rate growth was increasing prior to the pandemic, a trend that has continued since its impact has subsided. Rental rate growth is expected to average 0.39% over the next 5 years.

1.4 Kansas City Market Supply & Demand



Source: CoStar ©2023, reprinted with permission. All rights reserved.

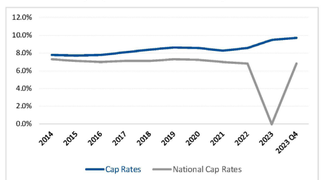
1.5 Kansas City Sales Volume & Average Price



Source: CoStar ©2023, reprinted with permission. All rights reserved.

Annual office sales volume for the Kansas City area averaged $422M and $392M over the last 10 and 5 years, respectively. The average sales price per SF has experienced minimal growth from $116.55 to $125.83 over the last decade, representing annual compound price growth of 0.9%. This includes all classes and medical office. Price appreciation among Building Classes is usually steady. With entrenched work from home, and the high cost of new construction or renovation, I expect price increases will remain minimal in the coming years..

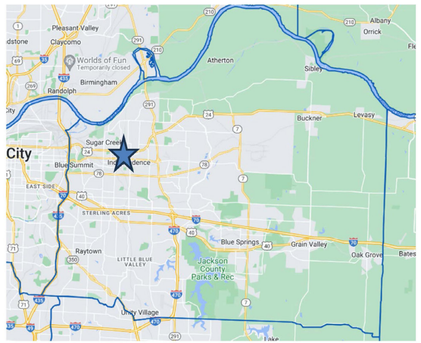
1.6 Kansas City Cap Rate vs. National Average



Source: CoStar ©2023, reprinted with permission. All rights reserved.

Both the Kansas City and National office markets have experienced capitalization rate expansion over the past decade. Office assets in the Kansas City market typically trade at capitalization rates that are higher than the national average within the market, as the average capitalization rate in the Kansas City office was 9.5% in the most prior year versus nationally. Capitalization rates in Kansas City have exceed the national average capitalization rate over at least the last 30 years.

1.7 East Jackson County Submarket Review



#	SubMarket Name	Inventory SF (K)	% of Market	Market Rent/SF	Rental Rate Rank	Occupancy Rate	Occupancy Rank	Cum % of Market
1	College Blvd	21,628	16.9%	$25.42	3	85.0%	22	16.91%
2	CBD	17,782	13.9%	$22.16	7	84.8%	23	30.81%
3	South Johnson County	9,231	7.2%	$22.21	6	86.2%	21	38.02%
4	Northeast Johnson County	8,614	6.7%	$22.82	5	87.7%	17	44.76%
5	I-35 Corridor	8,186	6.4%	$20.14	17	94.3%	7	51.16%
6	East Jackson County	7,288	5.7%	$18.64	24	90.8%	15	56.85%
7	Crown Center	6,466	5.1%	$21.81	8	80.7%	24	61.91%
8	South Kansas City MO	5,437	4.3%	$21.41	11	95.7%	5	66.16%
9	Country Club Plaza	5,296	4.1%	$29.82	1	91.9%	11	70.30%
10	Northwest Johnson County	5,161	4.0%	$23.56	4	87.2%	19	74.33%
11	Midtown	4,465	3.5%	$21.24	12	97.3%	4	77.82%
12	I-29 Corridor	3,874	3.0%	$19.69	18	87.2%	18	80.85%
13	Kansas City MO	3,841	3.0%	$18.66	23	97.4%	2	83.85%
14	Southeast Jackson County	3,666	2.9%	$20.49	15	86.5%	20	86.72%
15	Ward Parkway	3,527	2.8%	$21.46	10	92.3%	10	89.48%
16	Kansas City KS	3,421	2.7%	$18.00	25	78.1%	25	92.15%
17	Freight House District	2,597	2.0%	$21.51	9	88.4%	16	94.18%
18	West Bottoms	2,022	1.6%	$20.80	13	91.4%	13	95.76%
19	Downtown Kansas KC KS	1,970	1.5%	$20.25	16	91.2%	14	97.30%
20	Leavenworth County	1,060	0.8%	$19.49	19	91.8%	12	98.13%
21	Cass County	845	0.7%	$19.47	21	94.2%	8	98.79%
22	Brookside	619	0.5%	$26.74	2	94.7%	6	99.28%
23	Outer South Kansas City	448	0.4%	$19.49	20	97.4%	3	99.63%
24	Outlying KC MO	309	0.2%	$20.78	14	100.0%	1	99.87%
25	Lafayette County	170	0.1%	$18.98	22	93.5%	9	100.00%
All Other Submarkets		**32,834**	**25.7%**	**$20.25**		**90.6%**		
Totals		127,924	100.0%	$22.15		88.2%		

Source: CoStar ©2023, reprinted with permission. All rights reserved.

The subject property is located in Kansas City's 6th largest submarket based on inventory, East Jackson County. This submarket commands the 24th highest rental rates in the market. Occupancy for the submarket (90.8%) is higher than the average of the market (88.2%). The occupancy rate cited here is the % of a building leased, not the % occupied. Given work from home dynamics physical occupancy is often an additional 20 percentage points less than leased occupancy.

1.8 East Jackson County Submarket Inventory & Occupancy

East Jackson County Office Submarket Analysis			
Inventory	Vacancy	Net Absorption	New Supply (Not Delivered)
7.3M SF	9.23%	-110K SF Last 12 Mo	0K SF Last 12 Mo
5.7% of the Kansas City - MO metro market.	*+151 bps YoY*	*552.6% Below 5 Yr Average*	*0.0% of inventory*

East Jackson County Office Submarket Trends

Year	Buildings	Inventory (M SF)	% of Market	Vacancy Rate	Completions (K SF)	Completions %	Net Absorption (K SF)	Under Construction (K SF)	Net Delivered (K SF)	New Supply Rate	Demand (M SF)
2013										0.00%	
2014	626	7.1	5.8%	14.84%		0.00%	111	4		0.05%	6.0
2015	628	7.1	5.8%	14.09%	17	0.23%	-9	66	-5	0.93%	6.1
2016	629	7.1	5.7%	11.64%	13	0.18%	355	215	10	3.04%	6.2
2017	630	7.1	5.7%	7.11%	80	1.12%	253	74	80	1.04%	6.6
2018	631	7.1	5.7%	6.21%	4	0.06%	40	137	1	1.91%	6.7
2019	632	7.2	5.7%	6.98%	8	0.10%	-12	189	8	2.64%	6.7
2020	633	7.2	5.7%	7.97%	47	0.66%	-38	269	47	3.75%	6.6
2021	635	7.3	5.7%	6.26%	71	0.98%	126	84	54	1.16%	6.8
2022	637	7.3	5.7%	6.75%	33	0.45%	-53	60	33	0.82%	6.8
2023	637	7.3	5.7%	9.10%		0.00%	-110	145		1.98%	6.6
2023 Q4	637	7.3	5.7%	9.23%		0.00%	21	55		0.75%	6.6
10 Year Averages	632	7.2	5.7%	9.09%	27	0.38%	66	124	23	1.73%	6.5
5 Year Average	635	7.2	5.7%	7.43%	32	0.44%	117	149	35	2.05%	6.7
2024	638	7.3	5.7%	8.47%	30	0.41%	61		19	0.00%	6.7
2025	638	7.3	5.7%	8.94%	3	0.04%	-59		-12	0.00%	6.6
2026	639	7.3	5.7%	9.03%	37	0.51%	38		23	0.00%	6.7
2027	639	7.3	5.7%	8.70%	15	0.20%	15			0.00%	6.7
2028	639	7.3	5.7%	8.56%	15	0.21%	10		1	0.00%	6.7
Projection Average	639	7.3	5.7%	8.74%	35	0.47%	13		9	0.00%	6.7

Source: CoStar ©2023, reprinted with permission. All rights reserved.

Over the past ten years completions in Kansas City averaged 0.71% of supply per year as compared to 0.41% for the East Jackson County Submarket. Over the next five years Kansas City is projected to see annual supply increases of 0.29% annually as compared to 0.27% for East Jackson County. Net absorption is projected to be 17K SF per year for East Jackson County compared to -82 on average for Kansas City.

1.9 East Jackson County Submarket Rental Rates & Rent Growth

East Jackson County Office Submarket Rental Rates & Ren	
	Rental Rate
	$18.60
	2.42%

East Jackson County Office Submarket Rental Trends

Year	Asking Rent/SF	Rent Growth (YoY)
2013	$13.89	-
2014	$14.75	6.19%
2015	$15.07	2.17%
2016	$15.18	0.73%
2017	$15.96	5.14%
2018	$16.44	3.01%
2019	$17.29	5.17%
2020	$17.23	-0.35%
2021	$17.64	2.38%
2022	$18.18	3.06%
2023	$18.62	2.42%
2023 Q4	$18.60	-
10 Year Averages	$16.65	2.62%
5 Year Average	$17.82	2.20%
2024	$18.62	0.00%
2025	$18.69	0.38%
2026	$19.66	5.19%
2027	$19.05	-3.10%
2028	$19.25	1.05%
Projection Average	$19.05	0.67%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

1.10 Submarket New Supply

Market	Inventory SF (K)	# of Construction Buildings	SF Under Construction (K)	% of Inventory
East Jackson County Submark	7,288	**2**	54.5	**0.7%**
Kansas City Market	127,829	15	877.8	0.7%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

There are currently 2 buildings containing 54.5K SF under construction in the subject's East Jackson County submarket. This compares to the ten-year average of 124K SF. Overall, the Kansas City Market has 0.7% of existing inventory under construction and no new construction is forecast for 2024-2028. Absorption will come from the existing supply.

1.11 Office Market & Submarket Summary and Conclusions

There has been a notable change in the tenant requirements for new office space since the pandemic as reported by Vicus Partners/Cresa.

- Workstations prioritize physical distancing.
  - Even though the pandemic is over workstations are maintained as six-foot distance and desks have become smaller.
- Open floor plans are here to stay.
  - Private offices are much smaller than in the past and often rely on glass walls and large windows to make the space seem larger.
- Office tenants are requesting more and smaller conference rooms.
- Trends suggest that average daily office use could be 50% of peak use.
- Office culture requires transparency of duties, socialization, and work product.
- Standardization is out. There are many new industries to be considered among office tenants now.

Independence Square has not seen any meaningful modern office development for decades and existing design will not attract or support modern office tenants without significant reconfiguration. Furthermore, the cost of renovation is often not favorable to that of new construction given the inherent functional obsolescence of existing supply.

The East Jackson County submarket is beset by slow rent growth and slow employment growth. The actual occupancy within the submarket is most certainly less than stated due to the work from home phenomenon brought about by the pandemic. New Class A rents in the best submarkets do not support new construction and I expect any additions to supply in the coming years for the East Jackson County Submarket will be infrequent and modest in scale.

2.0 FORECAST DEMAND

2.1 Employment

ESRI measures employment by several different factors. This includes total employment by age, the unemployment rate, employment by industry and by occupation. The trending provided by ESRI is on an occupation basis and could not be tied directly to any growth in office supply historically. Hybrid and work from home trends make the direct impact increasing employment in office user occupations murky. These metrics are reported by geo areas to include one, three, and five-mile rings surrounding the study area as well as Jackson County, Kansas City MSA, Missouri, and United States.

Labor Force by Age	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employed Population Age 16+	7,732	100.0%	21,592	100.0%	46,949	100.0%	344,942	100.0%	1,164,043	100.0%	3,011,996	100.0%	160,016,162	100.0%
Age 16-24	1,126	15.6%	4,505	13.5%	8,125	13.6%	50,826	13.5%	156,393	13.4%	410,680	13.9%	17,617,843	13.5%
Age 25-54	3,508	45.9%	21,009	42.9%	43,543	43.5%	239,643	43.9%	733,556	43.0%	1,870,921	42.1%	102,720,616	43.0%
Age 55-64	652	13.6%	5,393	14.1%	10,985	16.0%	56,598	15.5%	198,417	16.4%	505,122	16.6%	27,544,705	16.6%
Age 65+	227	4.8%	2,488	7.5%	5,582	7.6%	26,506	7.1%	83,495	7.2%	217,663	7.2%	11,719,158	7.2%
Male	2,429	51.7%	10,039	54.0%	26,737	53.7%	186,156	52.2%	617,643	52.1%	1,598,613	53.1%	87,312,886	53.7%
Female	2,278	48.3%	15,364	46.0%	31,633	46.3%	170,804	47.7%	546,013	48.9%	1,414,145	46.9%	75,523,976	46.3%
Unemployed Population Age 16+	564	100.0%	1,695	100.0%	2,661	100.0%	20,757	100.0%	66,566	100.0%	2,101,454	100.0%		
Age 16-24	91	13.6%	444	29.7%	696	26.2%	2,943	24.9%	10,773	27.4%	27,862	29.7%	2,149,923	29.4%
Age 25-54	327	44.6%	901	40.3%	1,494	51.0%	8,514	55.1%	21,023	53.6%	49,599	52.5%	3,799,647	52.0%
Age 55-64	92	17.1%	236	15.8%	381	13.0%	2,824	18.3%	6,911	17.6%	16,178	17.1%	1,299,447	17.8%
Age 65+	2	0.3%	28	1.7%	48	1.5%	469	3.2%	1,543	4.3%	1,080	1.4%	418,781	5.3%
Male	98	53.3%	692	45.8%	1,205	48.3%	8,534	53.9%	20,497	52.2%	46,583	49.3%	3,704,777	50.7%
Female	66	46.7%	812	54.2%	1,276	51.7%	5,666	46.1%	16,760	47.8%	47,682	50.7%	3,650,877	49.3%
Unemployment Rate	3.6%		4.3%		3.7%		3.9%		3.3%		3.8%		4.3%	
Age 16-24	11.6%		9.0%		7.1%		5.5%		6.4%		6.2%		9.1%	
Age 25-54	2.6%		4.1%		3.3%		2.9%		2.8%		2.6%		3.6%	
Age 55-64	0.6%		2.2%		3.6%		2.9%		2.6%		2.2%		3.3%	
Age 65+	0.9%		1.1%		0.7%		2.1%		2.0%		2.1%		3.4%	
Male	0.6%		2.2%		3.6%		2.9%		2.6%		2.2%		3.5%	
Female	0.9%		1.5%		1.7%		2.5%		2.2%		2.2%		3.4%	

2023 Labor Force Summary	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
2023 Labor Force, Age 16+							
Total Population Age 16+	9,137	58,614	115,213	582,435	1,775,629	5,027,603	272,621,098
Population Age 16+ in Labor Force	4,898	34,886	71,030	386,782	1,203,118	3,107,662	170,341,597
Employed	4,714	33,392	68,369	374,962	1,163,861	3,013,596	163,036,143
Unemployed	184	1,494	2,661	11,820	39,257	94,066	7,305,454
Unemployment Rate	3.8%	4.3%	3.7%	3.1%	3.3%	3.0%	4.3%
Labor Force Participation Rate	53.6%	59.5%	61.7%	66.4%	67.8%	61.8%	62.5%
Employment-Population Ratio	51.6%	57.0%	59.3%	64.4%	65.5%	59.9%	59.8%
2023 Economic Dependency Ratio							
Total	141.2	118.7	109.4	92.9	91	104	105
Child (<16)	47.4	43.3	41	38.3	39.8	39.2	39.8
Working-Age (16-64)	52.4	39	33.8	28.5	26.4	33.6	35.7
Senior (65+)	41.5	36.4	34.5	26.1	24.8	31.2	29.5
2023 Population 25+ by Educational Attainment							
Total	7,965	51,357	100,953	502,714	1,537,023	4,323,195	233,596,126
Less than 9th Grade	3.1%	2.3%	2.3%	2.0%	2.1%	2.1%	4.1%
9th - 12th Grade, No Diploma	6.6%	7.1%	7.0%	5.3%	4.2%	5.5%	5.5%
High School Graduate	30.9%	35.1%	33.4%	25.4%	22.4%	27.1%	22.9%
GED/Alternative Credential	7.7%	6.3%	5.8%	3.9%	3.5%	4.6%	4.1%
Some College, No Degree	28.0%	22.8%	22.1%	20.4%	19.3%	19.1%	17.1%
Associate Degree	10.1%	9.5%	9.5%	8.6%	8.6%	9.1%	9.5%
Bachelor's Degree	8.4%	11.3%	13.4%	22.1%	25.3%	20.4%	22.3%
Graduate/Professional Degree	5.2%	5.6%	6.0%	12.4%	14.8%	12.2%	13.9%
2023 Daytime Population							
Daytime Population	11,682	60,906	127,063	785,656	2,243,372	6,214,118	335,744,666
Daytime Residents	4,932	20,662	51,059	430,397	1,163,269	3,025,217	161,357,608
Daytime Workers	6,750	40,244	76,004	355,259	1,080,103	3,188,901	174,387,058
Commute							
Average Commute	-	-	-	24 minutes	24 minutes	24 minutes	27 minutes

Employment to Population	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Employment							
Total Businesses	547	1,869	3,688	24,787	76,834	213,371	12,297,209
Total Employees	5,351	21,077	51,645	440,726	1,165,374	3,155,295	153,323,159
Total Residential Population	11,372	73,068	143,264	726,225	2,238,618	6,208,310	337,470,185
Employee/Residential Population Ratio (per 100	47%	29%	36%	61%	52%	51%	45%

The study area and surrounding one-mile Geo has a good ratio of daytime worker to daytime residents. What this graphic also explains that the economic dependency ratio within the study area, the ratio of workers supporting the young and the old is significantly out of balance. This ratio is 141 for the study area as compared to 119, 109, 93, and 91 for the local geos. This is due in part to the age of the population which is significantly higher than the surrounding geos and the income and educational attainment which are lower.

Labor Force by Industry	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employment by Industry	4,754	100.0%	33,782	100.0%	68,788	100.0%	374,982	100.0%	1,163,861	100.0%	3,013,596	100.0%	163,036,143	100.0%
Agriculture/Forestry/Fishing/Hunting	5	0.1%	61	0.2%	139	0.2%	1,332	0.4%	7,929	0.7%	43,294	1.4%	1,800,394	1.1%
Mining/Quarrying/Oil & Gas Extraction	0	0.0%	13	0.0%	16	0.0%	90	0.0%	663	0.1%	4,790	0.2%	517,355	0.4%
Construction	390	8.2%	2,895	8.7%	5,766	7.8%	24,051	6.4%	76,418	6.6%	196,042	6.5%	11,436,849	7.0%
Manufacturing	428	9.1%	3,532	10.6%	6,950	10.2%	32,673	8.8%	105,106	9.0%	352,054	11.7%	16,270,230	10.0%
Wholesale Trade	77	1.6%	803	2.4%	1,566	2.2%	7,066	1.9%	22,683	2.0%	76,655	2.5%	3,029,999	1.9%
Retail Trade	762	16.4%	4,266	13.1%	8,136	12.4%	39,725	10.6%	137,067	11.5%	333,952	11.1%	16,983,984	10.6%
Transportation/Warehousing	167	3.5%	1,184	3.6%	2,581	3.8%	13,076	3.5%	51,161	4.3%	127,115	4.2%	6,484,897	4.1%
Utilities	9	0.2%	196	0.6%	360	0.6%	3,036	0.8%	8,568	0.7%	20,034	0.9%	1,331,586	0.8%
Information	71	1.5%	418	1.3%	888	1.3%	5,913	1.6%	21,739	1.9%	60,990	1.4%	3,142,967	1.9%
Financial Insurance	192	4.1%	1,642	4.9%	3,825	5.3%	21,836	6.4%	82,356	7.1%	166,050	5.8%	8,135,458	5.0%
Real Estate/Rental/Leasing	79	1.7%	647	1.8%	1,079	1.6%	5,864	1.5%	18,625	1.6%	44,949	1.5%	2,005,440	1.8%
Professional/Scientific/Tech Services	197	4.2%	1,617	4.8%	3,816	5.6%	27,328	10.0%	124,206	10.7%	270,629	7.0%	13,955,805	8.6%
Management of Companies/Enterprises	0	0.0%	0	0.0%	61	0.1%	332	0.1%	1,561	0.1%	3,923	0.1%	216,593	0.1%
Admin/Support/Waste Management Services	226	7.2%	1,493	4.5%	2,951	4.5%	15,960	4.2%	44,823	3.8%	111,754	3.7%	7,590,280	4.7%
Educational Services	286	6.1%	2,082	6.2%	4,771	7.0%	27,827	7.4%	80,669	7.0%	272,006	9.1%	14,946,560	9.2%
Health Care/Social Assistance	581	12.2%	4,413	13.2%	9,342	13.7%	51,297	14.7%	165,621	14.7%	440,691	14.6%	22,116,242	13.6%
Arts/Entertainment/Recreation	69	1.7%	560	1.7%	1,105	1.9%	7,135	2.1%	22,449	1.9%	59,945	2.0%	3,576,196	2.2%
Accommodation/Food Services	482	10.1%	3,233	9.6%	6,511	9.5%	34,220	9.1%	107,167	9.2%	270,963	9.0%	14,615,998	9.0%
Other Services	202	4.2%	1,273	3.2%	3,216	4.8%	19,858	5.1%	52,960	4.5%	153,939	5.1%	7,845,915	4.7%
Public Administration	237	5.0%	1,564	4.7%	3,345	4.9%	16,405	4.4%	55,242	4.6%	159,783	4.0%	7,857,337	4.8%
Employed by Occupation	4,754	100.0%	33,782	100.0%	68,788	100.0%	374,982	100.0%	1,163,861	100.0%	3,013,596	100.0%	163,036,143	100.0%
White Collar	2,303	48.9%	17,749	53.5%	36,523	52.8%	225,270	62.7%	784,948	65.7%	1,851,425	61.8%	101,609,860	62.3%
Management	208	4.4%	2,075	6.6%	5,020	8.1%	42,130	11.2%	153,566	13.2%	315,949	11.8%	19,122,666	12.0%
Business/Financial	131	2.8%	869	2.6%	2,276	3.3%	21,987	5.9%	78,202	6.7%	158,426	5.3%	9,650,902	5.9%
Computer/Mathematical	107	2.3%	1,114	3.3%	2,473	3.6%	15,343	4.2%	57,089	4.9%	157,047	5.8%	8,572,883	4.0%
Architecture/Engineering	56	1.2%	120	1.6%	1,069	1.5%	9,949	2.4%	26,328	2.2%	57,027	1.9%	3,550,910	2.4%
Life/Physical/Social Science	34	1.2%	172	0.5%	374	0.5%	3,151	0.8%	9,347	0.8%	22,451	0.7%	1,348,971	0.8%
Community/Social Service	27	0.5%	278	1.1%	917	1.4%	8,446	1.2%	18,032	1.5%	53,955	1.8%	2,984,000	1.8%
Legal	36	0.6%	195	0.6%	290	0.4%	4,090	1.1%	14,366	1.2%	27,957	0.9%	1,879,731	1.2%
Education/Training/Library	253	5.4%	1,534	4.6%	3,151	4.9%	23,701	6.3%	64,924	5.6%	169,930	6.3%	10,034,488	6.2%
Arts/Design/Entertainment/Sports/Media	88	1.9%	477	1.4%	975	1.4%	8,828	2.4%	23,919	2.1%	83,904	2.1%	3,640,098	2.2%
Healthcare Practitioner/Technician	162	3.9%	1,513	4.1%	3,411	5.0%	27,745	7.4%	79,848	6.9%	214,071	7.1%	10,543,787	6.5%
Sales and Sales Related	431	9.1%	2,884	8.6%	6,082	8.9%	34,209	9.1%	109,942	9.4%	270,969	9.0%	13,955,875	8.6%
Office/Admin Support	687	14.4%	4,631	13.7%	8,915	13.0%	42,054	11.2%	125,126	10.8%	332,218	10.7%	16,997,351	10.4%
Blue Collar	1,459	31.0%	10,610	31.2%	19,882	29.9%	81,241	21.7%	259,486	20.3%	698,353	23.2%	35,939,922	21.5%
Farming/Fishing/Forestry	16	0.3%	48	0.1%	129	0.2%	625	0.2%	2,650	0.2%	14,311	0.5%	772,830	0.5%
Construction/Extraction	173	3.6%	1,345	3.9%	2,475	3.6%	9,161	2.4%	30,044	2.4%	81,717	2.7%	4,744,503	2.9%
Installation/Maintenance/Repair	111	2.3%	1,130	3.3%	2,403	3.5%	9,749	2.6%	29,560	2.3%	83,277	2.8%	4,194,921	2.6%
Production	428	9.0%	2,559	8.1%	5,057	7.4%	20,552	5.5%	60,555	5.2%	200,329	6.6%	8,790,861	5.4%
Transportation/Material Moving	526	11.2%	4,091	12.3%	8,084	11.8%	33,437	8.9%	94,958	8.1%	274,785	8.5%	12,682,766	7.8%
Services	952	20.2%	5,791	17.3%	12,353	18.1%	56,673	15.4%	163,565	14.0%	457,898	15.2%	26,366,533	16.2%
Healthcare Support	164	3.9%	1,279	3.8%	2,296	3.4%	11,295	3.0%	28,198	2.4%	93,050	3.0%	5,110,701	3.1%
Protective Service	113	2.4%	606	1.8%	1,613	2.2%	8,153	1.7%	20,395	1.8%	48,638	1.6%	2,358,909	2.1%
Food Preparation/Serving Related	195	4.1%	1,855	5.6%	4,082	5.9%	18,953	5.1%	55,516	4.8%	154,797	5.1%	8,527,557	5.2%
Building/Grounds Cleaning/Maintenance	435	8.6%	1,675	4.3%	4,276	2.2%	2,213	4.6%	11,879	3.2%	31,558	2.7%	10,369,367	2.3%

