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A New Solution for CRE Valuation

Downtown Stadium Tax Increment Financing Plan
Kansas City, MO, 64108

Report Date
September 8, 2026

Project Numbers
Partner: 26-606796.1

Prepared for:
Economic Development Corporation of Kansas City

September 8, 2026

Mr. David Leader
Development Incentives and Program Manager
Economic Development Corporation of Kansas City
300 Wyandotte, Suite 400
Kansas City, Missouri 64105

Subject: Existing Conditions Study
Downtown Stadium Tax Increment Financing Plan
Kansas City, MO 64108
Partner Project No. 26-606796.1

Dear Mr. Leader,

Partner Valuation Advisors is pleased to submit the accompanying consulting report. The purpose is to develop and report my opinion of the existing conditions within the proposed Downtown Stadium Redevelopment Area (the Study Area) in accordance with RSMo 99.805 and its definitions of Blight Area and Conservation Area. The client for the assignment is The Economic Development Corporation of Kansas City, and the intended use is to establish certain statutory findings in connection with the evaluation of development incentives.

The study area of this assignment is identified as the Downtown Stadium Redevelopment Area comprised of 35 privately owned parcels located generally from 22nd Street and the Kansas City Terminal Railway south to 27th Street and east from Main Street to Gillham Road. The area is approximately 0.3 miles east to west and 0.8 miles north to south. The combined land area of the 35 parcels and adjacent public rights of way totals approximately 71 acres. The entire study area is characterized by dense development containing approximately 8.8 million square feet of gross building area including Crown Center Shops, Hallmark's Headquarters, two of Kansas City's largest hotels, leased office buildings, and numerous parking garages. The buildings date from 1916. Crown Center owned parcels contain over 7,300 parking spaces including surface lots. Within these boundaries, but excluded from the study area are privately owned Santa Fe and San Francisco Towers condominiums, and the 2555 Grand Boulevard office building along with one half of its garage.

To report the assignment results, I provide to the intended users a fully developed and supported consulting report. The Downtown Stadium Redevelopment Area is comprised of two project areas. Each project area includes privately owned properties identified by, parcel number and address. Also adjacent public rights-of-way are included. The rights-of-way include interior streets in the entirety and peripheral streets to the center line. Redevelopment Project Area 1 (RPA1) is the footprint of a proposed stadium. Redevelopment Project Area 2 (RPA2) is the remainder of the Downtown Stadium Redevelopment Area. These project areas do not entirely follow existing parcel boundaries. The blight study component of this assignment includes all parcels entirely or partially within RPA1. The evaluation of existing conditions for blight is a requirement of the State of Missouri. The conservation area study is all other parcels in the Downtown Stadium Redevelopment Area.

The definitions of Blight Area and Conservation Area from RSMo 99.805 are specific and shown below.

> *A Blighted Area is defined in Missouri Statute as an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, retards the provision of housing accommodations, or constitutes an economic or social liability or a menace to public health, safety, or welfare in its present condition and use.*
>
> *A Conservation Area is any improved area within the boundaries of a Redevelopment Area located within the territorial limits of a municipality in which fifty percent (50%) or more of the structures in the area have an age of at least thirty-five years. Such an area is not yet a blighted area but is found detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A Conservation Area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a Conservation Area shall meet the dilapidation factor as one of the three factors required under this subdivision.*

This consulting assignment is intended to conform with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable Missouri Statute and the requirements of The Economic Development Corporation of Kansas City.

It is my opinion that the RPA1 of the Downtown Stadium Redevelopment Area meets the necessary requirements of a Blighted Area and RPA2 meets the requirements of a Conservation Area. Therefore the Downtown Stadium TIF Plan meets the requirements of a Redevelopment Area according to RSMo 99.805.

Sincerely,

Partner Valuation Advisors, LLC

Kenneth Jaggers, MAI
Managing Director
Certified General Appraiser
MO Certificate # RA003190

SCOPE OF WORK

1.1 Scope of Services

Client	Economic Development Corporation of Kansas City
Purpose of the Assignment	To determine if the Downtown Stadium Redevelopment Area qualifes as either a Blighted Area or a Conservation Area according to RSMo 99.805.
Intended Use	Establish certain statutory findings in connection with the evaluation of development incentives.
Intended User(s)	Economic Development Corporation of Kansas City and the Kansas City, Missouri City Council, and the State of Missouri.
Report	Based on the intended use and the intended users understanding of the study area's physical, economic, and legal characteristics, and the definitions included in RSMo 99.805 a consulting report unique to this assignment is issued.
Prior Services	Kenneth Jaggers, MAI 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.