Business Type by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Business Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	547	100.0%	1,869	100.0%	3,688	100.0%	24,787	100.0%	76,834	100.0%	213,371	100.0%	12,297,209	100.0%
Agriculture & Mining	7	1.3%	32	1.7%	61	1.7%	394	1.6%	1,664	2.2%	5,533	2.6%	263,921	2.1%
Construction	23	3.8%	114	6.1%	243	6.5%	1,689	6.8%	5,118	6.7%	13,648	6.3%	788,039	6.4%
Manufacturing	14	2.6%	54	2.9%	112	3.0%	769	3.1%	2,372	3.1%	7,158	3.4%	383,671	3.1%
Transportation	8	1.1%	45	2.4%	92	2.5%	564	2.3%	1,913	2.6%	6,418	3.0%	348,917	2.8%
Communication	5	0.9%	19	1.0%	41	1.1%	226	0.9%	612	0.6%	1,985	0.9%	101,610	0.8%
Utility	0	0.0%	3	0.2%	10	0.3%	92	0.4%	291	0.4%	1,093	0.5%	44,182	0.4%
Wholesale Trade	11	2.0%	56	3.0%	147	4.0%	842	3.4%	2,606	3.5%	7,752	3.6%	394,881	3.2%
Retail Trade Summary	92	16.8%	422	22.6%	844	22.9%	4,990	20.1%	16,238	21.1%	43,731	20.5%	2,448,881	19.9%
Home Improvement	7	1.3%	31	1.7%	54	1.5%	243	1.0%	1,044	1.4%	2,884	1.4%	144,997	1.2%
General Merchandise Stores	2	0.4%	22	1.2%	50	1.4%	233	0.9%	829	1.1%	2,166	1.0%	106,115	0.9%
Food Stores	13	2.4%	51	2.7%	99	2.7%	467	2.0%	1,661	1.9%	4,630	2.2%	262,283	2.3%
Auto Dealers & Gas Stations	17	3.1%	67	3.6%	154	4.2%	1,263	5.1%	4,115	5.4%	9,572	4.5%	297,125	2.4%
Apparel & Accessory Stores	4	0.7%	16	0.9%	45	1.2%	267	1.1%	763	1.0%	2,000	0.9%	103,857	1.1%
Furniture & Home Furnishings	2	0.4%	12	0.6%	34	0.9%	236	1.0%	1,043	1.4%	2,455	1.2%	112,010	1.3%
Eating & Drinking Places	23	4.2%	121	6.5%	264	7.2%	1,165	4.7%	4,139	6.2%	11,393	6.2%	773,886	6.3%
Miscellaneous Retail	27	4.9%	90	4.8%	145	3.9%	1,106	4.5%	2,693	4.3%	10,154	4.8%	564,261	4.6%
Finance, Insurance, Real Estate Summary	43	7.9%	174	9.3%	341	9.2%	2,084	10.9%	8,734	11.4%	22,436	10.5%	1,163,980	9.6%
Banks, Savings, & Lending Institutions	12	2.2%	15	2.9%	97	2.6%	624	2.5%	1,633	2.4%	5,485	2.6%	235,069	1.9%
Securities Brokers	2	0.4%	10	0.5%	19	0.5%	124	0.5%	1,023	1.3%	1,661	0.8%	109,040	0.9%
Insurance Carriers & Agents	7	1.3%	18	1.0%	71	1.9%	523	2.1%	1,586	2.1%	4,208	2.0%	284,648	2.3%
Real Estate, Holding, Other Investment Offices	20	3.7%	70	3.7%	138	3.7%	1,223	4.9%	5,241	6.8%	10,655	5.0%	535,487	4.2%
Services Summary	260	47.5%	779	41.7%	1,665	39.7%	10,663	42.9%	31,069	40.4%	85,880	40.2%	4,845,560	39.4%
Hotels & Lodging	7	1.3%	9	0.5%	35	0.9%	153	0.6%	1,015	1.3%	2,262	1.1%	113,000	0.9%
Automotive Services	21	3.8%	97	5.2%	164	3.9%	893	2.8%	1,923	2.5%	4,599	3.1%	334,304	2.7%
Movies & Amusements	14	2.6%	28	1.5%	82	2.0%	421	1.7%	1,622	2.1%	4,115	2.2%	293,114	2.4%
Health Services	17	3.1%	91	4.9%	256	6.9%	1,760	7.1%	5,777	7.5%	14,911	7.0%	835,791	6.8%
Legal Services	17	3.1%	53	2.8%	74	2.0%	802	3.8%	2,242	2.4%	4,795	2.2%	257,982	2.1%
Education Institutions & Libraries	13	2.4%	60	3.2%	93	2.5%	631	2.5%	1,833	2.4%	4,615	2.4%	260,287	2.2%
Other Services	149	27.2%	413	22.1%	761	21.2%	5,903	23.8%	16,656	22.0%	45,022	22.0%	2,723,990	22.2%
Government	66	12.1%	87	4.7%	109	2.7%	576	2.3%	2,543	2.8%	9,508	4.4%	396,662	3.2%
Unclassified Establishments	22	4.0%	83	4.4%	162	4.4%	1,353	6.1%	5,846	7.2%	8,787	4.5%	1,077,588	8.8%

Labor Force by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Employee Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	5,351	100.0%	21,077	100.0%	51,645	100.0%	440,726	100.0%	1,165,374	100.0%	3,155,295	100.0%	153,323,159	100.0%
Agriculture & Mining	44	0.8%	140	0.7%	353	0.7%	2,574	0.6%	10,798	0.9%	29,178	0.9%	1,263,716	0.8%
Construction	114	2.1%	521	2.5%	1,815	3.5%	20,004	4.5%	49,564	4.3%	119,740	3.8%	7,161,283	4.7%
Manufacturing	1,164	21.7%	3,345	15.9%	5,903	11.4%	38,077	8.6%	117,134	10.1%	374,947	11.9%	15,855,798	10.3%
Transportation	117	2.2%	908	4.3%	2,435	5.1%	19,366	4.4%	59,812	5.4%	94,888	3.0%	4,598,392	3.0%
Communication	69	1.3%	118	0.6%	296	0.6%	3,976	0.9%	9,300	0.8%	27,215	0.9%	1,272,563	0.8%
Utility	0	0.0%	50	0.2%	293	0.6%	5,293	1.2%	10,925	0.9%	19,905	0.6%	952,538	0.6%
Wholesale Trade	85	1.6%	467	2.2%	1,941	3.8%	16,295	3.7%	52,431	4.5%	123,299	3.9%	6,093,251	4.0%
Retail Trade Summary	905	16.9%	3,264	15.0%	15,414	29.8%	76,455	17.3%	220,260	19.0%	621,679	19.7%	30,482,820	19.9%
Home Improvement	69	1.3%	172	0.8%	1,033	2.0%	4,385	1.0%	16,418	1.4%	41,983	1.3%	1,957,855	1.3%
General Merchandise Stores	14	0.3%	571	2.7%	1,830	3.5%	7,003	1.6%	25,208	2.2%	72,780	2.3%	3,930,244	2.6%
Food Stores	93	1.7%	422	1.9%	1,683	3.3%	6,603	1.5%	26,062	2.2%	75,440	2.4%	4,256,775	2.8%
Auto Dealers & Gas Stations	162	3.0%	994	4.7%	1,976	3.8%	7,997	1.8%	21,349	1.8%	70,499	2.2%	3,543,951	2.3%
Apparel & Accessory Stores	14	0.3%	104	0.5%	1,013	2.0%	4,365	1.0%	16,418	1.4%	41,983	1.3%	1,957,855	1.3%
Furniture & Home Furnishings	18	0.3%	83	0.4%	457	1.2%	1,767	0.4%	7,373	0.6%	13,573	1.1%	1,413,449	0.9%
Eating & Drinking Places	457	7.8%	2,009	9.5%	5,334	10.2%	31,602	7.2%	83,022	7.5%	224,027	7.1%	11,111,162	7.2%
Miscellaneous Retail	152	2.1%	518	2.5%	1,707	3.3%	12,643	2.8%	34,710	3.0%	82,394	2.6%	4,346,518	2.8%
Finance, Insurance, Real Estate Summary	160	3.0%	810	3.8%	1,808	3.5%	40,076	9.1%	103,866	8.9%	202,927	6.4%	10,542,738	6.9%
Banks, Savings, & Lending Institutions	39	0.7%	270	1.3%	585	1.1%	8,694	2.0%	21,060	1.8%	51,167	1.6%	2,438,984	1.6%
Securities Brokers	9	0.2%	50	0.2%	102	0.2%	3,738	0.9%	13,324	1.1%	23,669	0.7%	1,512,790	0.9%
Insurance Carriers & Agents	29	0.5%	146	0.7%	341	0.7%	9,757	2.2%	25,061	2.2%	45,778	1.4%	2,293,966	1.5%
Real Estate, Holding, Other Investment Offices	83	1.6%	343	1.6%	780	1.5%	17,889	4.1%	44,419	3.8%	82,313	2.6%	4,297,062	2.8%
Services Summary	2,607	48.7%	10,032	47.6%	22,380	43.3%	192,090	43.6%	500,321	42.9%	1,454,858	44.8%	67,775,769	44.2%
Hotels & Lodging	74	1.3%	99	0.5%	364	0.7%	4,205	1.0%	11,191	1.0%	45,024	1.3%	2,545,464	1.7%
Automotive Services	67	1.3%	344	1.6%	1,066	2.1%	5,193	1.3%	13,613	1.2%	42,930	1.4%	1,777,140	1.2%
Movies & Amusements	190	3.6%	641	2.1%	2,025	3.9%	9,264	2.1%	36,495	3.0%	84,264	2.7%	3,742,810	2.4%
Health Services	233	4.4%	1,835	7.8%	4,851	13.3%	64,330	14.6%	143,018	12.0%	425,340	13.5%	18,295,432	11.9%
Legal Services	223	4.2%	378	1.5%	458	0.8%	7,972	1.6%	13,969	1.2%	31,242	1.0%	1,666,130	1.2%
Education Institutions & Libraries	597	9.5%	2,756	13.0%	4,582	8.1%	27,784	6.3%	84,870	7.5%	274,552	8.7%	13,232,331	8.6%
Other Services	1,273	23.8%	4,550	21.6%	7,462	14.4%	72,852	16.8%	207,647	17.2%	515,758	16.2%	26,216,457	17.2%
Government	1,045	19.5%	1,344	6.4%	1,640	3.2%	35,453	8.1%	71,954	6.2%	206,337	6.5%	9,913,829	6.5%
Unclassified Establishments	15	0.3%	96	0.5%	238	0.4%	2,852	0.6%	7,263	0.6%	17,312	0.5%	998,962	0.7%

Businesses by NAICS Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Businesses Count by NAICS Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total	547	100.0%	1,869	100.0%	3,688	100.0%	24,787	100.0%	76,834	100.0%	213,371	100.0%	12,297,209	100.0%
Agriculture, Forestry, Fishing & Hunting	2	0.4%	4	0.2%	7	0.2%	51	0.2%	284	0.4%	1,010	0.5%	103,222	0.8%
Mining	0	0.0%	1	0.1%	2	0.1%	15	0.1%	98	0.1%	333	0.2%	39,713	0.3%
Utilities	0	0.0%	1	0.1%	4	0.1%	36	0.1%	147	0.2%	583	0.3%	32,935	0.3%
Construction	25	4.6%	125	6.7%	258	7.0%	1,811	7.3%	5,675	7.4%	14,547	6.7%	842,924	6.8%
Manufacturing	14	2.6%	56	3.0%	123	3.3%	821	3.3%	2,504	3.3%	7,698	3.5%	413,357	3.4%
Wholesale Trade	11	2.0%	56	3.0%	147	4.0%	838	3.4%	2,672	3.5%	7,667	3.6%	390,510	3.2%
Retail Trade	83	15.5%	387	20.7%	825	22.4%	3,958	16.0%	14,489	18.9%	38,997	18.3%	2,183,823	17.8%
Motor Vehicle & Parts Dealers	14	2.6%	61	3.3%	111	3.0%	465	1.9%	1,763	2.3%	4,613	2.2%	214,259	1.7%
Furniture & Home Furnishings Stores	3	0.6%	9	0.5%	36	0.6%	157	0.6%	1,063	1.4%	2,457	1.2%	107,731	0.9%
Electronics & Appliance Stores	3	0.2%	12	0.6%	20	0.5%	107	0.4%	399	0.6%	902	0.4%	55,321	0.4%
Building Material & Garden Equipment & Supplies Dealer	2	0.5%	29	1.5%	44	1.2%	245	1.0%	1,003	1.3%	2,543	1.2%	137,097	1.1%
Food & Beverage Stores	10	1.3%	49	2.6%	98	2.6%	446	1.8%	1,579	2.1%	4,078	1.9%	232,747	1.9%
Health & Personal Care Stores	9	1.6%	31	1.7%	68	1.8%	290	1.2%	1,028	1.3%	2,539	1.2%	151,041	1.2%
Gasoline Stations & Fuel Dealers	4	0.7%	21	1.1%	47	1.2%	195	0.8%	1,005	1.3%	2,450	1.1%	76,118	0.6%
Clothing, Clothing Accessories, Shoes and Jewelry Stores	5	0.8%	17	0.8%	77	2.1%	315	1.3%	914	1.2%	2,642	1.3%	137,736	1.4%
Sporting Goods, Hobby, Book, & Music Stores	10	2.3%	52	2.8%	101	2.7%	535	2.2%	1,549	2.0%	3,671	2.4%	217,135	2.3%
General Merchandise Stores	6	1.1%	32	1.7%	71	1.9%	335	1.4%	982	1.3%	2,359	1.5%	127,210	1.4%
Transportation & Warehousing	8	1.5%	49	2.1%	83	2.2%	467	1.9%	1,571	2.0%	4,088	2.1%	211,244	2.2%
Information	10	1.8%	42	2.2%	77	2.1%	559	2.3%	1,553	2.0%	4,125	2.1%	236,808	2.1%
Finance & Insurance	21	3.8%	104	5.6%	204	5.5%	1,493	6.0%	5,060	6.6%	13,693	6.3%	617,676	5.0%
Central Bank/Credit Intermediation & Related Activities	9	1.6%	55	2.9%	98	2.7%	820	2.5%	1,820	2.4%	5,427	2.5%	232,984	1.9%
Securities & Commodity Contracts	2	0.4%	10	0.5%	19	0.5%	124	0.5%	1,023	1.3%	1,661	0.8%	109,040	0.9%
Funds, Trusts & Other Financial Vehicles	1	0.1%	3	0.1%	3	0.1%	17	0.1%	57	0.1%	129	0.1%	5,299	0.0%
Insurance Carriers & Agents	9	1.5%	34	1.6%	71	1.9%	537	2.2%	1,825	2.4%	4,599	2.2%	269,614	2.2%
Insurance Agencies & Brokerages	9	1.6%	34	1.8%	71	1.9%	537	2.2%	1,825	2.4%	4,599	2.2%	269,614	2.2%
Professional, Scientific & Tech Services	64	11.7%	339	18.1%	744	20.2%	4,711	19.0%	17,548	22.8%	44,115	20.7%	2,295,154	18.7%
Legal Services	24	4.3%	107	5.7%	164	4.4%	1,158	4.7%	3,776	4.9%	8,268	3.9%	468,106	3.8%
Management of Companies & Enterprises	1	0.2%	1	0.1%	2	0.1%	12	0.0%	32	0.0%	68	0.0%	4,123	0.0%
Administrative Support & Waste Management Services	13	2.4%	57	3.0%	107	2.9%	802	3.2%	2,781	3.6%	6,646	3.1%	417,615	3.4%
Educational Services	54	9.8%	283	15.1%	590	16.0%	3,939	15.9%	12,191	15.9%	34,153	16.0%	1,745,310	14.2%
Health Care & Social Assistance	36	6.6%	158	7.4%	330	9.2%	2,573	9.6%	7,685	9.7%	20,795	9.7%	1,112,211	9.0%
Arts, Entertainment & Recreation	22	4.0%	41	2.2%	72	2.0%	583	2.4%	1,854	2.5%	4,585	2.1%	286,430	2.3%
Accommodation & Food Services	32	6.0%	137	7.2%	312	8.5%	1,976	8.0%	6,752	8.8%	15,652	7.4%	915,745	7.4%
Accommodation	2	0.3%	9	0.5%	21	0.6%	152	0.6%	1,133	1.5%	2,462	1.1%	115,305	0.9%
Food Services & Drinking Places	30	5.7%	128	6.8%	291	7.9%	1,824	7.4%	5,619	7.3%	13,190	6.2%	800,440	6.5%
Other Services (except Public Administration)	105	19.2%	511	27.3%	1,017	27.6%	5,

3.0 OFFICE TRENDS

3.1 Local office overview

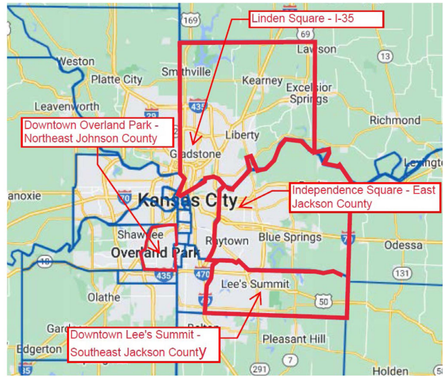
As I have described previously the office sector in Kansas City and even more particularly in the East Jackson County submarket are not prone to speculative construction. In reviewing CoStar which has listing and property information on most properties within the one-mile geo of Independence Square. What is an observable trend is that office development is occurring in Kansas City's suburban city downtown locations where multiple uses can be integrated into a single building and existing or new parking can be leveraged to accommodate multiple uses.

3.2 Comparable Markets/Neighborhoods

I have identified three competing suburban downtown areas and looked consistently at metrics with define the office sectors within these neighborhoods. I have identified the office sector within one mile of Downtown Overland Park, Linden Square in Gladstone, and Downtown Lee's Summit. First a description of Independence Square and its one-mile geo. This is accomplished by a survey of properties reporting to CoStar, not a survey of individual properties or individual owners.

- There is 430,716 SF of office space within a mile of Independence Square.
- The average floor area ration (FAR) is 0.50.
- Parking is adequate at 3.79 per 1,000 SF.
- The average year built is 1958 and there has been no meaningful new construction in over 20 years.
- None of Independence's major private employers are located in Independence Square.
    - There are 547 firms located in the one-mile geo.
    - Of those just 43 are traditional FIRE employers which employ an average of 4 each.
    - Legal Services total another 37 employers with 6 employees each on average.
- The character of supply in Independence Square is that it is by and large outdated/obsolete which translates to inferior physical occupancy and suppressed rental rates.

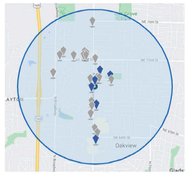
Independence Square and these competing locations are identified on the following maps.



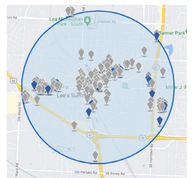
These neighborhoods are selected because they offer downtown amenities and serve as an anchor for a largely residential population. City and sometimes county government are located nearby and with the exception of Independence Square, have seen measurable new development and redevelopment. The following exhibit identifies the competing office districts and a map pin for each office property included.



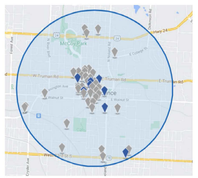
Downtown Overland Park



Linden Square Gladstone



Downtown Lee's Summit



Independence Square

3.3 Implied Demand

Metrics of current office design suggest the following:

- The national average square foot per lease was 3,200 SF in 2023 as compared to 4,500 in 2015.
- In mid-2023 office attendance (a surrogate for physical occupation and the number of employees) was at 50% to 60% of 2019 levels as reported by several sources.
- According to Zippa, modern design indicates 150 to 170 square feet per employee will ensure comfort and productivity.
- Employment figures cited include office based and home-based employees by industry or occupation.
- Considering remote/hybrid work and sharing of stations employers should plan on 70 square feet at peak usage, roughly one-half that when all employees were in person.
- Business furniture providers plan on 80 to 150 square feet per employee for high density (peak) use.

In the exhibit below I have identified the office square footage within one mile of each of the competing areas. The FAR speaks to the density of development. Multistory buildings will have a higher density and Independence Square is characterized by more mid-rise properties thus a higher density. I also cite parking, average year built, and the reported submarket occupancy. Keep in mind, the occupancy is based on the square feet leased and not the square feet used or attended at any given time. I have then identified the average building footprint. Approximately one-quarter of the entire square footage of Linden Square is found in a single new construction, now just eight years old. Downtown Overland Park has seen two significant new additions within the past ten years and also includes number of street level buildings and second floors. Independence Square and the surrounding area includes both large outdated midrise buildings and garden style and street level office. Downtown Lee's Summit has a mix of medical office, new construction and street retail. Given the average tenant size nationally and in the Kansas City Market, Independence Square is the least suited to new occupancy. Lastly, now new office construction has occurred in Independence Square over the past 20 years whereas each of the other neighborhoods have seen an increase in supply of 22% to 44%.

Given the significant change in office occupier requirements and vacancy which is materially impacted by the lasting effects of COVID I have expending the employment to impact office development of a given area from one to three miles. As demonstrated by these competing areas, there is more demand in established mixed use neighborhoods.

Submarket/Neighborhood	Office SF	FAR	Avg Parking Ratio	Average Year Built	Submarket Occupancy	Avg. Floor Size	SF Added 2000-2023	% Increase Supply 2000-2023	Increase office employment	Increase office employment	Demand at 70 SF/Employee	% of existing supply
	1 Mile Radius									3 Mile Radius	3 Mile Radius 2028	
Northeast Johnson County **Downtown OP**	651,022	0.39	4.03	1962	87%	4,844	201,787	44%	145	758	53,060	8%
I-35 Corridor **Linden Square**	309,428	0.35	4.30	1981	94%	7,386	86,778	39%	85	1,180	82,600	27%
Southeast Jackson County **Downtown Lee's Summit**	712,361	0.25	3.99	1969	87%	4,382	126,675	22%	85	631	44,170	6%
East Jackson County **Independence Square**	430,716	0.50	3.79	1958	92%	7,529	0	0%	85	310	21,700	5%

This exhibit forecasts the demand for office space in each of the competing areas. Modest additional demand is forecast for Downtown Overland Park, Linden Square and Downtown Lee's Summit. However, in each case the forecast demand of the next five years is but a fraction of the supply added during the preceding 20+ years. Of significant importance is that the previous two decades were impacted by the telecom bubble, 9-11 terror attack, the 2008 financial crisis, and COVID. My projections for 2023-2028 recognize the lasting impact of COVID as well as an interest rate environment which has suppressed investment. Forecast demand for each of the three competing areas will include new construction whereas existing vacant space could readily accommodate the demand within Independence Square. But only if existing supply can be refit to accommodate modern tenant/occupier requirements.

4.0 CONCLUSION

It is my opinion that there will be no demand for office space in Independence Square that cannot reasonably be accommodated by the existing supply based on projected population growth. A modest increase in occupied office of 5% of the existing supply (21,700 SF) is reasonable. Obviously, this forecast presumes a relatively stable economic environment and organic growth. A significant increase in the population in the neighborhood, increased pedestrian traffic, tourist activities, or unforeseen external demand to the market will change the projection of office demand.

APPENDIX E: HOSPITALITY

TABLE OF CONTENTS

Contents

TABLE OF CONTENTS 1
1.0 EXISTING SUPPLY AND DEMAND ANALYSIS 2
1.1 Hospitality Market 2
1.2 National Hospitality Overview 3
1.2.1 National Supply & Demand Trends 3
1.2.2 National ADR & RevPAR Trends 4
1.3 Kansas City - MO MSA Market Hotel Supply & Demand 5
1.3.1 Kansas City - MO MSA Hotels ADR & RevPAR 6
1.4 Kansas City - MO (USA) - Kansas City Surrounding Submarket 7
1.4.1 Kansas City - MO (USA) - Kansas City Surrounding Submarket Hotels Key Metrics 8
1.4.2 Kansas City - MO (USA) - Kansas City Surrounding Submarket New Supply 9
1.4.3 Kansas City - MO (USA) - Kansas City Surrounding Submarket Hotels ADR & RevPAR 9
2.0 SUBJECT & COMPETITIVE LODGING MARKET ANALYSIS 10
2.1 Lodging Demand 10
2.2 Competitive Set Summary 10
2.3 Analysis of Competitive Set & Market Segmentation 11
2.3.1 Monthly and Daily Performance of Competitive Set 14
3.0 TRADE AREA CHARACTERISTICS 19
4.0 CONCLUSIONS 22

1.0 EXISISTING SUPPLY AND DEMAND ANALYSIS

1.1 Hospitality Market

Hospitality, as compared to retail, office and multifamily has many distinctions, notably by property quality which is measured as its chain scale. Also, a hospitality project relies on a combination of real property rights and personal tangible (FF&E) and intangible contribution. I have developed this study to the extent possible without knowing which hotel brand, chain scale and level of service which are typically identified prior to conducting the study. The chain scales and examples as identified by STR (Smith Travel Research) are; 1) Economy (Red Roof, Microtel, Super 8), 2) Midscale (Baymont, LaQuinta, Wingate by Wyndham), 3) Upper Midscale (Town Place, Drury, Fairfield, Comfort Inn), 4) Upscale (Residence Inn, Cambria, BW Premier, Stoney Creek), 5) Upper upscale and 6) Luxury. The predominant chain scale in east Jackson County along I-70 and in Lee's Summit and also along I-35 in Clay County is Economy and Upper Midscale. It is important to recognize that these descriptive designations do not necessarily limit a hotel property's achieved rates or occupancy. Location, amenities, condition and level of service are also recognized in occupancy and achieved rates.

It is not practical to consider the upper upscale or the luxury chain scales for Independence Square, nor is it desirous to consider midscale or economy chain scales both of which are inconsistent with redevelopment efforts on behalf of Independence Square.

Hospitality operators will not, in the suburban areas under consideration, commit to a single demand generator. Multiple demand generators are necessary for a successful hospitality operation. For instance, the hotel properties in Independence are located along I-70 and generate occupancy from sporting events at Cable Dahmer Arena, the Royals and the Chiefs. They also support travelers to shopping, transient demand and group demand. Most hotel properties in seek to be located such that multiple demand sources will find it convenient. In addition to location, the amenities and services offered must be complimentary to the likely guest. Hotel properties are further grouped based upon those services. Full-Service hotels will focus on offering a wide range of services, scaling the offer based upon the chain scale. These can include lounges and restaurants, meeting and banquet space, business center, workstations, fitness, a sizable pool and spa, and even retail. Limited-service hotels will offer food and beverage by way of free breakfast and guest happy hour. These are designed for guests only in a limited-service operation. The breakfast area and lounge will most often share space with the lobby. If there is a pool it will be small and located inside. There may be a business center and a small meeting room, but no banquet or function facilities. The Limited-Service hotel is designed best to serve the group business (family reunions, off-site conferences) or transient traveler (such as personal or the "road warrior"). Select-service is a hybrid of the two and will typically offer limited food and beverage service and more meeting and function space. The fourth level of service is extended stay. The extended stay offering can have full or limited service insofar as meeting and function space, food and beverage and other amenities. The length of stay is unique and best suited to business travel. Rooms will have a small refrigerator and microwave and possibly a cooktop. Bed and Breakfasts do fill a niche in serving the area and there are a few near Independence Square but given the scale, B&B's are most typically an adaptive reuse of existing properties and do not provide the only source of room nights for an area.

I have considered the opportunities presented by repositioned Independence Square and consider the most probable and best suited chain scale and level of service. I expect that a hospitality property with some street level retail or food and beverage will best compliment Independence Square. Recognizing the likely guest for hotel rooms in Independence Square a full-service offering may exceed a reasonable ADR and a limited-service hotel may not create the desired impact of reinforcing the sense of place as an objective of redevelopment efforts. The analysis in the following pages directs me to the Upscale chain scale and select service level of service for any hospitality endeavor in Independence Square.

Recognized brands within the upscale chain, in addition those noted above are; aloft, Ascend Collection, Cambria, Four Points by Sheraton, Hilton Garden Inn, Hyatt House, Courtyard by Marriott, Tapestry Collection, and Springhill Suites. The level of service can vary within each brand and chain scale and will be driven more specifically by the location than by the scale. The market analysis in the following pages compares the national lodging market to the upscale lodging market and the Kansas City lodging market to the Kansas City upscale market.

1.2 National Hospitality Overview

1.2.1 National Supply & Demand Trends

For the ensuing exhibits the following descriptions are helpful.

Supply (Room Nights) – The total number of hotel rooms multiplied by 365 days per year.

Demand – The number of room nights occupied in a given year.

ADR - The average daily rate for a room.

Occupancy - The room nights occupied divided by the room nights available.

RevPAR- Revenue per available room ADR multiplied by occupancy.

National Hospitality Market Analysis

2023 Occ.	2023 ADR	2023 Occ. Upscale	2023 ADR Upscale
62.85%	$157,385	68.64%	$155,687

	National					National - Upscale Chain Scale				
Quarter	Room Nights (000's)	12 mo. Supply %	Demand (000's)	Occupancy	Δ in Occ.	Room Nights (000's)	12 mo. Supply %	Demand (000's)	Occupancy	Δ in Occ.
2015	1,867,010	0.9%	1,214,604	65.2%	-0.61%	301,987	3.0%	217,685	72.1%	-0.64%
2016	1,891,431	1.3%	1,235,064	65.3%	0.13%	313,728	3.9%	226,175	72.1%	0.01%
2017	1,920,878	1.6%	1,261,850	65.7%	0.40%	326,017	3.9%	235,706	72.3%	0.23%
2018	1,954,764	1.8%	1,290,285	66.0%	0.31%	339,733	4.2%	245,768	72.3%	0.02%
2019	1,989,439	1.8%	1,309,825	65.8%	-0.17%	351,837	3.6%	253,092	71.9%	-0.41%
2020	1,910,008	-4.0%	838,510	43.9%	-21.94%	342,381	-2.7%	147,151	43.0%	-28.96%
2021	2,003,647	4.9%	1,152,352	57.5%	13.61%	363,541	6.2%	217,121	59.7%	16.75%
2022	2,038,792	1.8%	1,275,226	62.5%	5.04%	374,473	3.0%	251,045	67.0%	7.32%
2023	2,044,650	0.3%	1,287,066	62.9%	0.40%	377,682	0.9%	259,456	68.7%	1.66%
LTM Mar 2024	2,048,212	0.4%	1,287,383	62.8%	-0.12%	378,711	0.9%	259,965	68.6%	-0.19%
10 Year Averages	1,980,226	1.2%	1,218,327	61.9%	-0.22%	347,690	2.8%	231,681	66.6%	-0.44%
5 Year Averages	1,991,774	0.1%	1,156,267	57.9%	-0.11%	358,151	2.0%	231,277	64.5%	-0.21%
2025	2,101,384	1.4%	1,343,558	63.9%	0.39%	393,234	2.0%	269,457	68.5%	0.17%
2026	2,107,999	0.3%	1,349,251	64.0%	0.07%	394,910	0.4%	270,706	68.5%	0.03%
2027	2,109,234	0.1%	1,351,134	64.1%	0.05%	395,351	0.1%	270,964	68.5%	-0.01%
2028	2,109,724	0.0%	1,351,326	64.1%	0.00%	395,515	0.0%	271,062	68.5%	0.00%
Reporting Averages	2,107,085	0.5%	1,348,817	63.9%	0.13%	394,752	0.6%	270,547	68.5%	0.05%

Source CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of 03/01/2024.

Nationally, the entire hospitality market occupancy was in the mid 60%s from 2015 through 2019 and fell off dramatically with COVID. Interestingly it took only two short years for demand to regain nearly all of the occupancy lost to COVID. From 2020-2022 occupancy rebounded by 19 percentage points in the entire market and 24 percentage points for the upscale chain scale segment. This was the phenomenon now known as "revenge travel". The national upscale market occupancy exceeds the overall market by approximately 500 basis points and was over 70% for the five years prior to COVID.

1.2.2 National ADR & RevPAR Trends

National Hospitality Market Analysis				
	ADR	RevPAR	ADR	RevPAR
	$156.65	$98.46	$164.18	$112.70

	National				National - Upscale Chain Scale			
Year/ Current Quarter	**ADR**	**Δ in ADR**	**RevPAR**	**Δ in RevPAR**	**ADR**	**Δ in ADR**	**RevPAR**	**Δ in RevPAR**
2015	$120.93	3.7%	$78.80	2.7%	$133.97	3.8%	$96.57	2.9%
2016	$124.57	3.0%	$81.34	3.2%	$137.70	2.8%	$99.27	2.8%
2017	$127.14	2.1%	$83.53	2.7%	$139.83	1.5%	$101.13	1.9%
2018	$130.28	2.5%	$85.99	3.0%	$142.73	2.1%	$103.25	2.1%
2019	$131.58	1.0%	$86.63	0.7%	$143.19	0.3%	$103.00	-0.2%
2020	$103.27	-21.5%	$45.34	-47.7%	$115.64	-19.2%	$49.70	-51.7%
2021	$124.66	20.7%	$71.70	58.1%	$130.54	12.9%	$77.96	56.9%
2022	$149.43	19.9%	$93.47	30.4%	$156.37	19.8%	$104.83	34.5%
2023	$155.80	4.3%	$98.07	4.9%	$163.66	4.7%	$112.43	7.2%
T-12 Mar, 2024	$156.65	2.7%	$98.46	1.9%	$164.18	2.8%	$112.70	3.4%
10 Year Averages	$134.16	3.2%	$83.00	2.9%	$144.93	2.5%	$96.58	1.9%
5 Year Averages	$141.85	4.1%	$82.69	3.3%	$150.39	3.2%	$92.85	2.1%
2025	$164.78	2.7%	$105.36	3.3%	$172.17	2.9%	$117.98	3.1%
2026	$169.94	3.1%	$108.77	3.2%	$177.41	3.0%	$121.61	3.1%
2027	$174.28	2.6%	$111.64	2.6%	$181.96	2.6%	$124.71	2.5%
2028	$178.07	2.2%	$114.06	2.2%	$186.03	2.2%	$127.49	2.2%
Projection Averages	$171.93	2.6%	$109.60	2.8%	$179.44	2.7%	$122.52	2.7%

Source: CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of

National ADR's plummeted in 2020 due to lack of travel demand resulting from the COVID pandemic. As travel fears and restrictions abated in 2021, travel demand rebounded strong and ADR's grew approximately 20% each in 2021 and 2022. ADR and RevPAR for the next four years are projected to increase annually by approximately 2.65% and 2.83% respectively for the next four years. The upscale segment ADR and RevPAR will increase by 2.68% and 2.73% per year through 2029.

Travel and hospitality emerged from COVID with significant gains which I expect to continue as forecast above. Trending from 2025 – 2028 suggest that the upscale chain will generate higher occupancy on top of the higher ADR resulting in a RevPAR in 2028 that is 11% higher than for the entire national market.

1.3 Kansas City - MO MSA Market Hotel Supply & Demand

Key supply and demand metrics for the Kansas City - MO market as a whole as well as the Upscale chain against which is best suited to a repositioned Independence Square.

Kansas City - MO Hospitality Market Analysis				
	Occupancy	Price/Key	Occupancy	Price/Key
	60.60%	$94,171	61.08%	$86,079

	Kansas City - MO Market					Kansas City - MO Market - Upscale Chain Scale				
Year/ Current Quarter	**Room Nights (000's)**	**12 mo. Supply %**	**Demand (000's)**	**Occupancy**	**Δ in Occ.**	**Room Nights (000's)**	**12 mo. Supply %**	**Demand (000's)**	**Occupancy**	**Δ in Occ.**
2015	11,826	0.6%	7,554	63.9%	-1.10%	1,885	3.7%	1,319	70.0%	-1.97%
2016	11,914	0.7%	7,585	63.7%	-0.20%	2,016	7.0%	1,375	68.2%	-1.78%
2017	11,708	-1.7%	7,649	65.3%	1.66%	2,102	4.3%	1,460	69.4%	1.25%
2018	12,029	2.7%	7,454	62.0%	-3.36%	2,159	2.7%	1,414	65.5%	-3.95%
2019	12,454	3.5%	7,693	61.8%	-0.20%	2,244	3.9%	1,450	64.6%	-0.89%
2020	12,409	-0.4%	4,738	38.2%	-23.59%	2,370	5.6%	800	33.8%	-30.83%
2021	12,897	3.9%	6,666	51.7%	13.51%	2,584	9.1%	1,306	50.6%	16.78%
2022	13,021	1.0%	7,637	58.7%	6.96%	2,636	2.0%	1,584	60.1%	9.54%
2023	12,942	-0.6%	7,917	61.2%	2.52%	2,680	1.7%	1,661	62.0%	1.91%
T-12 Mar, 2024	12,970	-0.2%	7,859	60.6%	0.58%	2,686	1.5%	1,641	61.1%	-0.29%
10 Year Averages	12,438	1.2%	7,283	58.6%	-0.48%	2,345	4.4%	1,407	60.0%	-1.08%
5 Year Averages	12,890	1.1%	6,978	54.1%	-0.31%	2,609	4.4%	1,410	54.0%	-0.70%
2025	13,363	1.4%	8,014	60.0%	-0.24%	2,815	1.3%	1,714	60.9%	-0.23%
2026	13,397	0.3%	7,915	59.1%	-0.89%	2,815	0.0%	1,672	59.4%	-1.48%
2027	13,397	0.0%	7,875	58.8%	-0.31%	2,815	0.0%	1,660	59.0%	-0.43%
2028	13,397	0.0%	7,880	58.8%	0.04%	2,815	0.0%	1,661	59.0%	0.03%
Projection Averages	13,388	0.4%	7,921	59.2%	-0.3%	2,815	0.3%	1,677	59.6%	-0.5%

Source: CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of 03/01/2024.

Similar to the national market, occupancy rates in the Kansas City - MO market plummeted in 2020 as a result of the COVID pandemic but have recovered strongly. Occupancy fell of by 23 percentage points in 2020 and rebounded by 20 percentage points in the following two years. The Upscale Chain Scale has experienced more severe occupancy dynamics in the Kansas City - MO market as compared to the overall hospitality market. Occupancy fell by 31 percentage points in 2021 and recovered by 26 percentage points in the following two years. Occupancy rates in the Upscale chain scale have not yet recovered to full pre-pandemic levels and are not projected by Smith Travel Research to regain pre-COVID levels over the 4-year projection period.

1.3.1 Kansas City - MO MSA Hotels ADR & RevPAR

Key average daily rate (ADR) and RevPAR for the Kansas City - MO market as a whole as well as the Upscale chain are presented and analyzed as follows.

Kansas City - MO Hospitality Market Analysis				
	ADR	RevPAR	ADR	RevPAR
	$124.43	$75.40	$133.66	$81.64

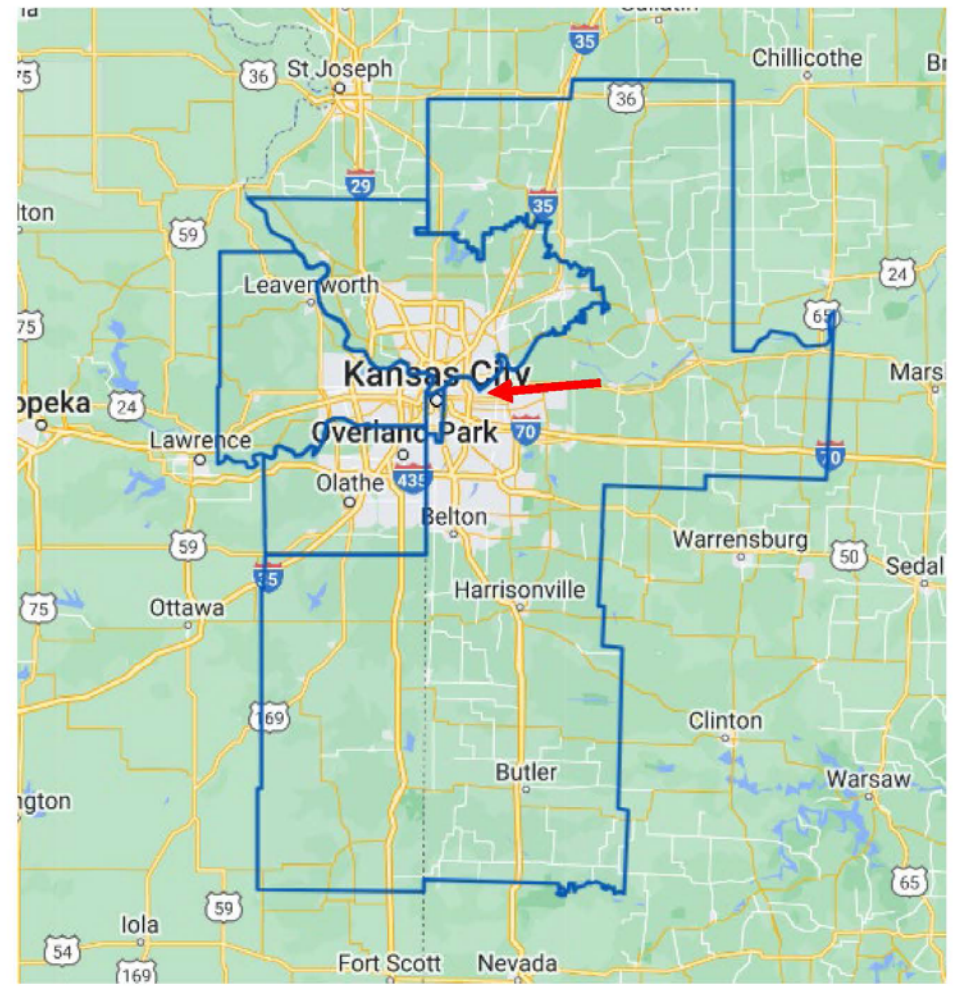
	Kansas City - MO Market				Kansas City - MO Market - Upscale Chain Scale			
Year/ Current Quarter	**ADR**	**Δ in ADR**	**RevPAR**	**Δ in RevPAR**	**ADR**	**Δ in ADR**	**RevPAR**	**Δ in RevPAR**
2015	$96.12	4.0%	$61.40	2.2%	$109.78	4.4%	$76.81	1.6%
2016	$100.07	4.1%	$63.71	3.8%	$114.99	4.8%	$78.41	2.1%
2017	$104.11	4.0%	$68.01	6.8%	$118.69	3.2%	$82.41	5.1%
2018	$104.48	0.4%	$64.75	-4.8%	$117.94	-0.6%	$77.24	-6.3%
2019	$104.53	0.0%	$64.56	-0.3%	$117.35	-0.5%	$75.81	-1.8%
2020	$84.42	-19.2%	$32.23	-50.1%	$100.30	-14.5%	$33.87	-55.3%
2021	$99.26	17.6%	$51.31	59.2%	$110.92	10.6%	$56.08	65.6%
2022	$114.41	15.3%	$67.10	30.8%	$124.15	11.9%	$74.60	33.0%
2023	$124.15	8.5%	$75.94	13.2%	$133.76	7.7%	$82.93	11.2%
T-12 Mar, 2024	$124.43	6.5%	$75.40	7.5%	$133.66	5.9%	$81.64	5.4%
10 Year Averages	$106.98	3.2%	$62.64	2.5%	$119.84	2.3%	$71.87	0.8%
5 Year Averages	$112.55	4.0%	$60.93	3.5%	$123.79	2.8%	$66.89	1.7%
2025	$131.01	3.1%	$78.57	2.6%	$141.05	4.7%	$85.87	4.3%
2026	$134.85	2.9%	$79.67	1.4%	$144.36	2.3%	$85.74	-0.1%
2027	$137.97	2.3%	$81.09	1.8%	$147.60	2.2%	$87.04	1.5%
2028	$140.75	2.0%	$82.78	2.1%	$150.54	2.0%	$88.81	2.0%
Projection Averages	$136.14	2.6%	$80.53	2.0%	$145.89	2.8%	$86.86	1.9%

Source: CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of

The negative impacts of the COVID pandemic on local ADR's in the Kansas City - MO market were slightly less impactful than the overall national hotels market, as ADR's fell 19.2% in the Kansas City - MO market relative to 21.5% nationally in 2020. Overall, the Upscale Chain Scale experienced similar ADR and RevPAR market dynamics through the pandemic and recovery period. ADR and RevPAR figures are projected to grow at more stabilized rates over the 4-year projection period. At the onset of COVID the national upscale market fell 19.2% whereas the Kansas City upscale market fell 14.5%. The compounded impact of ADR and occupancy is recognized by the RevPAR which fell by 50.1% for all of Kanas City and 55.3% for the Upscale Chain Scale. Kansas City and specifically the Upscale market saw dramatic improvement coming out of COVID and are considered to be stabilized as of 2024.