1.2 Research and Sources

My opinions and forecasts are based at least 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. I am of the opinion that 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. Sources relied upon for this assignment include but are not limited to the following:

- Crown Center
- Hallmark Cards
- The Kansas City Royals
- Marshall Valuation Service
- Heartland MLS
- Google Earth
- Trepp
- Zillow
- CoStar
- Kansas City Business Journal
- Kansas City Star
- Kansas City Missouri Parcel Viewer
- Jackson County Missouri Parcel Viewer
- Kansas City Missouri Public Works
- KCATA
- Open Data KC
- MDOT Traffic Volume Maps
- Economic Development Corporation of Kansas City
- Merriam Websters Dictionary
- The Appraisal of Real Estate and Dictionary of Real Estate Appraisal by the Appraisal Institute

1.3 Inspection

I inspected the Downtown Stadium Redevelopment Area three times, most recently on August 19, 2026. I relied on these inspections, Google Earth, and various third party reports in developing this study. When necessary and to better depict conditions within the area I used Google Earth, KCMO Parcel Viewer, and private company websites for demonstrative exhibits. The vast majority of photographs included herein were taken during my three inspections during August 2026.

STUDY AREA

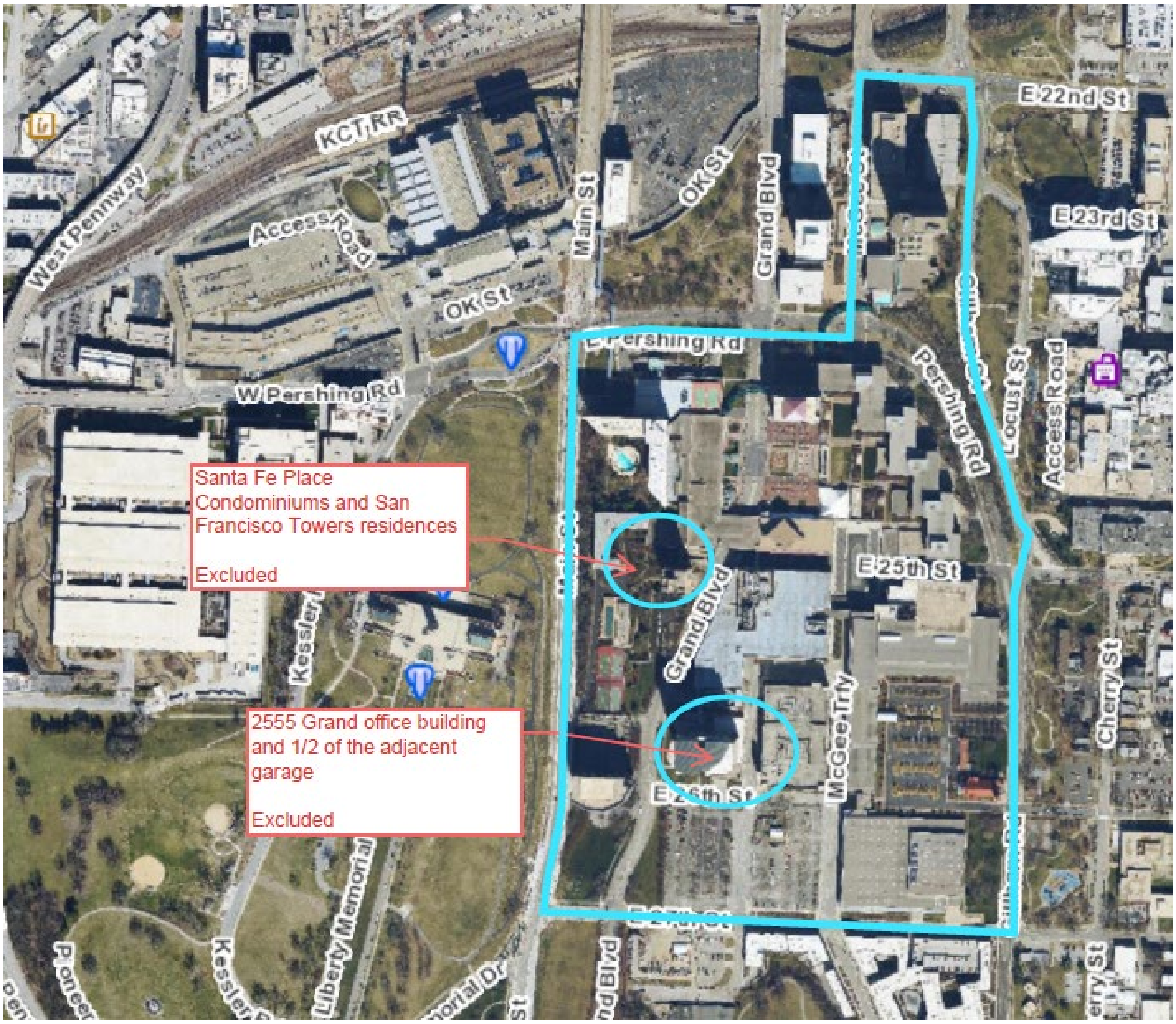
The area studied is identified as the Downtown Stadium Redevelopment Area and the individual parcels included are shown in the following exhibits. I have assigned study number and include that number, parcel ID, owner's name, address, lot area, land use, gross building area and year built. A blight area study is conducted for nine parcels entirely or partially within RPA1 and the adjacent public rights-of-way and is presented with supporting detail in Appendix A. The conservation area study is conducted on the remainder of the Downtown Stadium Redevelopment, comprised of 26 separately identified parcels and adjacent public rights-of-way. Detail of the conservation area study is presented in Appendix B.

My analysis recognizes parcel boundaries and land areas reported in Kansas City and/or the Jackson County public records. The land area under study includes interior streets and public rights-of-way entirely and to the centerline of the peripheral streets, Main Street, Pershing Road, Gillham Road, 22nd Street, and 27th Street.

Crown Center and related entities own all but two parcels within the Downtown Stadium Redevelopment Area. Our L:ady of Sorrows and the adjacent administration building are owned by the Catholic Diocese and the City of Kansas City owns the public rights-of-way.

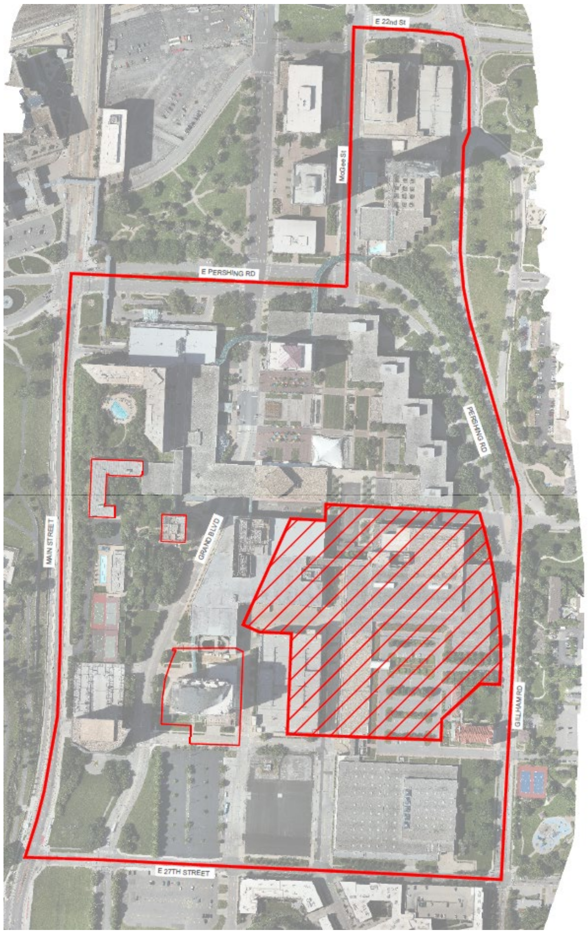
Study ID	Address	Tax ID	Owner Name	Land Use	Lot Acres	GBA/SF	Yr Built
1	2400 PERSHING RD	29-530-25-01-01-0-00-000	CROWN POWER & REDEV CORP	Office Building	10.64	1,784,104	1973
2	2501 GRAND	29-530-12-17-01-0-00-000	HALLMARK CARDS INC	Warehouse - Storage AC	4.90	878,171	1966
3	2505 GILLHAM/2501 MCGEE	29-530-10-01-01-1-00-000	HALLMARK CARDS INC	Office Headquarters - BD	3.70	1,220,735	1966
4	2560 MCGEE	29-530-12-19-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Parking Garage 1/2 Warwick	4.25	282,376	2003
5	402 E 26TH ST	29-540-18-02-00-0-00-000	HALLMARK CARDS INC	Surface Lot	0.31		
6	400 E 26TH ST	29-540-18-03-02-0-00-000	HALLMARK CARDS INC	Surface Lot	0.91		
7	2548 GILLHAM RD	29-540-18-04-02-1-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
8	NWC 26th AND GILLHAM	29-540-18-04-02-2-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church/Admin	0.22	6,200	1922
9	NWC 26th AND GILLHAM	29-540-18-04-03-0-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church	0.80	17,800	1922
10	ADJACENT PUBLIC RIGHTS-OF-WAY				6.00		
11	PERSHING RD	29-540-32-01-00-0-00-000	CROWN CENTER REDEV CORP	Parking Drive	0.16		
12	200 E 25TH ST	29-530-25-04-00-0-00-000	CROWN POWER & REDEV CORP	American and Central Plant	1.37	120,938	1973
13	200 E 25TH ST	29-530-25-03-00-0-00-000	CROWN POWER INC	Central Plant	0.02	56,044	1971
14	2650 GILLHAM RD	29-540-31-15-01-0-00-000	HALLMARK CARDS INC	Industrial Manufacturing/Rice	4.25	605,654	1982
15	300 E 27TH ST	29-540-31-13-00-0-00-000	HALLMARK CARDS INC	Industrial/Rice	0.77	185,434	1985