1.4 Kansas City - MO (USA) - Kansas City Surrounding Submarket

Independence Square is located within the Kansas City Surrounding submarket as depicted in the map below.



This largest geographic submarket includes all of Jackson County except the CBD, Crown Center, and Plaza,. Also excluded are Clay County, Cass County, and outlying Kansas south of Johnson County Airport and Casinos. As with the national comparison, I identify metrics of the entire submarket as well as the upscale chain scale.

The entire Kansas City hospitality market is comprised of 35,968 hotel rooms (keys) of which 7,166 (+-20%) are upscale chain scale rooms. The submarket contains 335 hotel properties with approximately 6,500 hotel rooms (keys). The average size in the submarket is 71 rooms as compared to 107 rooms per property over all of Kansas City. The upscale scale within the submarket is comprised of 959 rooms (+-15%).

1.4.1 Kansas City - MO (USA) - Kansas City Surrounding Submarket Hotels Key Metrics

Kansas City - MO (USA) - Kansas City Surrounding Hospitality Submarket Analysis			
Occupancy	Avg Rate	Occupancy	RevPAR
53.89%	$55,225	55.61%	$91,017

	Kansas City Surrounding Submarket					Kansas City Surrounding Submarket - Upscale Chain Scale				
Year/ Current Quarter	Room Nights (000's)	12 mo. Supply %	Demand (000's)	Occupancy	Δ in Occ.	Room Nights (000's)	12 mo. Supply %	Demand (000's)	Occupancy	Δ in Occ.
2015	2,626	2.5%	1,434	54.6%	-0.81%	373	15.8%	237	63.6%	-5.47%
2016	2,495	-5.0%	1,409	56.5%	1.85%	383	2.6%	246	64.2%	0.59%
2017	2,389	-4.3%	1,447	60.6%	4.08%	383	0.0%	245	64.0%	-0.17%
2018	2,403	0.6%	1,354	56.3%	-4.21%	383	0.1%	233	60.9%	-3.14%
2019	2,393	-0.4%	1,362	56.9%	0.58%	383	0.0%	239	62.5%	1.65%
2020	2,345	-2.0%	1,057	43.4%	-13.56%	376	-1.9%	144	38.5%	-24.08%
2021	2,423	3.3%	1,357	56.0%	12.63%	383	2.0%	195	51.0%	12.49%
2022	2,453	1.2%	1,378	56.2%	0.18%	383	0.0%	218	57.0%	6.05%
2023	2,370	-3.4%	1,297	54.7%	-1.47%	383	0.0%	216	56.5%	-0.48%
1-12 Mar, 2024	2,370	-2.4%	1,277	53.9%	-2.47%	350	0.0%	195	55.6%	-1.35%
10 Year Averages	2,427	-1.1%	1,333	54.9%	-0.17%	349	-18.1%	200	57.3%	-2.84%
5 Year Averages	2,392	-1.7%	1,363	57.1%	0.74%	373	2.5%	206	58.8%	4.72%
2025	2,372	0.1%	1,263	53.2%	-1.46%	350	0.0%	200	57.0%	0.48%
2026	2,372	0.0%	1,222	51.5%	-1.73%	350	0.0%	200	57.0%	0.00%
2027	2,372	0.0%	1,217	51.3%	-0.22%	350	0.0%	200	57.0%	0.00%
2028	2,372	0.0%	1,219	51.4%	0.08%	350	0.0%	200	57.0%	0.00%
Projection Averages	2,372	0.0%	1,230	51.9%	-0.42%	350	0.0%	200	57.0%	0.00%

Source: CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of 03/01/2024.

Occupancy rates for the Kansas City - MO (USA) - Kansas City Surrounding submarket are similar to the overall occupancy rates for the Kansas City - MO market. In 2020, occupancy fell by 13.6 percentage points in the submarket and 24 percentage points for the Upscale segment. The submarket and Upscale segment has recovered in the ensuing two years and are now stabilized yet still below pre-COVID levels.

1.4.2 Kansas City - MO (USA) - Kansas City Surrounding Submarket New Supply

There is modest new supply occurring within the Kansas City market comprising 3.3% of the total supply. New supply is not expected to exceed readily absorbable levels for the near future.

	Inventory Rooms	Room Nights Supply (000's)	# of Rooms Under Construction	% of Inventory
Submarket	7,342	2,680	0	**0.0%**
Kansas City - MO Market	35,533	12,970	1,170	3.3%

Source: CoStar ©2023, reprinted with permission. All rights reserved.

1.4.3 Kansas City - MO (USA) - Kansas City Surrounding Submarket Hotels ADR & RevPAR

There is no meaningful new construction forecast submarket according to Smith Travel metrics.

Kansas City - MO (USA) - Kansas City Surrounding Hospitality Submarket Analysis				
ADR	RevPAR	ADR	RevPAR	
$93.79	$50.54	$126.86	$70.55	

	Kansas City Surrounding Submarket				Kansas City Surrounding Submarket - Upscale Chain Scale			
Year/ Current Quarter	ADR	Δ in ADR	RevPAR	Δ in RevPAR	ADR	Δ in ADR	RevPAR	Δ in RevPAR
2015	$70.89	1.5%	$38.72	0.0%	$100.57	3.7%	$63.98	-4.5%
2016	$74.86	5.6%	$42.28	9.2%	$105.02	4.4%	$67.43	5.4%
2017	$78.54	4.9%	$47.56	12.5%	$107.09	2.0%	$68.57	1.7%
2018	$78.23	-0.4%	$44.09	-7.3%	$105.48	-1.5%	$64.23	-6.3%
2019	$78.89	0.8%	$44.91	1.9%	$105.73	0.2%	$66.13	3.0%
2020	$68.86	-12.7%	$29.86	-33.5%	$100.11	-5.3%	$38.51	-41.8%
2021	$80.12	16.4%	$44.86	50.2%	$110.24	10.1%	$56.17	45.9%
2022	$88.10	10.0%	$49.49	10.3%	$118.47	7.5%	$67.53	20.2%
2023	$93.60	6.2%	$51.21	3.5%	$126.18	6.5%	$71.32	5.6%
1-12 Mar, 2024	$93.79	5.3%	$50.54	0.7%	$126.86	5.6%	$70.55	3.1%
10 Year Averages	$80.79	3.3%	$44.38	3.1%	$108.94	1.7%	$62.43	-3.2%
5 Year Averages	$85.83	3.8%	$45.37	2.6%	$115.18	2.0%	$58.05	-6.4%
2025	$98.71	5.5%	$52.56	2.6%	$131.00	3.8%	$74.67	4.7%
2026	$101.53	2.8%	$52.30	-0.5%	$134.67	2.8%	$76.76	2.8%
2027	$104.33	2.8%	$53.52	2.3%	$138.44	2.8%	$78.91	2.8%
2028	$106.49	2.1%	$54.71	2.2%	$141.35	2.1%	$80.57	2.1%
Projection Averages	$102.52	3.3%	$53.27	1.8%	$136.37	2.9%	$77.73	-3.5%

Source: CoStar ©2023, compiled & reprinted with permission by Partner Valuation Advisors. All rights reserved. Historical data as of

The ADR experienced by the submarket and the Upscale segment show significant and meaningful improvement. After falling by 12.7% in 2020, the submarket surpassed pre-COVID levels in 2021 by 2% and reported increases in 2022 and 2023 as well. ADR is projected to increase by an average of 3.29% over the next four years For the Upscale segment ADR fell by only 5.3% in 2020 and surpassed pre-COVID levels plus an additional 4% in 2021. Occupancy is effectively flat for the submarket and Upscale Chain Scale submarket over the next four years leading to trended RevPAR growth similar to that of ADR.

2.0 SUBJECT & COMPETITIVE LODGING MARKET ANALYSIS

2.1 Lodging Demand

Market demand for lodging is primarily driven across three segments:

1. Individual business travel;
2. Group & meetings travel;
3. Leisure travel;

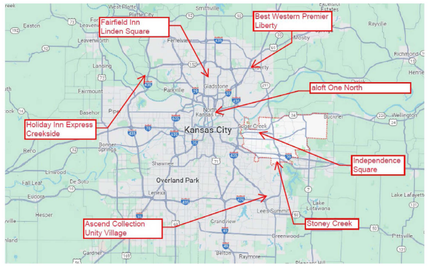
Potential lodging consumers in each market segment compare alternative hospitality options according to a multitude of factors, with the primary points of comparison along one or more of the following:

- Hotel branding & loyalty programs;
- Location;
- Property amenities;
- Meeting and food & beverage options;
- Property condition;
- Average daily rate (ADR) positioning;

2.2 Competitive Set Summary

Based on discussions with hospitality professionals and a review of the Smith Travel market and submarket metrics, the prospects of a repositioning of Independence Square, as well as the demand driving factors above, I have concluded that the most competitive properties to the subject property are as follows:

STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	Chg in Rms 1
60701	Stoney Creek Independence	Independence, MO	64055	Upscale Class	Mar 2015	Mar 2015	167		
60709	Ascend Collection Unity Hotel & Conference Center	Lees Summit, MO	64085	Upscale Class	Sep 2017	Jun 1995	90		
75216	Best Western Premier Liberty Inn & Suites	Liberty, MO	64068	Upscale Class	Jul 2021	Jul 2021	72	Y	+72 (Jul'21)
75217	aloft Hotel North Kansas City	North Kansas City, MO	64116	Upscale Class	Dec 2021	Dec 2021	120		
76427	Holiday Inn Express & Suites Clarkdale	Clarkdale, MO	64116	Upper Midscale Class	Dec 2021	Dec 2021	111	Y	+111 (Dec'21)
77133	Holiday Inn Express Kansas City North – Parkville	Parkville, MO	64152	Upper Midscale Class	May 2003	Apr 2022	82	Y	+82 (Apr'22)
					Total Properties		6	592	



2.3 Analysis of Competitive Set & Market Segmentation

The properties described on the following page are selected based upon similar demand generators and or location, chain scale and service.

Stoney Creek, Independence

The Stoney Creek Hotel in Independence and most similar to potential offerings in Independence Square of any Independence property. It is located adjacent to the Bass Pro Shops and Duluth Trading and near Costco. This lodging property is located with convenient access to I-70 and I-470. It is an upscale select-service property with 167 keys built in 2015. It has a fitness center, heated indoor/outdoor pool, patio, whiskey and wine bar and meeting and event space. It caters to shoppers, groups (weddings and meetings) and to a lesser degree the Main Event, sporting events at Cable Dahmer, Royals and Chiefs. There is also a fishing pond behind the hotel. For a two-night stay June 14 and 15, the smallest room, a deluxe king, is available for $269 per night, $129 per night mid-week in November.

Ascend Collection Unity Hotel, Lee's Summit

This is an upscale limited-service hotel property with 50 rooms renovated and re-branded in 2017. This property is operated in support of a major religious facility and similar to Independence Square by way of the proximity of the Mormon Visitors Center and Community of Christ Church. It has been part of the Choice Hotel family for a number of years but upgraded to the Ascend brand in 2017. It has good access to MO Highway 350/US 50. It is three-miles to I-470. Unity Village is an incorporated community. This hotel is located near Summit Fair and Summit Woods shopping centers, St. Lukes Lee's Summit campus, Truman Medical Lee's Summit Campus. Hotel amenities include the Unity nine-hole golf course, hiking and

nature trails, fitness center, banquet and meeting rooms and a business center. The primary driver of this hotel is the wedding and group activity at the adjacent Unity Village wedding venue with landscaped courtyards and gardens, fountains and arches. The room rate for a standard room June 14 and 15 is $185 per night. A mid-week November rate is $135 per night.

Best Western Premier, Liberty

The Best Western Premier is a 72-room upscale limited-service facility built in 2021. This was selected as the newest Upscale property in Kansas City's eastern suburbs. It has a bar/lounge, indoor pool with a waterslide and waterfall, fitness center and a spa room. It is near Worlds of Fun/Oceans of fund, Liberty Hospital and William Jewell College. This property is located with good access to and from I-35 and caters to business and leisure travelers and shoppers for the nearby Liberty Triangle and Shoal Creek shopping centers. The June 7 and 8 refundable rate is $200 per night and the mid-November rate is $129 per night.

Aloft Hotel, North Kansas City

This Marriott brand is an upscale select-service property built in 2020. This is a suburban property within a mixed-use development and nearby major attractions like the Harrah's' Casino, Rabbit Hole museum, and it's part of a mixed-use development. It has 100 rooms located within the One North redevelopment in North Kansas City. Aloft North Kansas City has good access to I-35. It offers a limited restaurant and bar area, fitness center, meeting space, and an indoor pool. One North includes the corporate headquarters and flagship store of Meierotto Jewelers. Construction on this project began approximately eight years ago and in addition to Meierotto and the aloft, there is an Element hotel, two new apartment projects totaling 515 units, Genesis Health Club and soon a grocery store and additional pad sites and restaurant options. Lodging at this location will also serve North Kansas City Hospital, the nearby casinos, and a new museum offering, the Rabbit Hole. The room rate for a double room on June 7 and June 8 is $216 per night, non-refundable prepaid. The mid-week prepaid and non-refundable rate for November is $144 per night.

Fairfield Inn Linden Square, Gladstone

The Fairfield Inn at Linden Square is an upper midscale limited-service hotel constructed in 2021. It is located within a gentrifying area of Gladstone that now has multifamily, office and retail mixed use. It has 111 rooms. This property is not located near any interstate thus less likely to attract transient travelers. It does offer a bar for guests, a fitness center, indoor pool and some meeting space. The room rate for a standard room on June 7 and 8, prepaid and non-refundable is $202. The midweek November rate is $116 per night.

Holiday Inn Express Creekside, Parkville

This is an upper midscale limited-service hotel with 92 rooms completed in 2022. Creekside is a new green-field mixed use development. Group travel is the primary driver for this property as it would be for Independence Square. This property has a pet walking area on site, an outdoor pool, 24-hour fitness area, and one meeting room. This property is located with easy access to and from I-435. Creekside offers three rental property options, traditional garden apartments, flats, and townhomes. There are also three separate for sale developments. Creekside has six state of the art competitive baseball fields which host numerous tournaments for baseball and softball. It is also near Downtown Parkville and Park University. There are no rooms available during the weekend during May, June, or July. Mid-week rates in June are $212 per night. Mid-week rates in November are $113 per night.

These properties include limited and select service and upper midscale and upper scale segments. In reviewing these hotel properties and their offerings I envision a hotel in Independence Square that caters to the Santacaligon days celebration, visitors to the nearby museums and cultural attractions, group demand from fraternal and religious organizations as well as family reunions and weddings.

The operational information of each of these comparables is aggregated in the Smith Travel Research exhibits in the following pages. Smith Travel limits the information available based upon the brand and the number of rooms so that it does not disclose anything that could specifically be attributed to on property or one brand. Thus, I have occupancy, ADR and RevPAR information for 2022 and 2023, trailing 12 months through January 2024.

2.3.1 Monthly and Daily Performance of Competitive Set

A review of the aggregate and average statistics of the competitive set indicates daily occupancy metrics which indicate June and July as the highest occupancy month and Friday and Saturday as the highest occupancy days. Occupancy ranges for the set are from 38.6% in December 2023 to 72.5% in June 2023. The average for 2023 was 56.4%. The occupancy of the competitive set is relatively consistent with that of the Kansas City Surrounding Market entire submarket and the Upscale segment which were 54.7% and 56.5% respectively. As hotel operators and developers know, there are far more slow days in slow months than there are high occupancy days in June and July. Thus, the average occupancy trends closer to the Wednesday and Thursday average and the March and April average.

Three Year Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 21 - Dec 21						60.0		
Jan 22 - Dec 22	38.9	42.5	48.1	51.6	52.8	67.0	73.3	53.5
Jan 23 - Dec 23	42.5	45.8	51.7	54.6	55.0	69.8	75.5	56.4
Total 3 Yr	**40.0**	**42.2**	**46.9**	**49.6**	**51.5**	**66.4**	**73.4**	**52.9**

Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 23	37.3	31.5	35.7	36.2	32.0	45.0	55.1	38.6
Feb - 23	36.6	38.3	46.4	46.9	39.8	60.4	64.0	47.5
Mar - 23	38.4	46.5	53.5	57.9	54.0	71.5	73.4	56.9
Apr - 23	32.7	46.2	54.9	55.9	60.4	78.4	80.4	58.3
May - 23	48.1	38.7	47.6	47.9	46.9	77.0	83.9	54.7
Jun - 23	43.2	61.0	71.5	74.6	77.2	85.5	90.1	72.5
Jul - 23	53.1	57.8	58.4	65.6	77.8	89.4	89.4	69.9
Aug - 23	37.3	52.8	60.9	60.2	58.9	74.0	83.2	60.9
Sep - 23	54.2	51.3	59.7	66.6	67.8	75.1	85.0	66.6
Oct - 23	48.5	50.2	54.4	65.7	60.3	77.1	85.1	61.9
Nov - 23	35.0	42.2	42.8	42.9	44.3	56.3	59.3	45.9
Dec - 23	44.9	34.8	36.1	37.0	36.9	47.7	55.3	42.5
Total Year	**42.5**	**45.8**	**51.7**	**54.6**	**55.0**	**69.8**	**75.5**	**56.4**

A review of these metrics indicates that the competitive set demand is driven by both leisure and group travel. Hotel properties that rely on business travel and conventions will see higher rates and occupancy on Tuesday, Wednesday and even Thursday. The competitive set is not driven by business or convention demand. Occupancy and ADR metrics remain highest on Friday and Saturday nights, there is still moderate demand on Tuesday through Thursday nights. Demand for the competitive property set appears weakest on Sunday and Monday nights. ADRs follow the same pattern.

The exhibit on the following page tracts the occupancy, ADR, RevPAR, supply and demand for the competitive set. Since some of the properties were not yet reporting at the start of the analysis STR does not provide information on the entire set until June 2022.

Date	Occupancy		ADR		RevPar		Supply		Demand		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 21											3	317	100.0
Feb 21											3	317	100.0
Mar 21											3	317	100.0
Apr 21											3	317	100.0
May 21											3	317	100.0
Jun 21											3	317	100.0
Jul 21	54.9		127.47		70.03		12,059		6,625		4	389	100.0
Aug 21	49.1		128.63		63.21		12,059		5,926		4	389	100.0
Sep 21	56.8		122.46		69.55		11,670		6,627		4	389	100.0
Oct 21	61.6		131.60		81.08		12,059		7,430		4	389	100.0
Nov 21	47.2		125.47		59.19		11,670		5,505		4	389	100.0
Dec 21	42.6		124.28		52.95		15,500		6,604		5	500	100.0
Dec YTD 2021													
Total 2021													
Jan 22	37.6		123.21		46.30		15,500		5,824		5	500	100.0
Feb 22	44.7		124.29		55.53		14,000		6,255		5	500	100.0
Mar 22	51.5		116.84		60.12		15,500		7,976		5	500	100.0
Apr 22	51.2		125.69		64.30		17,760		9,086		6	592	100.0
May 22	54.3		127.52		69.27		18,352		9,969		6	592	100.0
Jun 22	63.9		129.08		82.50		17,760		11,351		6	592	100.0
Jul 22	66.7	21.3	134.45	5.5	89.63	28.0	18,352	52.2	12,234	84.7	6	592	100.0
Aug 22	55.6	13.1	123.24	-4.2	68.51	8.4	18,352	52.2	10,202	72.2	6	592	100.0
Sep 22	58.7	3.4	127.61	4.2	74.90	7.7	17,760	52.2	10,425	57.3	6	592	100.0
Oct 22	59.5	-3.4	129.51	-1.6	77.11	-4.9	18,352	52.2	10,926	47.1	6	592	100.0
Nov 22	48.5	2.7	119.99	-4.4	58.15	-1.8	17,760	52.2	8,606	56.3	6	592	100.0
Dec 22	45.6	7.5	118.25	-4.9	54.14	2.2	18,352	18.4	8,402	27.2	6	592	100.0
Dec YTD 2022	53.5		125.65		67.27		207,600		111,256				
Total 2022	51.5		125.65		64.77		207,600		111,256				
Jan 23	38.6	2.6	111.91	-9.2	43.15	-6.8	18,352	18.4	7,077	21.5	6	592	100.0
Feb 23	47.5	6.3	118.35	-4.8	56.20	1.2	16,576	18.4	7,871	25.8	6	592	100.0
Mar 23	56.9	10.6	128.82	10.3	73.31	21.9	18,352	18.4	10,444	30.9	6	592	100.0
Apr 23	58.3	14.0	136.89	8.8	79.89	23.9	17,760	0.0	10,354	14.0	6	592	100.0
May 23	54.7	0.6	130.01	2.0	71.07	2.6	18,352	0.0	10,032	0.6	6	592	100.0
Jun 23	72.5	13.4	136.94	6.1	99.28	20.3	17,760	0.0	12,878	13.4	6	592	100.0
Jul 23	69.9	4.8	144.50	7.5	100.97	12.7	18,352	0.0	12,824	4.8	6	592	100.0
Aug 23	60.9	9.6	126.64	2.8	77.18	12.7	18,352	0.0	11,185	9.6	6	592	100.0
Sep 23	66.6	13.5	134.96	5.8	89.92	20.0	17,760	0.0	11,833	13.5	6	592	100.0
Oct 23	61.9	4.0	133.00	2.7	82.31	6.8	18,352	0.0	11,358	4.0	6	592	100.0
Nov 23	45.9	-5.2	118.70	-1.1	54.51	-6.3	17,760	0.0	8,156	-5.2	6	592	100.0
Dec 23	42.5	-7.1	119.92	1.4	51.02	-5.8	18,352	0.0	7,808	-7.1	6	592	100.0
Dec YTD 2023	54.4	5.3	129.97	3.4	70.67	8.9	216,080	4.0	121,810	9.5			
Total 2023	56.4	5.3	129.97	3.4	73.27	8.9	216,080	4.0	121,818	9.5			

Shown below, ADR is tracked by month and day of the week. As expected, Friday and Saturday nights and June and July report the highest ADR. The competitive set indicates the highest ADR to fall on a Saturday night in June. The current quoted rates for the competitive set are from $202 to $269 per night for a June weekend and from $113 to $144 per night for a November mid-week. The daily and monthly information provided below supports the current rates. Thus, the annualized average daily rate trends much closer to the mid-November mid-week rates.