16	2301 McGee ST	29-520-45-04-00-0-00-000	CROWN POWER REDEV CORP	Office Building/Exhibition Hall	1.19	244,112	1999
17	2301 McGee ST	29-510-35-03-00-0-00-000	CROWN POWER REDEV CORP	Parking Garage	0.76	260,344	1986
18	2345 MCGEE ST	29-540-07-05-00-0-00-000	CROWN POWER REDEV CORP	Hospitality/Sheraton	3.00	758,637	1980
19	2450 GRAND AVE	29-530-24-12-00-0-00-000	CROWN POWER & REDEV CORP	Hospitality/Westin and Retail	8.62	1,191,940	1971
20	2498 GRAND ABOVE GRAND	29-530-24-08-00-0-00-000	CROWN POWER & REDEV CORP	Retail Bridge	0.02		
21	2600 GRAND AVE	29-530-24-05-02-0-00-000	CROWN POWER & REDEV CORP	Office Building	1.70	266,661	1990
22	2600 GRAND AVE	29-530-24-17-00-0-00-000	CROWN POWER & REDEV CORP	Parking Structure	0.19	166,118	1990
23	2600 GRAND	29-530-24-11-00-0-00-000	CROWN POWER & REDEV CORP	Unimproved Land	1.68		
24	27TH AND GRAND	29-530-12-14-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.05		
25	401 E 26TH ST	29-530-12-17-03-1-00-000	HALLMARK CARDS INC	Surface Lot	3.29		
26	2601 WARWICK	29-530-22-16-01-0-00-000	HALLMARK CARDS INC	Surface Lot	3.13		
27	2600 GILLHAM RD	29-540-31-01-00-0-00-000	HALLMARK CARD INC	Unimproved Land	0.25		
28	2606 GILLHAM RD	29-540-31-12-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.51		
29	2620 GILLHAM RD	29-540-31-06-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
30	2626 GILLHAM RD	29-540-31-05-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.18		
31	2630 GILLHAM RD	29-540-31-04-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.11		
32	2405 GRAND AVE	29-530-25-02-00-0-00-000	CROWN POWER & REDEV CORP	Office Building	0.56	250,434	1986
33	2498 GRAND Above Grand	29-530-24-18-00-0-00-000	CROWN POWER & REDEV CORP	Retail/Bridge	0.28		
34	25TH AND GRAND	29-530-24-14-00-0-00-000	CROWN POWER & REDEV CORP	Drive to retail parking	0.54		
35	GRAND CENTRAL POWER	29-530-24-09-00-0-00-000	CROWN CENTER REDEV CORP	Under Grand	0.22		
36	2525 Main	29-530-24-20-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Condo tennis/pool/landscaping	4.41	382,052	1975
37	ADJACENT PUBLIC RIGHTS-OF-WAY				2.00		
	Total				**71**	**8,677,754**	