Three Year ADR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 21 - Dec 21						130.86		
Jan 22 - Dec 22	117.01	113.46	115.96	118.11	118.93	137.53	142.56	125.65
Jan 23 - Dec 23	122.89	113.73	115.71	119.33	125.16	144.50	151.43	129.97
Total 3 Yr	**119.69**	**113.96**	**115.74**	**118.10**	**121.16**	**138.90**	**144.44**	**126.92**

ADR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 23	113.65	102.81	102.02	104.89	103.22	120.16	127.86	111.91
Feb - 23	116.38	108.94	111.84	110.32	108.79	128.11	132.43	118.35
Mar - 23	109.39	114.28	115.20	122.28	130.43	143.84	144.83	128.82
Apr - 23	121.88	114.60	120.52	129.93	138.15	153.45	151.48	136.69
May - 23	124.03	116.00	117.61	113.22	116.99	147.24	153.72	130.01
Jun - 23	122.77	120.12	125.72	127.68	132.43	150.45	160.49	136.94
Jul - 23	130.68	116.02	117.70	130.94	141.34	168.96	175.70	144.50
Aug - 23	114.27	111.60	117.22	117.55	116.17	141.42	154.68	126.64
Sep - 23	123.16	116.71	117.68	119.13	128.87	149.66	160.34	134.96
Oct - 23	130.15	111.29	115.09	124.18	131.64	149.23	158.41	133.00
Nov - 23	114.67	117.40	110.66	111.16	113.88	128.63	129.67	118.70
Dec - 23	137.42	109.11	105.57	102.85	105.67	122.27	133.35	119.92
Total Year	**122.89**	**113.73**	**115.71**	**119.33**	**125.16**	**144.50**	**151.43**	**129.97**

RevPAR follows the same trends as occupancy and ADR. To be clear, I am not suggesting that RevPAR is the sum total of all of the revenue a property will generate. There are several other categories that are included in a hospitality property profit and loss in addition to room revenue. This includes meetings, banquet revenue, food and beverage, and other incidentals. These line items are significantly greater in a full-service property and can be significant for select service properties. Limited-service hotels will have modest income from other sources.

RevPAR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 23	42.34	32.37	36.42	38.01	33.04	54.03	70.47	43.15
Feb - 23	42.65	41.70	51.86	51.77	43.28	77.36	84.75	56.20
Mar - 23	42.03	53.13	61.65	70.85	70.40	102.79	106.30	73.31
Apr - 23	39.89	52.93	66.15	72.62	83.46	120.37	121.81	79.69
May - 23	59.66	44.89	55.99	54.19	54.86	113.39	129.03	71.07
Jun - 23	53.09	73.24	89.91	95.22	102.25	128.65	144.53	99.28
Jul - 23	69.38	67.05	68.70	85.96	110.00	151.07	157.01	100.97
Aug - 23	42.61	58.88	71.36	70.80	68.48	104.63	128.75	77.18
Sep - 23	66.79	59.87	70.30	79.31	87.33	112.32	136.34	89.92
Oct - 23	63.14	55.89	62.62	81.60	79.38	115.11	134.75	82.31
Nov - 23	40.14	49.51	47.33	47.65	50.40	72.36	76.91	54.51
Dec - 23	61.74	38.02	38.16	38.05	38.95	58.27	73.76	51.02
Total Year	**52.27**	**52.12**	**59.77**	**65.15**	**68.83**	**100.84**	**114.36**	**73.27**

Three Year RevPAR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 21 - Dec 21						78.55		
Jan 22 - Dec 22	45.56	48.18	55.79	61.00	62.83	92.18	104.53	67.27
Jan 23 - Dec 23	52.27	52.12	59.77	65.15	68.83	100.84	114.36	73.27
Total 3 Yr	**47.88**	**48.04**	**54.28**	**58.62**	**62.37**	**92.22**	**105.95**	**67.10**

3.0 TRADE AREA CHARACTERISTICS

The following exhibits provide relevant demographic and spending metrics. These metrics offer additional color to the information for the Kansas City area hospitality market as well as the Kansas City Surrounding Hospitality submarket and the upscale chain scale sector. ESRI provides figures based upon the number of businesses and employees in a business sector, projected travel and entertainment spending total and by household, the percent change in related spending, and ranking of the Geos I have described and studied for each of the land uses considered in the Independence Square market study.

Projected Travel and Entertainment Spending by Household	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028
Entertainment/Recreation/Pets	$2,025.00	$2,379.54	$2,506.70	$2,949.31	$2,723.47	$3,180.31	$3,268.99	$3,750.49	$3,774.35	$4,260.32	$3,398.00	$3,881.83	$3,781.98	$4,313.54
Fees and Admissions	$346.45	$407.26	$434.64	$511.53	$483.98	$565.30	$606.47	$695.93	$712.41	$804.75	$591.08	$676.21	$712.03	$812.11
Membership Fees for Clubs (2)	$140.40	$165.05	$175.40	$206.43	$193.64	$226.18	$240.11	$275.54	$280.31	$316.57	$235.30	$269.14	$277.90	$316.96
Fees for Participant Sports, excl. Trips	$56.10	$65.97	$71.68	$84.36	$80.87	$94.46	$101.38	$116.27	$119.84	$135.37	$99.63	$113.98	$119.63	$136.45
Tickets to Theatre/Operas/Concerts	$28.47	$33.47	$35.17	$41.40	$38.58	$45.06	$47.04	$53.98	$54.26	$61.26	$45.79	$52.37	$54.57	$62.24
Tickets to Movies	$13.76	$16.17	$16.82	$19.79	$18.97	$22.15	$24.53	$28.21	$28.10	$31.79	$22.68	$25.96	$27.61	$31.49
Tickets to Parks or Museums	$14.32	$16.82	$18.07	$21.26	$20.10	$23.47	$24.97	$28.67	$29.10	$32.88	$24.40	$27.91	$27.82	$31.73
Admission to Sporting Events, excl. Trips	$33.60	$39.49	$41.20	$48.49	$43.96	$51.34	$52.58	$60.29	$60.77	$68.56	$51.69	$59.10	$58.43	$66.64
Live Entertainment for Catered Affairs (9)	$6.95	$8.17	$8.29	$9.75	$9.45	$11.03	$12.62	$14.53	$14.35	$16.23	$11.72	$13.42	$14.98	$17.09
Food Away from Home	$1,997.08	$2,346.25	$2,416.69	$2,843.25	$2,650.48	$3,095.05	$3,292.65	$3,783.08	$3,732.77	$4,217.21	$3,222.14	$3,683.74	$3,723.13	$4,246.42
Alcoholic Beverages	$352.76	$414.60	$431.43	$507.69	$472.14	$551.40	$582.45	$669.12	$664.83	$750.95	$572.41	$654.46	$674.58	$769.39
Travel	$1,136.14	$1,335.20	$1,419.36	$1,670.13	$1,566.20	$1,829.15	$1,933.31	$2,219.18	$2,245.08	$2,535.63	$1,945.23	$2,223.87	$2,249.84	$2,566.06
Airline Fares	$224.91	$264.34	$279.03	$328.33	$311.69	$364.02	$395.19	$454.01	$459.06	$518.81	$385.40	$440.88	$466.34	$531.89
Lodging on Trips	$362.64	$426.20	$456.92	$537.67	$503.31	$587.84	$616.76	$707.59	$720.06	$813.01	$630.02	$720.13	$720.81	$822.12
Auto/Truck Rental on Trips	$42.54	$49.99	$51.81	$60.96	$56.76	$66.30	$70.52	$80.99	$80.68	$91.15	$67.74	$77.48	$79.29	$90.44
Food and Drinks on Trips	$286.54	$336.72	$356.30	$419.23	$392.16	$457.99	$483.47	$555.06	$558.88	$631.21	$486.75	$556.43	$559.33	$637.94

Projected Travel and Entertainment Spending By Category	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028
Entertainment/Recreation/Pets	$10,050,092	$11,752,561	$77,532,321	$90,293,038	$160,908,014	$186,712,648	$992,522,782	$1,155,699,195	$3,367,276,332	$3,894,252,627	$8,545,744,760	$9,901,603,275	$491,345,193,769	$574,127,886,341
Fees and Admissions	$1,719,442	$2,011,440	$13,443,497	$15,660,517	$28,594,674	$33,188,109	$184,134,318	$214,447,787	$635,577,730	$735,599,048	$1,486,516,820	$1,724,844,280	$92,505,121,211	$108,091,033,763
Membership Fees for Clubs (2)	$696,818	$815,190	$5,425,027	$6,319,942	$11,440,754	$13,278,651	$72,901,626	$84,905,882	$250,078,817	$289,369,040	$591,768,667	$686,500,034	$36,104,059,077	$42,187,060,942
Fees for Participant Sports, excl. Trips	$278,443	$325,811	$2,217,124	$2,582,797	$4,777,935	$5,545,683	$30,780,609	$35,828,595	$106,910,853	$123,734,489	$250,553,311	$290,732,358	$15,542,024,424	$18,161,359,369
Tickets to Theatre/Operas/Concerts	$141,306	$165,305	$1,087,957	$1,267,417	$2,279,446	$2,645,481	$14,282,331	$16,632,788	$48,404,968	$56,000,580	$115,169,448	$133,578,254	$7,089,595,192	$8,284,082,133
Tickets to Movies	$68,315	$79,882	$520,362	$605,972	$1,120,693	$1,300,479	$7,448,425	$8,693,724	$25,071,460	$29,056,576	$57,041,555	$66,228,870	$3,587,020,767	$4,191,287,699
Tickets to Parks or Museums	$71,056	$83,089	$558,793	$650,777	$1,187,394	$1,378,122	$7,581,227	$8,833,210	$25,960,366	$30,054,896	$61,353,099	$71,199,730	$3,614,303,431	$4,223,231,460
Admission to Sporting Events, excl. Trips	$166,754	$195,053	$1,274,214	$1,484,550	$2,597,021	$3,014,288	$15,963,186	$18,577,845	$54,213,318	$62,670,137	$130,005,982	$150,745,404	$7,591,076,545	$8,869,717,760
Live Entertainment for Catered Affairs (9)	$34,498	$40,334	$256,321	$298,521	$558,158	$647,646	$3,831,737	$4,477,655	$12,803,607	$14,839,843	$29,476,326	$34,227,735	$1,946,163,386	$2,274,662,013
Food Away from Home	$9,911,509	$11,588,110	$74,748,180	$87,045,956	$156,595,527	$181,707,229	$999,708,638	$1,165,741,223	$3,330,185,155	$3,854,845,821	$8,103,461,770	$9,396,313,602	$483,699,551,895	$565,194,281,059
Alcoholic Beverages	$1,750,735	$2,047,718	$13,344,112	$15,542,796	$27,895,080	$32,372,188	$176,841,869	$206,186,123	$593,128,188	$686,421,241	$1,439,563,535	$1,669,359,632	$87,639,712,746	$102,405,044,226
Travel	$5,638,648	$6,594,558	$43,900,654	$51,130,886	$92,534,260	$107,387,534	$586,988,793	$683,829,983	$2,002,940,230	$2,317,757,718	$4,892,121,343	$5,672,547,062	$292,293,473,458	$341,540,035,336
Airline Fares	$1,116,244	$1,305,566	$8,630,320	$10,051,892	$18,415,348	$21,371,173	$119,987,640	$139,901,836	$409,552,741	$474,235,421	$969,263,850	$1,124,589,007	$60,585,703,167	$70,794,030,301
Lodging on Trips	$1,799,801	$2,105,020	$14,132,500	$16,460,825	$29,736,746	$34,511,562	$187,258,139	$218,039,691	$642,398,131	$743,156,570	$1,584,469,160	$1,836,873,206	$93,645,796,414	$109,423,354,813
Auto/Truck Rental on Trips	$211,121	$246,893	$1,602,367	$1,866,364	$3,353,786	$3,892,128	$21,411,524	$24,957,240	$71,981,731	$83,318,137	$170,351,260	$197,634,140	$10,301,154,531	$12,037,474,103
Food and Drinks on Trips	$1,422,084	$1,663,064	$11,020,238	$12,834,652	$23,169,468	$26,887,860	$146,788,771	$171,039,185	$498,606,186	$576,970,989	$1,224,150,630	$1,419,305,213	$72,666,726,749	$84,909,179,888

The exhibits above show that expenditures of these travel and entertainment categories within the one, three, five-mile radii of Independence Square are significantly less per household than the other Geos. Within five miles of Independence Square, which excludes the bulk of hospitality properties near Cable Dahmer Arena lodging expenditures were estimated to be $503.31 per household. Within all of Jackson County, the total expenditure per household is 20% higher at $616.76. Within the Kansas City MSA, the total is 40% higher at $720.06. The disparity of expenditures within the one-mile radius is not demonstrative given the limited number of establishments. In the one, three and five-mile radii, disposable income will also suppress expenditures on travel and entertainment. Based on the metrics of the immediate area and the entire MSA, there is presently unaccommodated demand based upon category spending per household. When considering expected growth through 2028, there is more room to run.

Business Type by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Business Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Services Summary	260	47.5%	779	41.7%	1,465	39.7%	10,643	42.9%	31,049	40.4%	85,880	40.2%	4,845,568	39.4%
Hotels & Lodging	7	1.3%	9	0.5%	35	0.9%	153	0.6%	493	0.6%	2,242	1.1%	113,890	0.9%
Automotive Services	21	3.8%	92	4.9%	144	3.9%	693	2.8%	1,923	2.5%	6,599	3.1%	334,304	2.7%
Movies & Amusements	16	2.9%	38	2.0%	82	2.2%	623	2.5%	1,822	2.4%	4,735	2.2%	291,114	2.4%
Health Services	17	3.1%	91	4.9%	256	6.9%	1,768	7.1%	5,777	7.5%	14,911	7.0%	831,791	6.8%
Legal Services	37	6.8%	53	2.8%	74	2.0%	882	3.6%	1,839	2.4%	4,295	2.0%	257,962	2.1%
Education Institutions & Libraries	13	2.4%	60	3.2%	93	2.5%	631	2.5%	1,851	2.4%	6,075	2.8%	282,597	2.3%
Other Services	149	27.2%	435	23.3%	781	21.2%	5,893	23.8%	17,344	22.6%	47,023	22.0%	2,733,910	22.2%

Labor Force by SIC Code	1 Mile		3 Mile		5 Mile		Jackson County		Kansas City MSA		Missouri		United States	
Employee Count by SIC Code	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Services Summary	2,607	48.7%	10,032	47.6%	22,380	43.3%	192,890	43.8%	500,321	42.9%	1,414,850	44.8%	67,775,749	44.2%
Hotels & Lodging	16	0.3%	49	0.2%	364	0.7%	4,205	1.0%	11,191	1.0%	40,824	1.3%	2,545,444	1.7%
Automotive Services	67	1.3%	344	1.6%	1,088	2.1%	5,703	1.3%	13,871	1.2%	42,930	1.4%	1,777,140	1.2%
Movies & Amusements	190	3.6%	440	2.1%	2,025	3.9%	9,244	2.1%	34,495	3.0%	84,244	2.7%	3,742,830	2.4%
Health Services	233	4.4%	1,635	7.8%	6,851	13.3%	64,130	14.6%	140,078	12.0%	425,340	13.5%	18,293,432	11.9%
Legal Services	223	4.2%	278	1.3%	408	0.8%	7,972	1.8%	13,969	1.2%	31,242	1.0%	1,866,165	1.2%
Education Institutions & Libraries	507	9.5%	2,736	13.0%	4,182	8.1%	27,784	6.3%	84,870	7.3%	274,512	8.7%	13,232,331	8.6%
Other Services	1,371	25.6%	4,550	21.6%	7,462	14.4%	73,852	16.8%	201,847	17.3%	515,758	16.3%	26,318,407	17.2%

The exhibits above demonstrate that hotels and lodging properties within the one and three-mile radii of Independence Square are few. ESRI reports just seven properties with 16 employees within one mile. These include bed and breakfasts and economy limited-service properties. There are just two additional properties within three miles for a total of nine within three miles of 49 employees. The establishment and employment figures suggest there is additional capacity of hospitality within the Independence Square area. Based upon the foregoing demographic and hospitality operating metrics, I conclude the demand may be there for a modest sized hospitality product in the Independence Square area.

4.0 CONCLUSIONS

It is typical of new product to the market that upon stabilization, it will yield higher than its fair share of occupancy and ADR. Without a specific developer proposal, it is difficult to get more precise than the chain scale and level of service. I expect any hospitality to be developed will be on the smaller side. The competitive set ranges from 72 to 167 keys and 100 or fewer keys would be best suited considering the pioneering nature of any new hospitality offering in Independence Square.

	Kansas City - MO Market - Upscale Chain Scale					Competitive Set				
Year/ Current Quarter	12-Mo Supply %	Occupancy	ADR	RevPAR	Δ in RevPAR	12-Mo Supply %	Occupancy	ADR	RevPAR	Δ in RevPAR
2015	3.7%	70.0%	$109.78	$76.81	1.6%					
2016	7.0%	68.2%	$114.99	$78.41	2.1%					
2017	4.3%	69.4%	$118.69	$82.41	5.1%					
2018	2.7%	65.5%	$117.94	$77.24	-6.3%					
2019	3.9%	64.6%	$117.35	$75.81	-1.8%					
2020	5.6%	33.8%	$100.30	$33.87	-55.3%					
2021	9.1%	50.6%	$110.92	$56.08	65.6%					
2022	2.0%	60.1%	$124.15	$74.60	33.0%	18.0%	53.50%	$125.65	$67.27	6.6%
2023	1.7%	62.0%	$133.76	$82.93	11.2%	4.0%	56.40%	$129.97	$73.27	8.9%
T-12 Mar, 2024	1.5%	61.1%	$133.66	$81.64	5.4%	4.0%	56.40%	$129.97	$73.27	8.9%
Year Averages	4.4%	60.0%	$119.84	$71.87	0.8%	11.0%	55.00%	$127.91	$70.33	7.75%
5 Year Averages	4.4%	54.0%	$123.79	$66.89	1.7%	11.0%	55.00%	$127.91	$70.33	7.8%
2025	1.3%	60.9%	$141.05	$85.87	4.3%	0.0%	57.00%	$134.91	$76.90	5.0%
2026	0.0%	59.4%	$144.36	$85.74	-0.1%	0.0%	58.00%	$138.69	$80.44	4.6%
2027	0.0%	59.0%	$147.60	$87.04	1.5%	0.0%	59.00%	$142.57	$84.12	4.6%
2028	0.0%	59.0%	$150.54	$88.81	2.0%	0.0%	60.00%	$145.56	$87.34	3.8%
Projection Averages	0.33%	59.56%	$145.89	$86.86	-3.2%	0.0%	58.5%	$140.43	$82.20	4.5%

I conclude that a select service product, in the upscale chain scale segment would be best suited to the intentions and expectations of a repositioned Independence Square. I project that Leisure and Group travel will comprise the largest component of demand for hospitality in Independence Square. Leisure travel will include informal or unorganized outings to the numerous historic and cultural offerings and celebrations in Independence Square. Leisure demand will also include family visits and holidays, shopping and sporting event trips. The group and meeting travel will include fraternal organizations, religious organizations, social organizations and family events. I foresee significant occupancy driven by Santacaligon Days, the Mormon and Community of Christ Churches and the museums, Kansas City Chiefs and Royals. However, at present, these specific demand drivers are not sufficient to justify new additional supply in the immediate area as indicated by the occupancy of the upscale submarket which is 56.5% and the competitive set which is presently 56.4%.

Certainly, any new product is at least two years from delivery and construction costs continue to be volatile so I am providing my perspective with 2024 as a basis. Furthermore, specific projections are not possible without knowing the hotel brand and level of service. The specific location of the property, brand, loyalty program and chain scale, reservation system, planned amenities, meeting and F&B offerings will all impact the occupancy and ADR.

[BLANK PAGE]

C

APPENDIX

RESHAPING THE SQUARE







PARKING MEMO

Redevelopment spurs increased traffic and concerns of how users will access the new development. Parking was identified as a key component which was analyzed within the Square. ***Appendix C*** outlines existing conditions and the opportunities that are available to help support redevelopment as it occurs.

MEMO

To:	City of Independence, Missouri
From:	Kurt Rotering, PE, PTOE Jeremiah Conneely, EI
RE:	Independence Square Parking Study
Date:	August 21, 2024
Olsson Project #:	023-02374

1. Introduction and Objective

This memorandum summarizes a review of existing parking characteristics within the downtown area (Independence Square) of the City of Independence, Missouri, as requested by city staff. The purpose of the project was to review existing public and private parking capacity and restrictions within downtown, determine if the existing parking capacity is appropriate based on a review of existing conditions, and provide recommendations for future development parking needs.

2. Data Collection

Existing parking conditions were reviewed via Google Earth imagery and field verified for accuracy. The project area identified for parking review is generally surrounded by Truman Road to the north, Pleasant Street to the west, Walnut Street to the south, and Noland Road to the east. A vicinity map is provided in **Figure 1**, attached to this memorandum.

2.1. Desktop Review

A desktop review was conducted to document parking areas within Independence Square. Parking stalls were divided into two categories: parking lot and on street. Areas of pavement which could provide parking but were abandoned and had no dedicated striping or signing were omitted, therefore this memorandum provides a conservative estimate of available parking. A total of 2,057 parking lot stalls and 720 on street parking stalls were recorded for a total of 2,777 stalls within Independence Square. **Figure 2** attached to this memorandum illustrates number of available stalls in parking lots or on street.

2.2. Field Review

Following the desktop review, a field review was conducted to verify the initial parking results and to determine types of dedicated parking (parking restrictions) within Independence Square. The field review was conducted on October 19, 2023. The field review consisted of conducting an inventory of parking regulatory signs, by documenting signs on a map and photographing each sign. Parking areas were identified as public or private, with parking restriction noted (no restriction, 15 minute, 30 minute, 2 hour, 4 hour, and handicap stalls). A summary of parking type by restriction is provided in **Table 1** and in **Figure 3** attached to this memorandum. Field note worksheets are provided with this memorandum. Images from the sign inventory are available upon request.

7301 W. 133rd Street / Suite 200 / Overland Park, KS 66213
O 913.381.1170 / olsson.com

Table 1 – Existing Parking Summary

Parking Type	Regular Stalls	Handicap Stalls	Total
15 Minute	6	2	8
30 Minute	29	2	31
2 Hour	532	14	546
4 Hour	50	4	54
No restriction	977	35	1,012
Private	1,094	32	1,126
Total	**2,688**	**89**	**2,777**

3. Parking Needs

The *City of Independence Code of Ordinances* was referenced for zoning and parking requirements to assist in determining if the current available parking is adequate to support current development within the Independence Square.

3.1. City Requirements

Current land use zones within Independence Square were documented. The majority of the study area is *C-2 General Commercial* which refers to retail and service land uses. The remainder of the area supports *C-2 Household Living*, I-1 *Industrial*, R-30 PUD *High Density Residential*, and O-1 *Office-Residential* Mix. The City Zoning Map is attached to this memorandum.

Parking requirements are based on the type of development within each identified land use zone. Some examples of development type noted in the area (and required parking) include residential (1 per dwelling unit), library/cultural exhibit (2.5 per 1,000 square feet), general office (3.5 per 1,000 square feet) and general retail (4 per 1,000 square feet).

3.2. Analysis

Referencing the current land use zoning and parking requirements from the *City of Independence Code of Ordinances*, existing parking requirements were estimated for the study area. Several of the existing development types have parking requirements based on number of seats. For these development types, parking rates were estimated, thus the parking requirement presented may be a conservative estimate. Based on this methodology, the estimated total number of dedicated parking stalls needed within Independence Square is 3,145 stalls.

The required parking number was further refined by referencing City Code Section 14-501-03 Historic Square. This code reduces the number of required stalls within the densest portions of downtown with a stipulation stating that 4,000 square feet of gross floor area for all developments within the historic square can be removed from the parking requirement. Therefore, all retail shops of 4,000 square feet or less do not require dedicated parking stalls. Consideration of this code would reduce the number of required parking stalls by approximately 1,124 stalls, reducing the total number of required stalls to 2,021.

The required number of ADA stalls is based on the uniform Federal Accessibility Standards and a table of required parking stalls is outlined in the City Code. ADA stalls make up approximately 3.2% of provided parking stalls with an average of 1 ADA stall per 31 regular stalls. ADA requirements were not reviewed

7301 W. 133rd Street / Suite 200 / Overland Park, KS 66213
O 913.381.1170 / olsson.com

for individual developments, however based on the total numbers for the downtown square accessibility is expected to meet standards.

Based on this review, the existing number of parking stalls in Independence Square meets city code requirements. The land use assumption worksheets are attached to this memorandum.

3.3. Summary and Recommendations

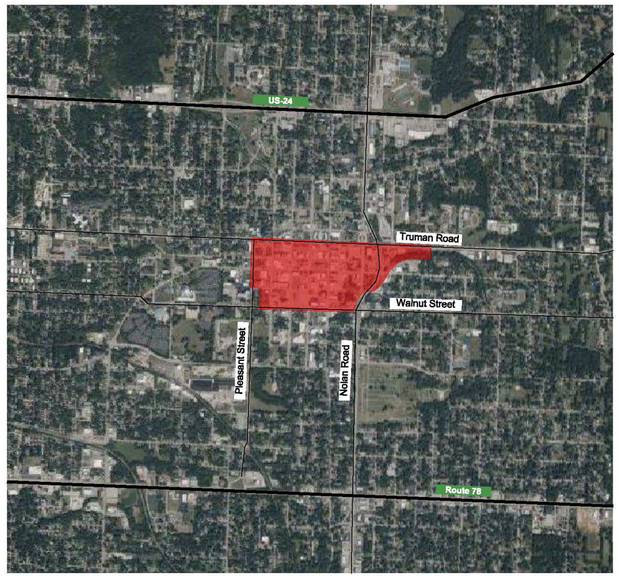
Based on a review of the collected parking data, the number of dedicated stalls within Independence Square sufficiently satisfies existing City Code requirements. No additional private or public parking lots are needed at this time.

As new development or redevelopment occurs, city code should be followed to determine the number of parking stalls that are required.

7301 W. 133rd Street / Suite 200 / Overland Park, KS 66213
O 913.381.1170 / olsson.com

FIGURE 1
Independence, MO
Vicinity Map

N



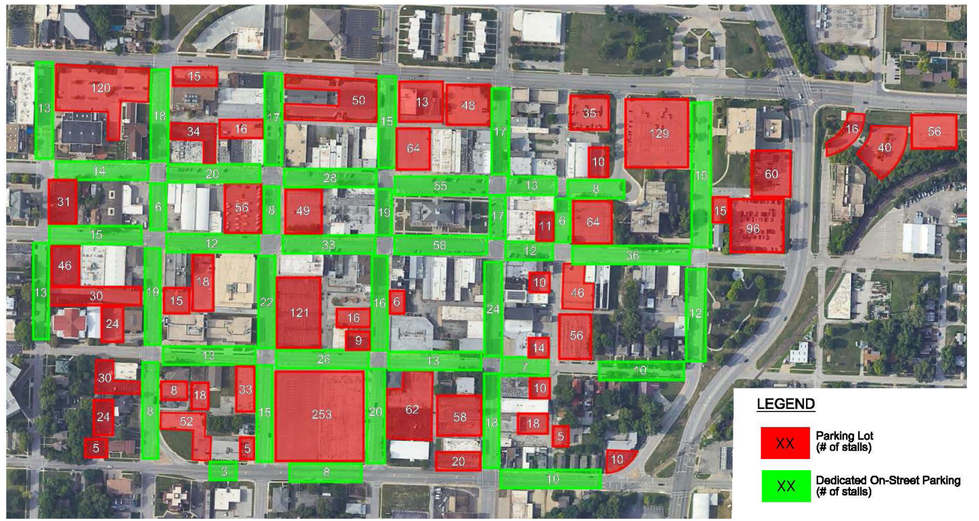
Copyright Disclaimer: This image may contain projection, simulation, or fictional content.

LEGEND

Project Area

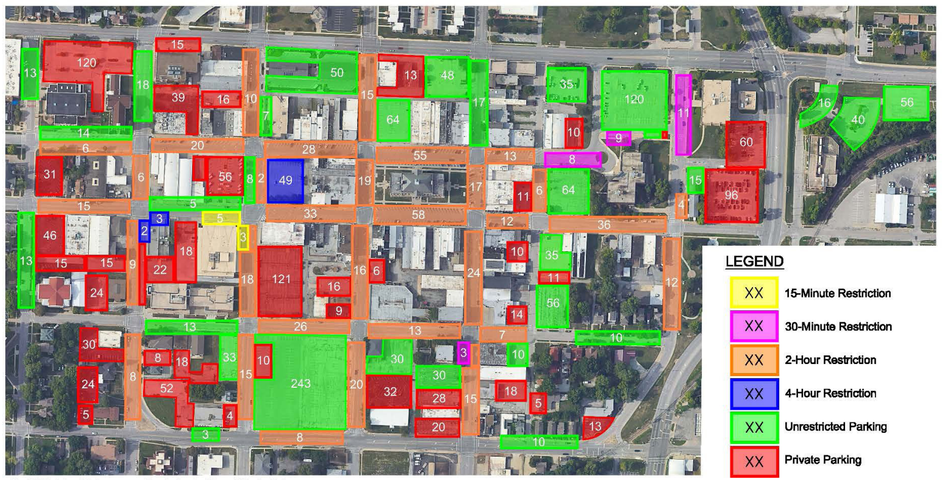
FIGURE 2
Parking Map

N

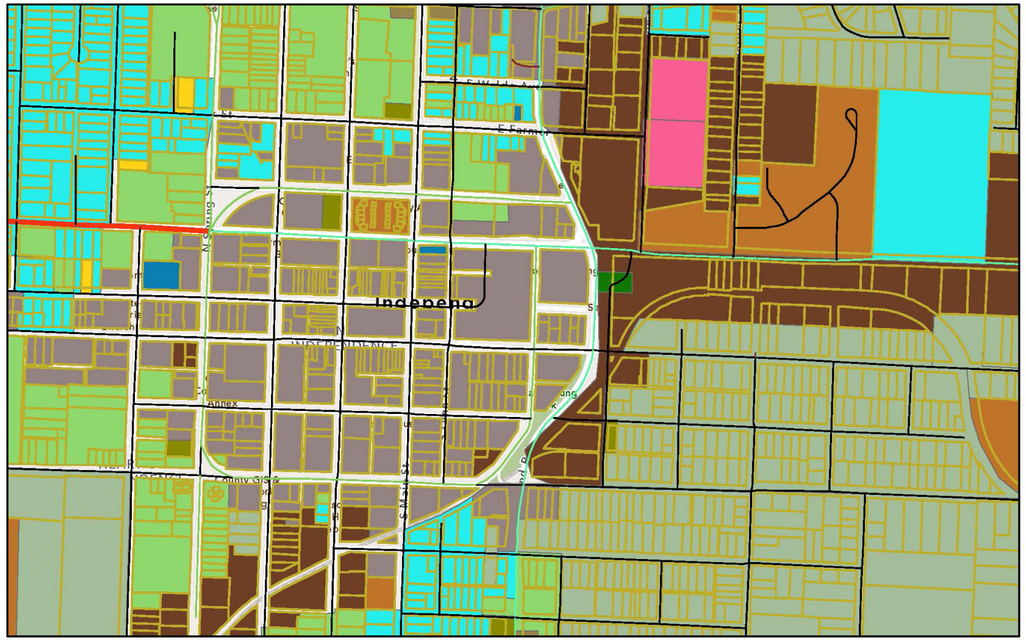


Copyright Disclaimer: This image may contain projection, simulation, or fictional content.

FIGURE 3
Parking Restrictions

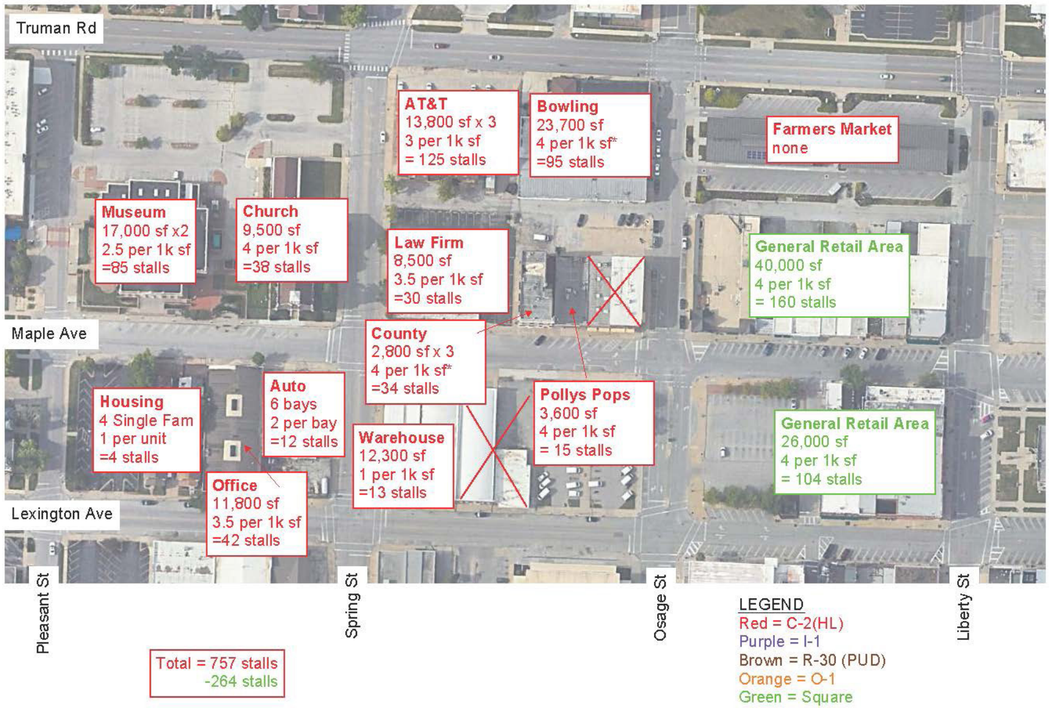


City of Independence Zoning



Data Collection
PN: 023-02374

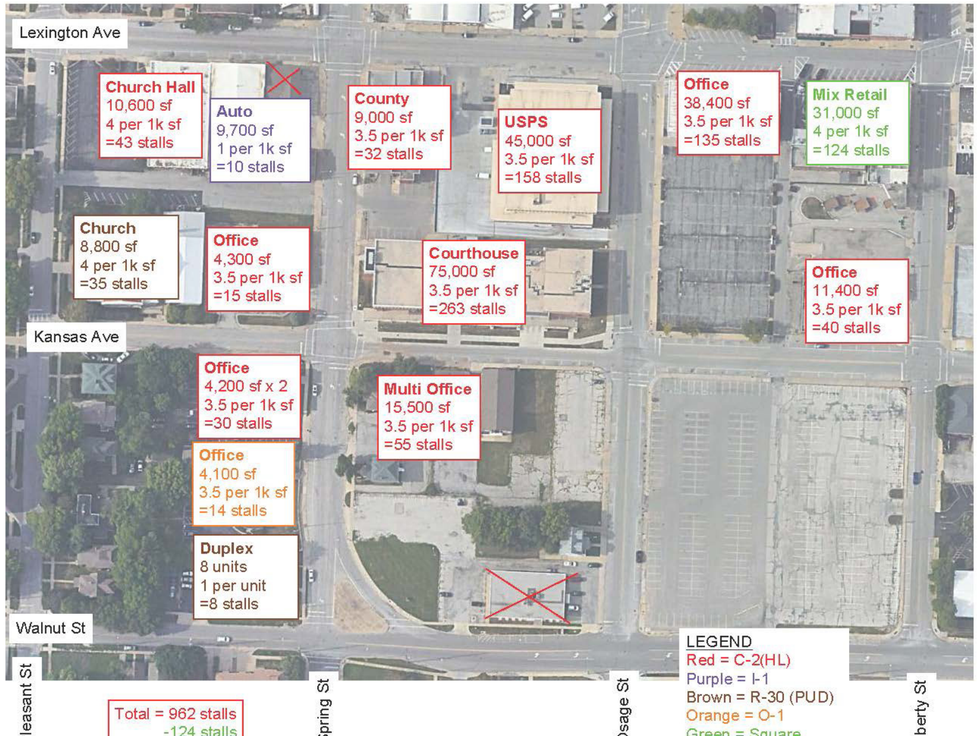
Independence, MO
October 19, 2023



Total = 757 stalls
-264 stalls

Data Collection
PN: 023-02374

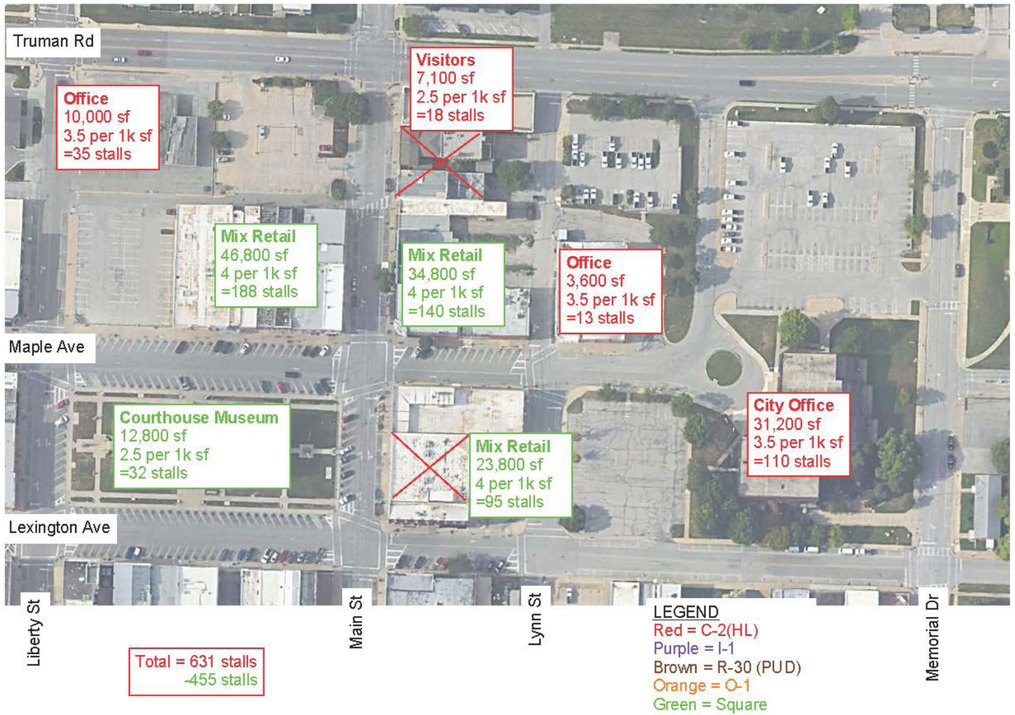
Independence, MO
October 19, 2023



Total = 962 stalls
-124 stalls

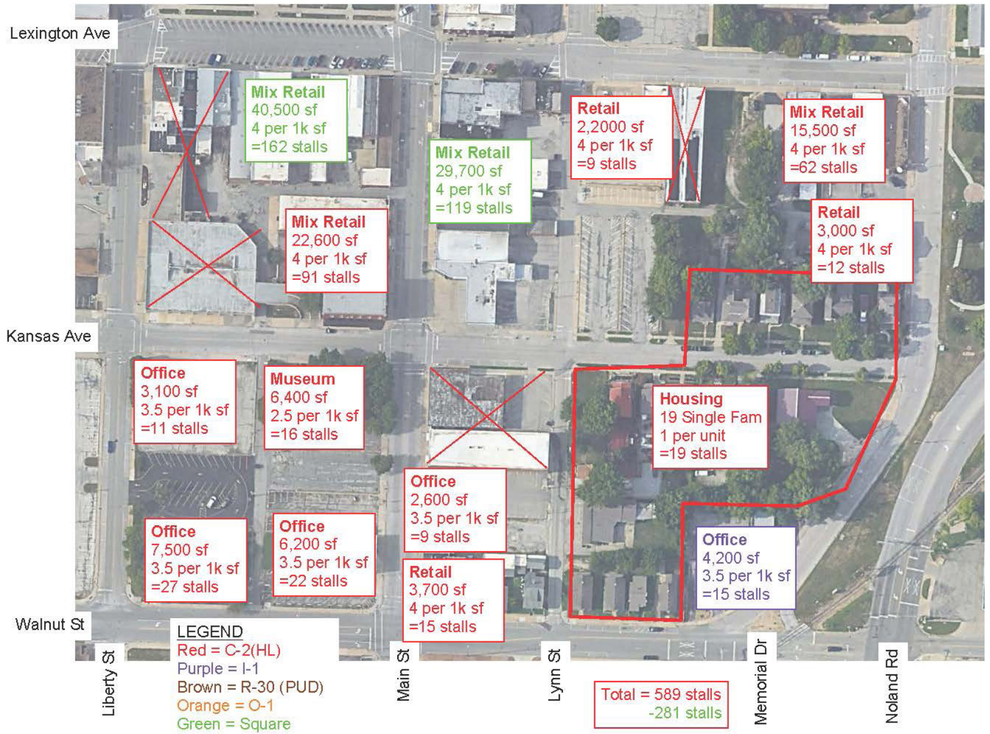
Data Collection
PN: 023-02374

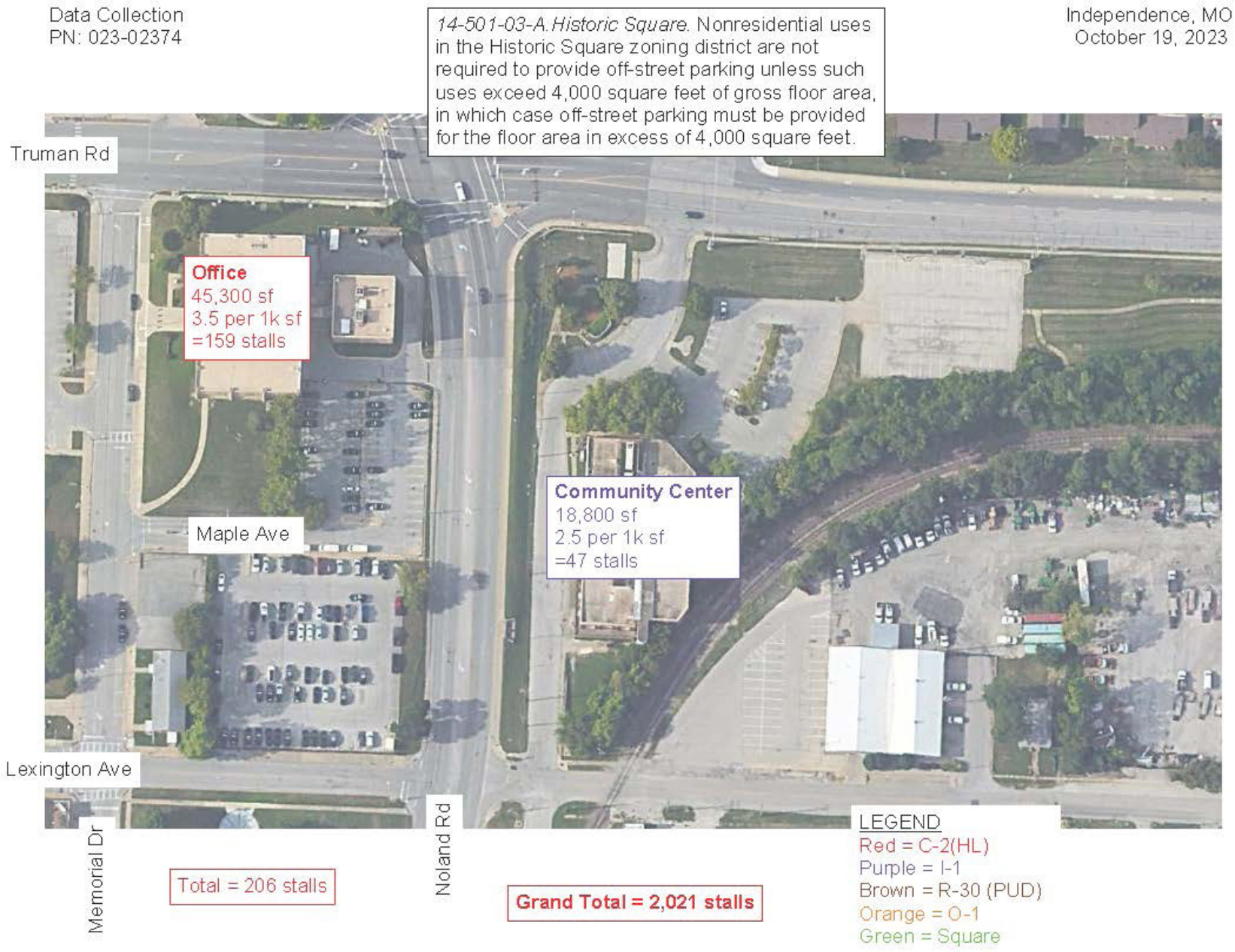
Independence, MO
October 19, 2023



Data Collection
PN: 023-02374

Independence, MO
October 19, 2023




Data Collection
PN: 023-02374
14-501-03-A. Historic Square. Nonresidential uses in the Historic Square zoning district are not required to provide off-street parking unless such uses exceed 4,000 square feet of gross floor area, in which case off-street parking must be provided for the floor area in excess of 4,000 square feet.
Independence, MO
October 19, 2023
Truman Rd
Office
45,300 sf
3.5 per 1k sf
=159 stalls
Maple Ave
Community Center
18,800 sf
2.5 per 1k sf
=47 stalls
Lexington Ave
Memorial Dr
Noland Rd
Total = 206 stalls
Grand Total = 2,021 stalls
LEGEND
Red = C-2(HL)
Purple = I-1
Brown = R-30 (PUD)
Orange = O-1
Green = Square