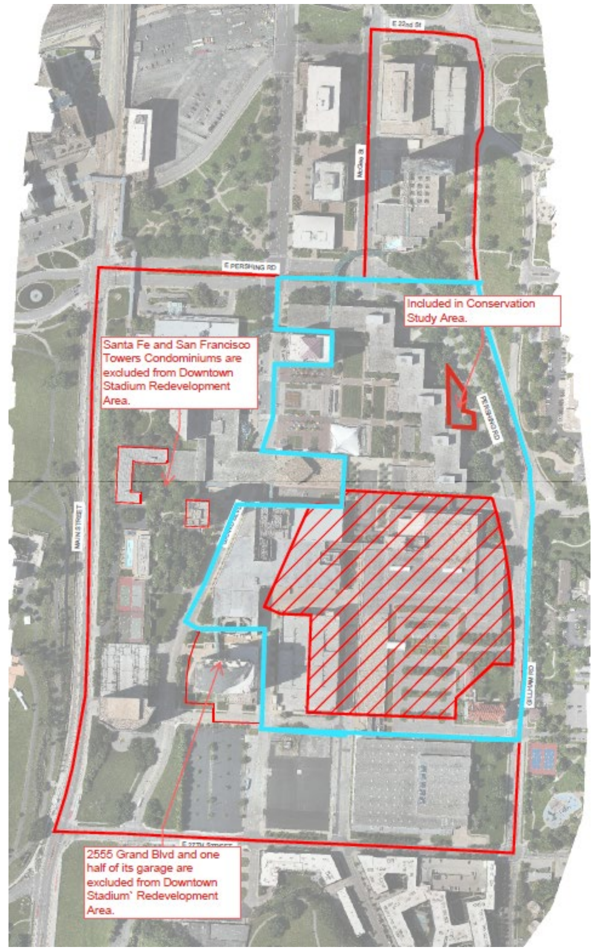
The entire Downtown Stadium Redevelopment Area is depicted in the aerial below. Exclusions are 1) the privately owned residences of the Santa Fe Place and San Francisco Towers condominiums and 2) the land and building of 2555 Grand Blvd., and a portion of the shared garage.



Within this report are numerous maps which are provided by several sources, along with enhancements for the sole purpose to support discussion of existing conditions within the Downtown Stadium Redevelopment Area. ***These exhibits are for illustrative purposes only.***

The area below left and crosshatched in red is RPA1. The boundaries of RPA1 do not entirely follow parcel boundaries as presently subdivided. Parcels entirely or partially within RPA1 comprise the area outlined below on the right in blue are the subject of the blight area study which is detailed in Appendix A. The blight area study covers nine parcels plus public-rights-of-way totaling 32 acres.





Conservation area factors are considered pre-blight so any of the blight factors from the area studied for blight by definition meet one or more of the conservation area factors. Parcels within the blue outlined boundaries are not separately analyzed for conservation area factors.