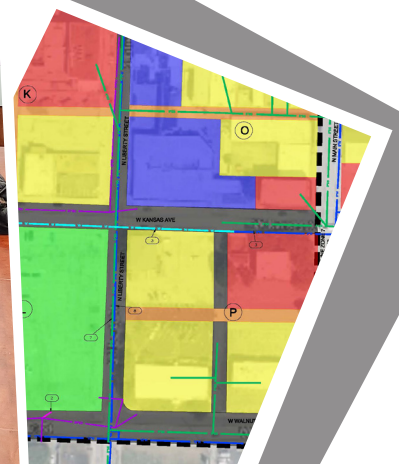
D

APPENDIX

RESHAPING THE SQUARE







UTILITY PLANS

The redevelopment plan was overlay-ed with the aging utility infrastructure within the Square to understand critical improvement areas. The preliminary improvements for sanitary sewer, storm sewer and water lines were identified within the key redevelopment areas. ***Appendix D*** outlines the locations of those improvements that guide the *Master Economic Plan* recommendations.

FIGURE D.00 - OVERALL MASTER PLAN

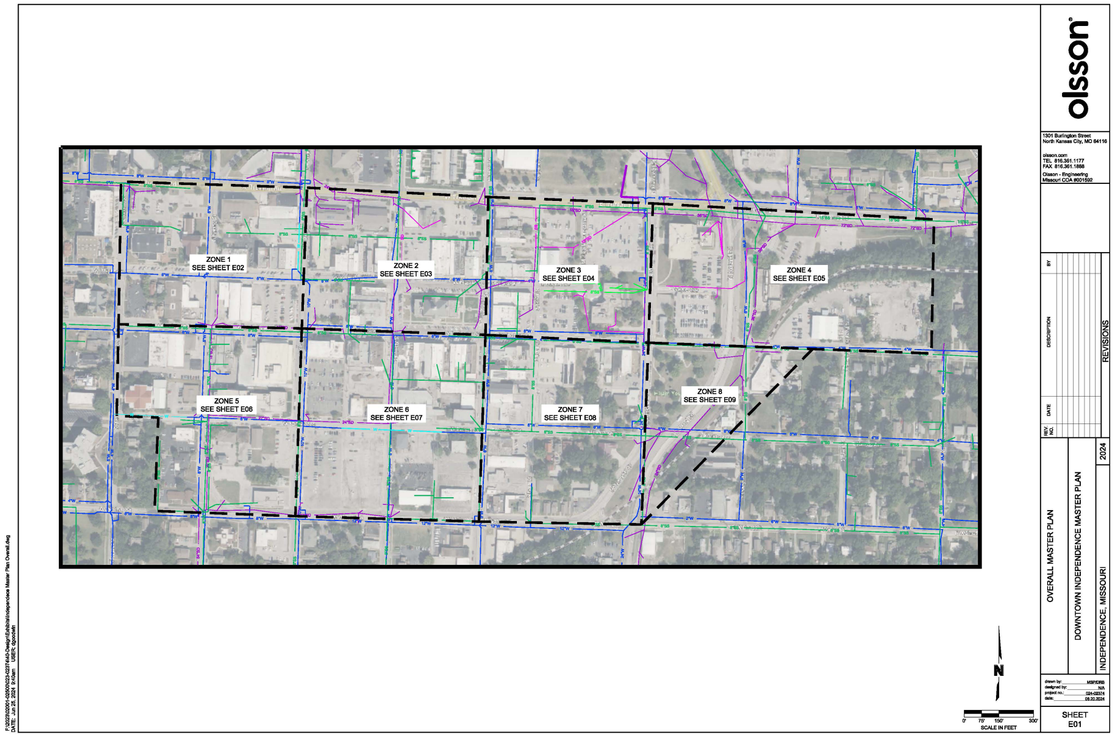


FIGURE D.01 - ZONE 1

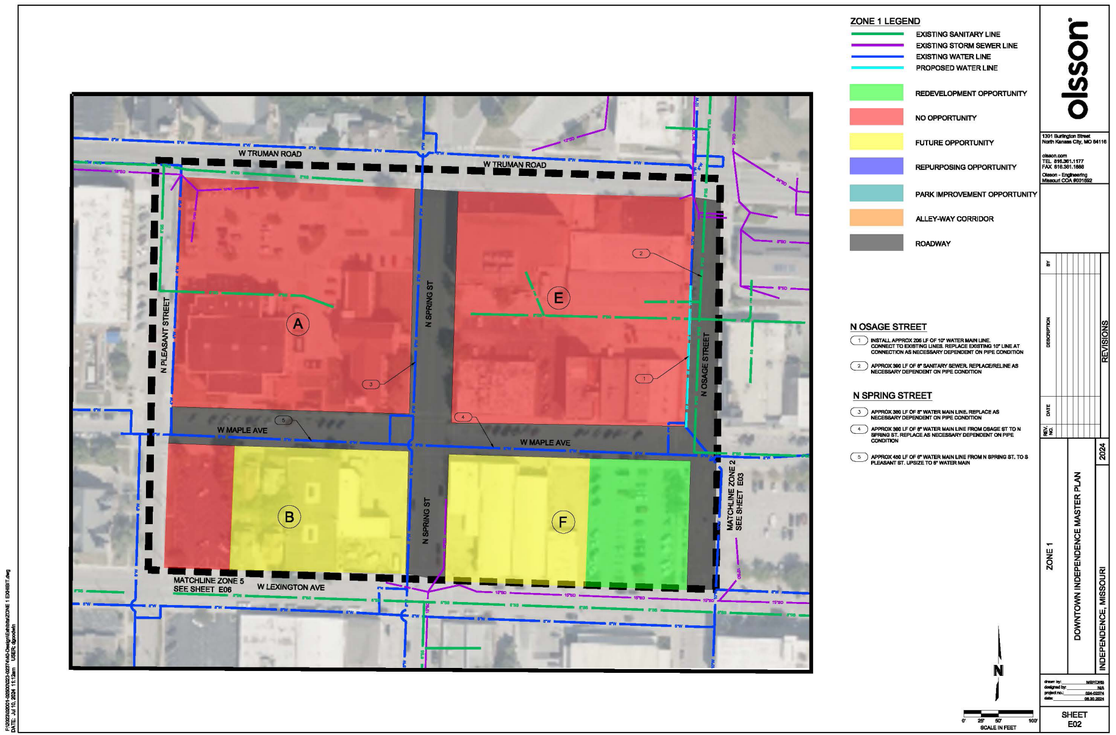


FIGURE D.02 - ZONE 2

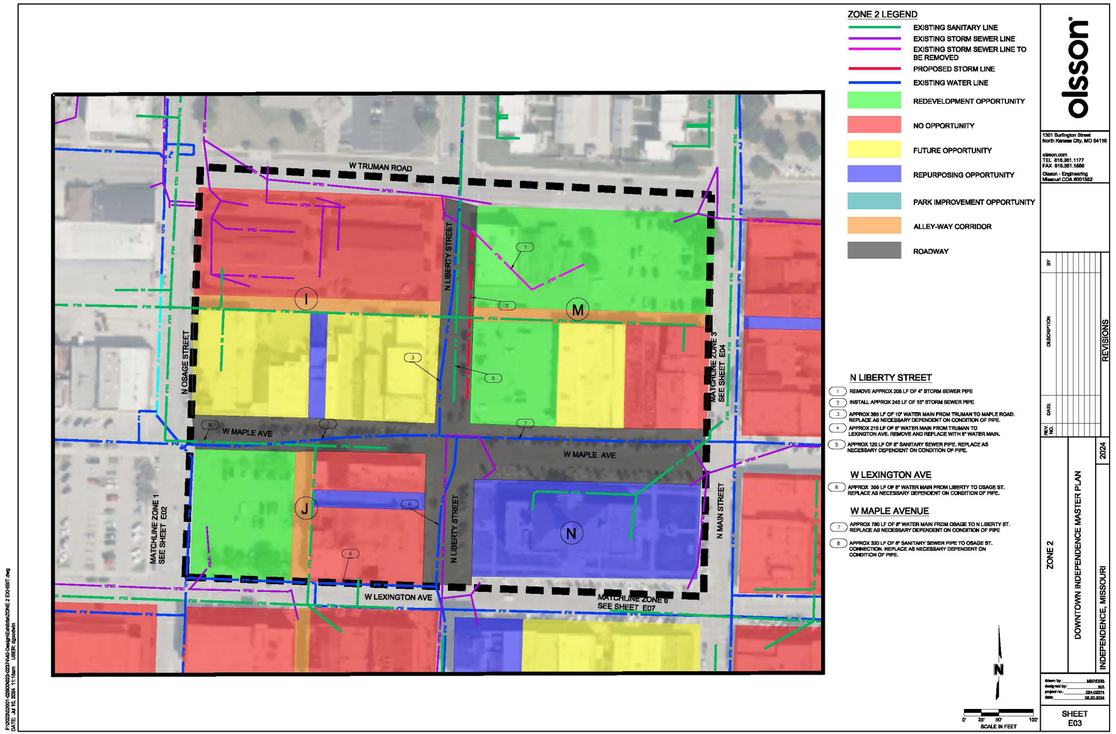


FIGURE D.03 - ZONE 3

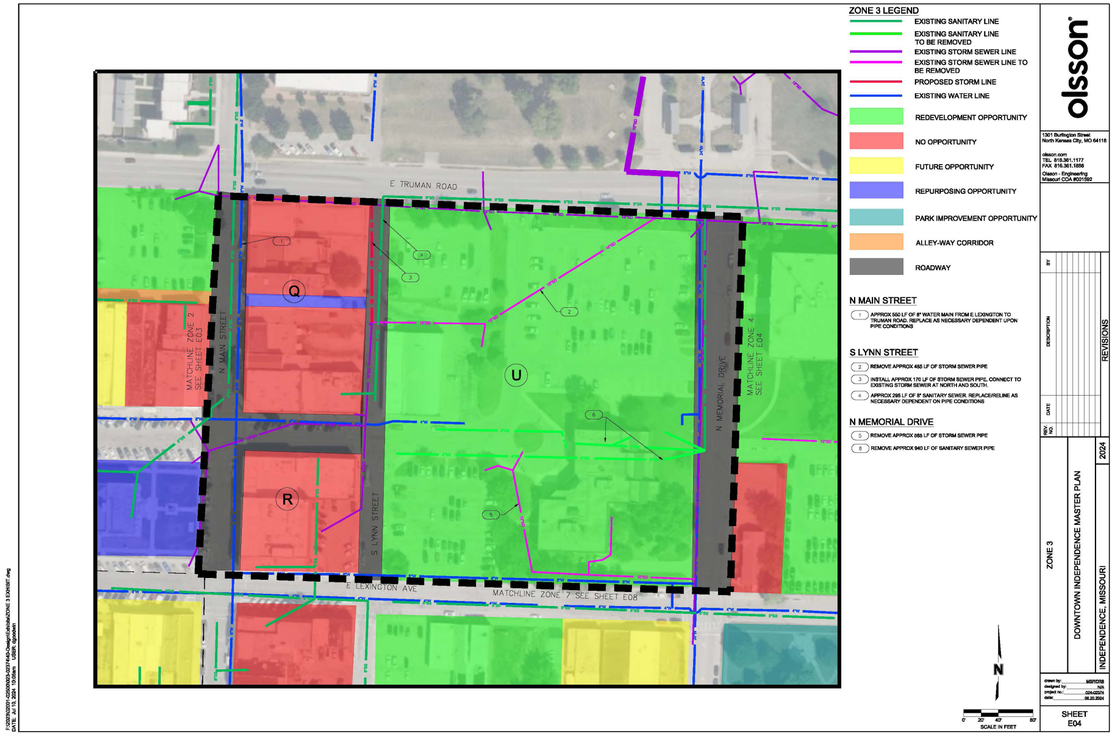


FIGURE D.04 - ZONE 4

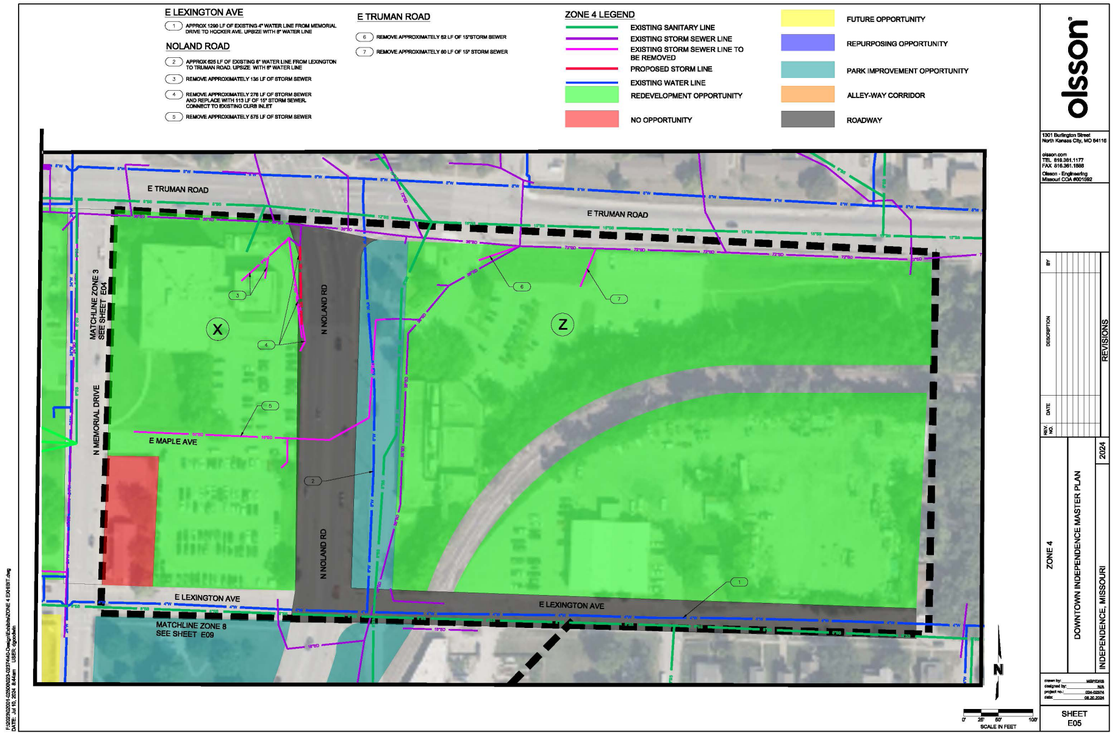


FIGURE D.05 - ZONE 5

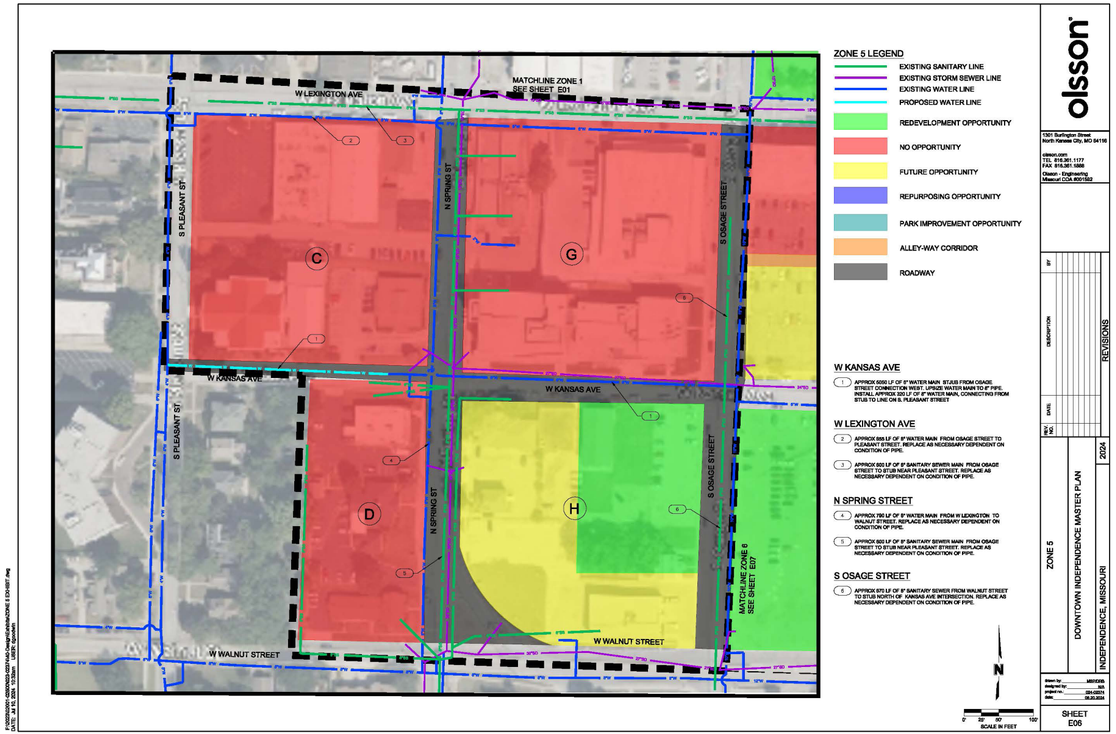


FIGURE D.06 - ZONE 6



FIGURE D.07 - ZONE 7

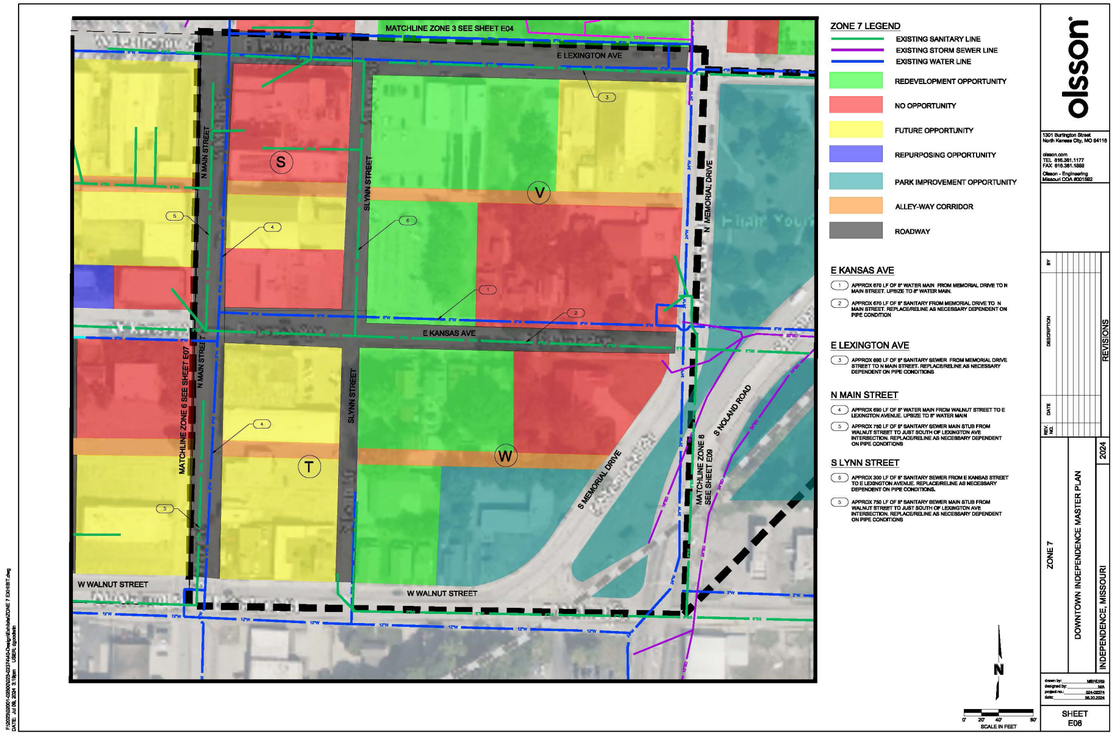
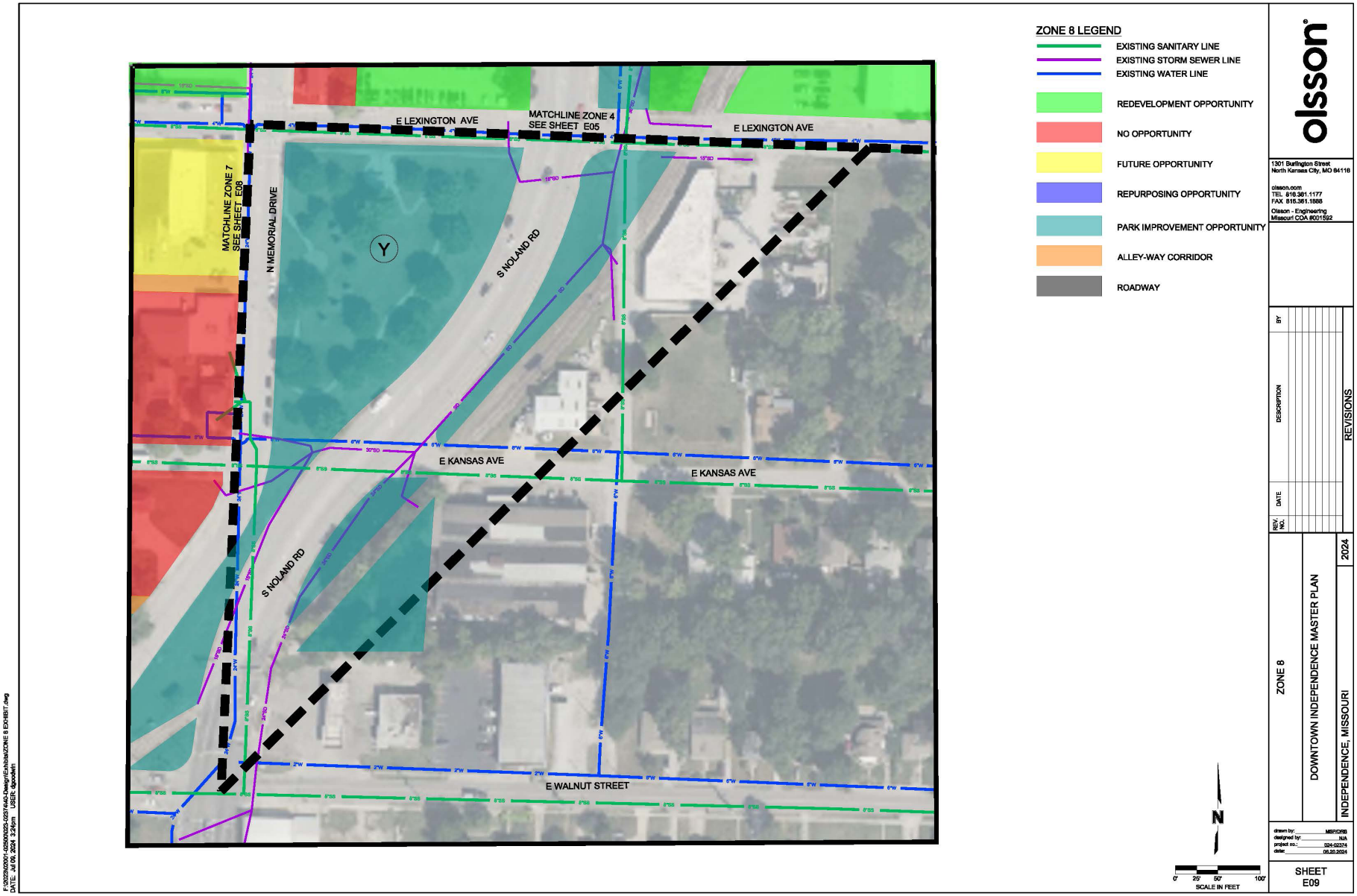


FIGURE D.08 - ZONE 8



General Obligation Bond Recommendations

Introduction

The General Obligation Bond Committee (GOBC) was established by the Independence City Council action in August 2024. Each of the seven members of the City Council appointed three people to serve on the GOBC, so 21 people accepted the call to serve and were sworn in for this short-term appointment. The committee was comprised of citizens with diverse backgrounds. There were significant differences in the members' ages, length of time living in Independence, job status, household composition, neighborhood, sphere of influence, etc. Notably, the committee had very few members that represented diverse populations, like African Americans, Hispanic, other ethnic backgrounds, disability status, and LGBTQ+. We recommend that future engagement around the proposed projects be targeted at the many diverse populations that call Independence home.

The GOBC members clearly understood that all meetings were public and have been recorded for posterity. Throughout the process, the City Clerk and City staff advised the GOBC on how to conduct itself in accordance with sunshine laws and other applicable laws and regulations.

At the second meeting, Doug Cowan was elected chair, and GK Callahan was elected Vice Chair. Here is a summary of the activities that were undertaken:

- Tours of the Independence Police Department building, along with a detailed examination of structural and mechanical issues
- Tours of the Sermon Center, along with a detailed examination of structural and mechanical issues
- Tours of the shuttered Kentucky Road bridge adjacent to the Rock Creek Wastewater Treatment area
- Tours of the Independence Athletic Complex, along with explanations of enhancement opportunities
- Lengthy presentations to understand bond financing and how Missouri State statute governs municipalities' bonding practices
- Understanding cities' credit ratings
- Understanding the City of Independence's bonding capacities and historical practices
- Sample bond amounts and taxable implications for Independence taxpayers
- Detailed presentations from senior city staff regarding needs within public facilities, streets, bridges/culverts, sidewalks/curbs, historical sites, animal shelter, and parks and recreation

- Detailed presentations from senior city staff regarding programmatic and financial operations
- Overview of past guiding documents and city planning documents
- Review of citizen satisfaction surveys and other survey data
- Presentation on the redevelopment plan for Independence Square and an overview of this plan's alignment with the General Obligation Bond.

General Obligation Bond Legal Parameters

Missouri municipalities are authorized to issue general obligation bonds under Article VI, Section 26(b), (c), (d), and (e) of the Missouri Constitution and Sections 95.115 to 95.130, RSMo. The State of Missouri permits a city to incur GO bond indebtedness not to exceed 20% of the assessed valuation of taxable property. The total GO bond debt limit for 2024 in Independence is approximately $440 million.

Under Missouri State Statutes, the City can appropriate 10% of its assessed valuation for constructing, reconstructing, repairing, and improving streets, roads, sidewalks, curbs, and bridges. Any combination of projects within this category may not exceed $220,154,322.

The City is also authorized to issue 10% of its assessed valuation for all other public improvements. Any combination of projects within this category may not exceed $220,154,322.

Recommendations

The committee strived for consensus in its recommendations. The rationale for that approach is to model our community's behavior as it tackles difficult questions. A community of 123,000+ people will never fully agree on any one strategy. Instead, it must focus on finding common ground on our shared values and work on meeting in the middle. For 57% or more of voters to approve an issue, voters must feel that plans are well-thought-out and carry strong public benefit.

The GOBC does not need to vote 21-0 to support issues; instead, we are making broad recommendations for the Council to consider and discern as you vote to place an issue on the ballot.

The committee concurs on these recommendations:

1. The City Council should ask voters to construct a new justice center consolidating all City policing functions on one campus at 23rd Street (MO-78 Highway) and R.D. Mize Road. **This was the committee's priority project of those presented and received the most consensus.** The benefits of consolidation are clear; our police operations will be streamlined and developed for the next 50 to 100 years. Consolidation will allow the City to dispose of some surplus property. A new campus will significantly assist with officer/staff recruitment and retention and better support continued population and

commercial growth on the City's east side. The City Council should consider asking voters to approve up to $125,000,000 to fully fund all aspects of this project. It should incorporate strategies that transition the old campus and City Hall into space that is ready to develop following the Square Redevelopment Plan.

2. The City Council should ask voters to approve $71,000,000-$133,000,000 for much-needed and overdue upgrades to city streets, sidewalks, curbs, bridges, culverts, park facilities, and the animal shelter. (The range lies in the Council's decision to ask voters whether or not to construct a Recreation/Community Center – see chart on page 5). Independence's 1,200+ lane miles of roads must be repaired and replaced, and partnerships with our school districts will allow new sidewalk construction along arterial roads leading to elementary schools, ensuring public safety. Having four closed bridges is unacceptable, especially regarding public health and safety, and the City should replace them immediately. Our community treasures its animal shelter, and bond money should be spent permanently acquiring and upgrading it. Park facilities are critical for the health of our neighborhoods, and parks should be attractive, accessible, and accommodating. Furthermore, the GOBC believes that the City should invest and monetize the Independence Athletic Complex for economic development. Finally, but certainly not least, our community's historic sites need transformational repair to secure their cultural importance for the next generation.

    a. Regarding the Animal Shelter, the council and staff should proceed thoughtfully with the project due to the building's ownership status. We are confident that Independence residents want a substantial animal shelter, and we hope the City and Jackson County can work together to find a good solution.

3. Regarding the proposed Recreation/Community Center:

    a. There was no agreement on all facets of the proposed Recreation/Community Center, but the committee agreed on many things:

        1. Nearly all committee members acknowledge that these centers promote the health and well-being of residents.

        2. Nearly all committee members want Independence to have a high-quality center offering vibrant programming.

        3. Many members observed that other communities have increased their profile by offering residents amenities like recreation/community centers. These amenities can help keep families living in a community.

        4. Many committee members visited various Recreation/Community Centers in the Kansas City area and generally left with a positive impression of the facilities.

5. Nearly all committee members agree that the center's programmatic and financial pro forma need to be studied and refined. The center needs to ask itself, “What is my purpose?” The Council and staff should work with consultants to help define the need, opportunity, role in economic development and tourism, and programming.

6. If structured appropriately, many committee members see a center as an economic development opportunity and a cornerstone of (re) developing Independence Square. However, others feel that different areas of town are better suited to host the site. Council and staff should study this issue further, including robust public engagement.

b. Citizen input received during the GOBC’s engagement suggests that staff clarify the space dedicated to (or not committed to) theater operations and other programming.

c. Council and staff should determine the center's viability of a public-private partnership.