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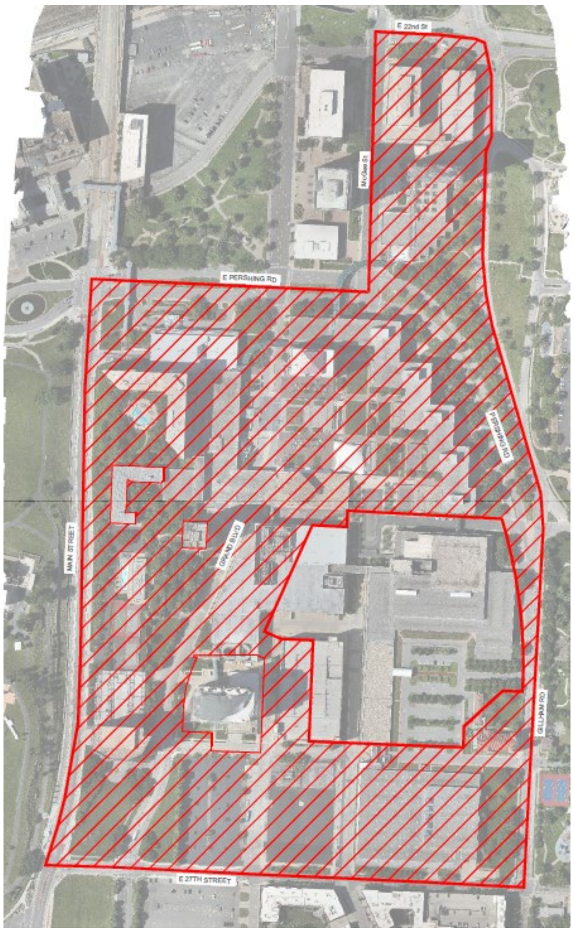
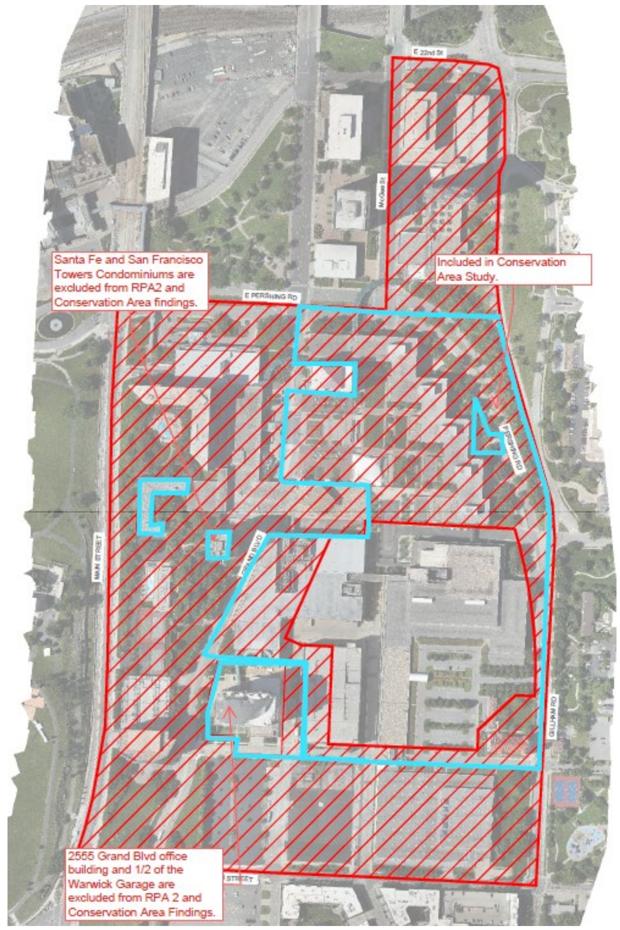
RPA2 is depicted below left in the exhibit by City of Kansas City. It includes the entire Downtown Stadium Redevelopment Area except RPA1, the Santa Fe Place and San Francisco Tower condominium residences and improvements, the 2555 Grand Blvd., office building and part of its garage. The boundaries of RPA2 do not correspond directly with conservation area boundaries. For the conservation area study I analyze existing conditions on 26 parcels plus public-rights-of-way totaling 39 acres. The Conservation Area study presented in Appendix B.





CONCLUSIONS

Blight

I evaluated the conditions of the nine parcels and surrounding public rights-of-way partially or entirely within RPA1. The land area totals approximately 32 acres and includes nearly 4.2 millions square feet of building improvements above and below grade. This includes the Pershing multitenant office building, Hallmark Headquarters (Building BD), its storage building (Building AD), parking garages, and Our Lady of Sorrows Church and administrative building. I conducted three inspections of the Study Area, most recently August 19, 2026.

Study ID	Address	Land Use	Insanitary or Unsafe Conditions	Deterioration of Site Improvements	Conditions Which Endanger Life or Property by Fire or Other Causes	Retards the Provision of Housing	Constitutes Economic or Social Liability	Menace to Public Safety
1	2400 PERSHING RD	Office Building	Moderate	Moderate	Moderate	The Provision of Housing is delayed or prevented due in part to the factors of blight identified within the study area.	Economic and Social Liabilities exist due to the factors of blight identified within the study area.	No Finding
2	2501 GRAND	Warehouse - Storage AC						
5	402 E 26TH ST	Surface Lot						
6	400 E 26TH ST	Surface Lot						
7	2548 GILLHAM RD	Unimproved Land						
8	NWC 26th AND GILLHAM	Church/Admin						
9	NWC 26th AND GILLHAM	Church						
10	ADJACENT PUBLIC RIGHTS-OF-							

Evidence is sufficient in the number of occurrences and in magnitude to create a predominance of blighting factors which meet the requirements of Blighted Area according to RSMo 99.805.

Conservation Area

The remainder of the area is studied for conservation area factors. The conservation study area encompasses approximately 39 acres and is densely developed with approximately 4.5 million square feet of gross building area. Included are the Crown Center Shops, two of Kansas City's largest hotels, leased office buildings, parking garages and lots, all owned by Crown Center or related entities.

The requirement to qualify for consideration of a Conservation Area finding is that over 50% of the structures within the study area are 35 years or older. There are 12 buildings within the study area and 11 of those, 92%, are 35 years or older. There are 4.4 million square feet of gross building area, 95% of which was constructed prior to 1991. The area qualifies for evaluation of the factors of a Conservation Area.

Recognizing that only three of the Conservation Area factors need to be met once an area is qualified by age, I report those findings that are most demonstrative to the study area’s existing condition. For instance dilapidation is more severe than either deterioration or depreciation of physical maintenance. The conditions of excessive land coverage, deleterious land use or layout, and lack of community planning have similar interpretations and consolidated in the community planning discussion. Examples in my analysis describe the conditions found in the context of the most appropriate factor definition though they are almost certainly applicable to other criteria. The full analysis is included in the Appendix B to this report. My findings are on the following page.

Study ID	Address	Land Use	Yr Built	Dilapidation	Obsolescence	Deterioration	Excessive Vacancies	Lack of Community Planning	Depreciation of Physical Maintenance	Detrimental to Public Health, Safety, Welfare, or Morals
11	PERSHING RD	Parking Drive		Moderate	Significant	Moderate	Significant	Moderate	Moderate	Moderate
12	200 E 25TH ST	American and Central Plant	1973							
13	200 E 25TH ST	Central Plant	1971							
14	2650 GILLHAM RD	Industrial Manufacturing/Rice	1982							
15	300 E 27TH ST	Industrial/Rice	1985							
16	2301 McGee ST	Office Building/Exhibition Hall	1999							
17	2301 McGee ST	Parking Garage	1986							
18	2345 MCGEE ST	Hospitality/Sheraton	1980							
19	2450 GRAND AVE	Hospitality/Westin and Retail	1971							
20	2498 GRAND ABOVE GRAND	Retail Bridge								
21	2600 GRAND AVE	Office Building	1990							
22	2600 GRAND AVE	Parking Structure	1990							
23	2600 GRAND	Unimproved Land								
24	27TH AND GRAND	Unimproved Land								
25	401 E 26TH ST	Surface Lot								
26	2601 WARWICK	Surface Lot								
27	2600 GILLHAM RD	Unimproved Land								
28	2606 GILLHAM RD	Unimproved Land								
29	2620 GILLHAM RD	Unimproved Land								
30	2626 GILLHAM RD	Unimproved Land								
31	2630 GILLHAM RD	Unimproved Land								
32	2405 GRAND AVE	Office Building	1986							
33	2498 GRAND Above Grand	Retail/Bridge								
34	25TH AND GRAND	Drive to retail parking								
35	GRAND CENTRAL POWER	Under Grand								
36	2525 Main	Condo tennis/pool/landscaping	1975							
37	ADJACENT PUBLIC RIGHTS-(									

The preponderance of the factors above is sufficient for the finding that study area qualifies as a Conservation Area according to RSM0 99.805.

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APPENDIX:

2.0 DEFINITIONS

Definitions shown below from RSMo 99.805 are the basis for the assignment and specific to the intended uses and users noted herein.

Redevelopment Area, an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of real property directly and substantially benefitted by the proposed redevelopment project;

Blighted Area: An area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use. (RSMo 99.805) Effective August 28, 2021.

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

Listed below are commonly accepted dictionary definitions, and interpretations of terms applied in this Blight Study.

***Predominance*:** A superiority in weight, power, importance or strength. A superiority or excess in number or quality. (Merriam Webster). I evaluate my findings of the factors above and individually report if those factors occur or do not occur in the Study Area. My analysis identifies a predominance of the factors and the degree to which those factors impact the subject. I liken predominance to majority or >50%.

***Insanitary or Unsafe* Conditions:** Unclean enough to endanger health. (Merriam Webster). Able or likely to cause harm, damage, or loss. Not giving protection from danger, harm, or loss. (Merriam Webster).