d. The Council and staff should answer the lingering questions and create a more solidified plan before asking voters to approve a new recreation/community center bond issue.

e. Suppose the Council decides to wait before putting a Recreation/Community Center to the vote of the people. In that case, it should consider allocating funds to prepare the old City Hall and Justice Center site for development (grading, etc.). Many committee members shared that “leaving a hole” in the square could be economically damaging.

4. In keeping with the recommendations of the 2018 Downtown Redevelopment Coordinating Committee Report, the Council and staff should aggressively pursue grant and partnership money to defray costs. Furthermore, the messaging to the community should discuss what gaps bond financing addresses versus the City’s recurring revenue streams, especially for police, parks, and street funding.

   Because the Committee has strived for consensus, we have recommended a range of funding for the project categories to the City Council. The Committee encourages the Council to reallocate these funds among the various categories as deemed necessary but recommends that the total GO Bond plan fall within the range below (the original proposal that was shared with the Committee is included for reference):

Category	Original Plan	Option 1	Option 2
Justice Center	$42M	$125M	$125M
Curbs & Sidewalks	$20M	$10M	$20M
Streets	$60M	$30M	$60M
Bridges & Culverts	$15M	$15M	$15M
Historic Sites	$10M	$7M	$10M
Park Revitalization	$20M	$5M	$20M
Animal Shelter	$5M	$4M	$5M
Public Buildings	$3M	$0	$3M
Recreation Center	$75M	$68M (no pool)	$0
Square Site Work	$0	$0	$3M
Total	**$250M**	**$264M**	**$261M**

Conclusions

While the total amount would fall below the City's debt limit of approximately $440 million, the City Manager has recommended that the GO Bond finance plan not exceed $300 million. The Committee supports this recommendation and has worked hard to present the Council with multiple options. Ultimately, the Committee believes that the City Council is best positioned to determine the appropriate allocation of funds to ensure maximum return on investment.

The GOBC repeatedly reflected that it is essential to balance the need to invest in ourselves with the recognition that many of our neighbors struggle to make ends meet. The Council should be aware that Jackson County voters approved a new tax levy to support senior services on the November 2024 ballot. Additionally, the Council should thoughtfully consider how the bond questions are structured for voters.

If approved by the voters, the GOBC also recommends a phased approach to issuing bonds so taxpayers do not experience the full impact of the increase at once. Similarly, the Council and staff should be realistic about what projects can be reasonably completed in a fiscal year. Being realistic about yearly plans will allow further phasing of the bonds, saving taxpayer money.

The GOBC recommends that the Council and staff show the community good progress once the bond projects are initiated. When voters see projects completed on time and budget, it builds confidence.

The Committee has been presented with substantial evidence indicating that thriving communities must invest in themselves. We believe many of these investments are

overdue and will cost more the longer we delay action. Independence should consider its future and vote to create the community our children want to reside in one day.

The GOBC's final meeting on November 6, 2024, unanimously approved this package of recommendations. One abstention was present. At the end of the meeting, the committee permanently adjourned its work, thanking the Council and staff for the opportunity to serve in this capacity.

Independence Tourism

Looking Forward

INDEPENDENCE
MISSOURI
A GREAT AMERICAN STORY

Introduction

- Pandemic hit the Tourism Industry harder than most other industries nationwide
- Competition for tourism-related visits has intensified
- Independence is at a competitive disadvantage due to funding and current structure
- Time to explore other operating models focused on increasing revenue and improving our competitive position

Progress to Date

- May 2021: P/R/T Director Retires; Recommends creation of 501(c)(6) Visitors Bureau
- November 2023: City engages consultant to review and recommend optimal structure for tourism services.
- July 2024: Consultant presents to City Council: three options presented; recommended establishing stand-alone visitor's bureau focused on supporting and promoting tourism activities.
- August 2024: City Council directs City Manager to develop and present recommendations to establish Independence Convention & Visitor's Bureau.

Direct Marketing Organization – 3 Models

- **Operating as part of a City/County:**
  - Columbia, Hermann, Independence, Joplin, Lebanon, St. Charles
- **Operating as part of a third-party non-profit:**
  - Branson, Moberly, Perry County, Washington
- **Operating as a Stand-Alone Model:**
  - Benton County, Chillicothe, Cape Girardeau, Explore St. Louis, Fulton, Hannibal, Jefferson City, Lake of the Ozarks, Tri-County Lodging Association, *Maryland Heights*, Platte County, Pulaski County, *St. Joseph*, Sedalia, Sikeston, *Springfield*, *Visit KC*, Warrensburg

**DMO's in red text represent our target market competition*

Model Comparison

What each Model would mean for Independence:

- City/County: Status Quo as a Division
- Third-Party Non-Profit: Tourism becomes a function of Chamber of Commerce or similar organization
- Stand Alone: Creation of 501 (c) (6) Independence Visitors Bureau (IVB)

Model Comparison – City Model

What this Model would mean for Independence:

- Status Quo as a Division:
  - competitive disadvantages are not addressed
- Return to a City Department:
  - competitive disadvantages are not addressed
  - substantial reduction in resources would occur

Model Comparison – Third-Party NFP

What this Model would mean for Independence:

- Would remove some competitive disadvantages
- Has potential of creating conflicts of interests, given the nature of funding source and organizational structure
- Chamber willing to incubate program up to one year.

Model Comparison – Stand-Alone VB

What this Model would mean for Independence:

- Would remove all competitive disadvantages
- Avoids conflicts of interests
- Increases funding potential

Visitors Bureau – Stand Alone Model

- Creation of a VB as a 501(c)(6) Organization
- City of Independence would contract with the VB to serve as its Destination Marketing Organization (DMO)
- Governed by Board of Directors
- Multiple Funding Sources: portion of Transient Guest Tax, grants, partnerships, memberships

Visitors Bureau Mission

Visitors Bureau Benefits

- Eligible for additional tourism grants & programs
- Allows the VB to operate in accordance with standard tourism industry best practices
- Levels the playing field and makes our tourism efforts more competitive
- Improves visibility and visitor perception
- Better marketing = increased hotel stays = increased Transient Guest & other Sales Tax revenues.

501(c)(6) – Nonprofit organization

- Articles of Incorporation, Bylaws, Registered Agent
- Contract for tourism services
  - City
  - Civic Organizations (potential)
  - Non-City attractions (potential)

Board of Directors

- Structure – *(Independence Events Center CID model)*
  - President – Assistant City Manager that oversees Economic Development
  - Vice President – Director of Parks/Recreation/Historic Sites
  - Treasurer – Director of Finance & Administration
  - Board Member – Independence Chamber of Commerce
  - Board Member – Hotel & Lodging Industry Representative
  - Board Member – Attractions Representative
  - Board Member – Tourism-Related Business Representative

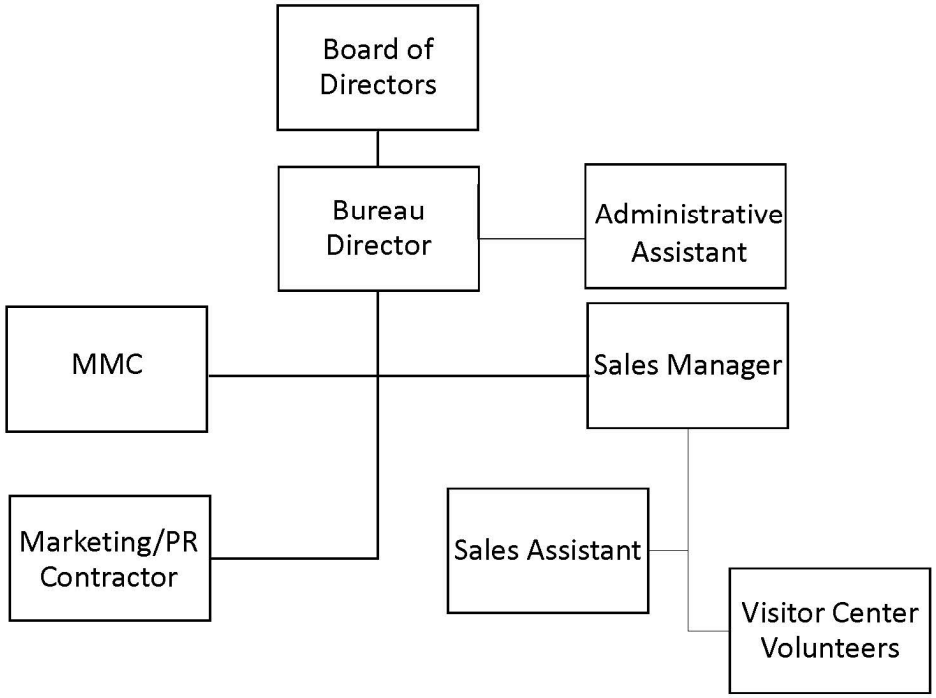
Board of Directors

- Terms and Meetings
  - 3-year terms. 1/4 of board changing each year (one from each category).
  - 2 term limits (total six years).
  - Monthly meetings and semi-annual report to City Council.

Board of Directors

- Responsible for governance of the Bureau, to include:
  - Goal Setting
  - Budget Approval
  - Fiscal Oversight
  - Hiring & Supervision of Bureau Director
  - Reporting to City Council

Proposed Visitors Bureau Org Chart



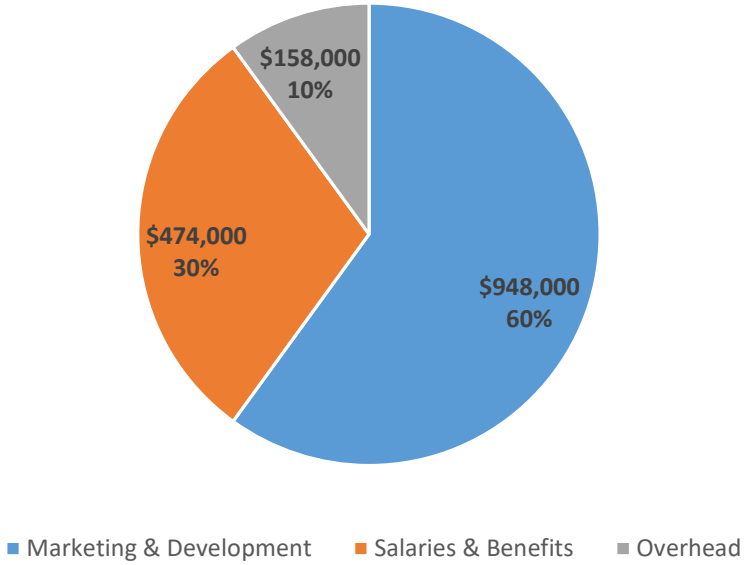
Proposed Funding for VB

Transient Guest Tax (traditionally ~$2.3M)

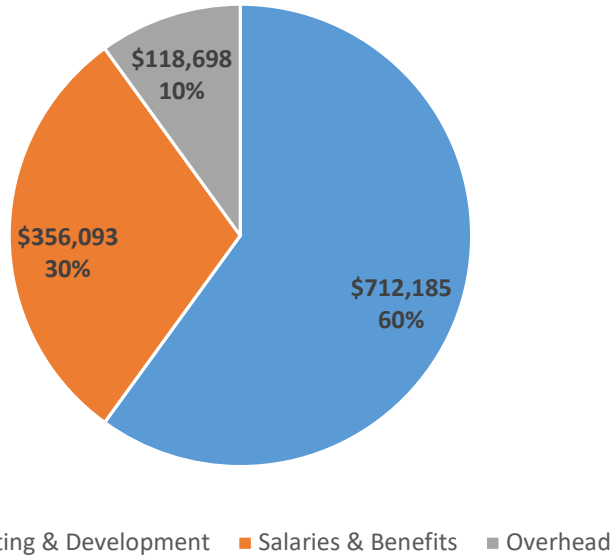
- Percentage of Transient Guest Tax
  - Proposed annual 60/40 split
    - 50% Visitors Bureau – traditionally equates to $1,186,275
    - 50% NFTM & Historic Sites O&M – traditionally equates to $1,186,275
- Target Grant Receipts (assumes certified DMO status)
- Partnerships/Memberships

Proposed Budget $1,186,975

Industry Standard
as presented by Destinations International (as of May 2021)



Independence Visitors Bureau
Proposed Budget*



Transition

- **Current Operations:**
  - Tourism is a division of Parks/Recreation/Tourism
  - Tourism Division is comprised of two functions:
    - Historic Sites/Museum
    - Sales & Services/Marketing
- **Proposed Operations:**
  - Historic Sites would then be operated & maintained under Parks/Recreation/Historic Sites
  - Under Stand-Alone Model, Sales & Services/Marketing functions would be performed under newly formed VB

INDEPENDENCE
MISSOURI
A GREAT AMERICAN STORY

Questions?