Deterioration* of *Site Improvements: The act or process of becoming worse. The action or process of deteriorating. (Merriam Webester). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). Improvements on and off a site that make it suitable for its intended use or development. On-site improvements include grading, landscaping, paving, and utility hook-ups; off-site improvements include streets, curbs, drains, sidewalks and connecting utility lines. (The Dictionary of Real Estate Appraisal).

***Conditions Which Endanger Life or Property by Fire and Other Causes*:** To bring into danger or peril. (Merriam Webster).

***Retards the Provisions of Housing*:** Conditions within the study area which eliminate opportunity for new housing or harm existing housing within and surrounding the study area.

Constitutes an Economic or Social Liability: Relating to, or based on the production, distribution, and consumption of goods and services. (Merriam Webster). Relating to society or its organization. (Merriam Webster). A risk or disadvantage that may cause harm or loss.

Menace* to *Public Health, Safety, Morals,* or *welfare: A show or intention to inflict harm, a threat. (Merriam Webster). The health of the population as a whole, especially as the study of government regulation and support. The welfare and protection of the general public. Ethical standards enforced in a society. The health, happiness, and fortunes of a person or group. (Dictionary.Com)

Listed below are commonly accepted dictionary definitions, and interpretations of terms applied in this Conservation Area Study.

Project Area: The statute does not provide a specific definition of project area. I apply the boundaries and identifiers presented by the client for this study.

Age of thirty-five years or more: The requirement of a Conservation Area is that over fifty percent (50%) of the structures in that area have an age of thirty-five (35) years or more. Those improvements constructed prior to 1991 meet this requirement

***Dilapidation*:** A condition of decay or partial ruin (Merriam Webster Dictionary). This factor is the most severe of the condition factors in the definition. Dilapidation is not age dependent. An instance of dilapidation is also considered one or both deterioration and depreciation.

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a Study Area less desirable and valuable for a continued use; may be either functional or external. (Dictionary of Real Estate Appraisal).

> ***Functional Obsolescence:*** An element of accrued depreciation resulting from deficiencies or superadequacies in the structure. (Dictionary of Real Estate Appraisal).
>
> ***External (Economic) Obsolescence:*** An element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of an owner, landlord, or tenant. (Dictionary of Real Estate Appraisal)

Deterioration: The act or process of becoming worse. The action or process of deteriorating. (Merriam Webster). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). This factor and depreciation are tied to the age of site and building improvements and is a recognizable condition.

Illegal use of individual structures: There is no formal definition of this factor. I interpret it to address those buildings or improvements within the Study Area that are used for illegal purpose or those that are an illegal, criminal, or non-conforming use according to the relevant zoning ordinance.

Structures below minimum code standards: This finding is based on complaint or findings from an inspection. There is no specific definition to elaborate this particular factor.

Abandonment: It is the surrender, relinquishment, disclaimer, or cession of property or rights. Voluntary relinquishment of all right, title, claim, and possession, with the intention of not reclaiming it. (thefreedictionary.com)

Excessive vacancies: There is no specific definition to apply for this factor. Excessive vacancy, as a Conservation Area factor is based on the market's interpretation of the Project Area as far as physical and economic vacancy.

Overcrowding of structures and community facilities: There is no specific definition to apply for this factor. Any commentary as to overcrowding as a Conservation Area factor is based on lot width, setbacks, height and public rights-of-way.

Lack of ventilation, light, or sanitary facilities: There is no specific definition or criteria to apply to the Study Area to address this factor.

Inadequate utilities: There is no specific definition or criteria to apply to the study are to address this factor. I have verified service to the area and give this factor no further consideration.

Excessive land coverage**:** There is no specific definition or criteria to apply to the study are to address this factor. The density of development within the individual parcels as well as the presence or absence of green space and the impact of public rights-of-way is considered.

Deleterious land use or layout: Harmful often in a subtle or unexpected way. (Merriam Webster). It is used to describe things that are harmful in ways that are unexpected, slow-acting, or not readily apparent.

Depreciation of physical maintenance: A loss in condition from any cause. In regard to improvements, depreciation encompasses both deterioration and obsolescence. (Dictionary of Real Estate Appraisal) This Considering that dilapidation, obsolescence, and deterioration are separately addressed, depreciation addresses only age.

Lack of community planning: There is no specific definition or criteria to apply to the Study Area to address this factor. This factor addresses the impact of past and current land use restrictions and design on the entire Redevelopment Area.

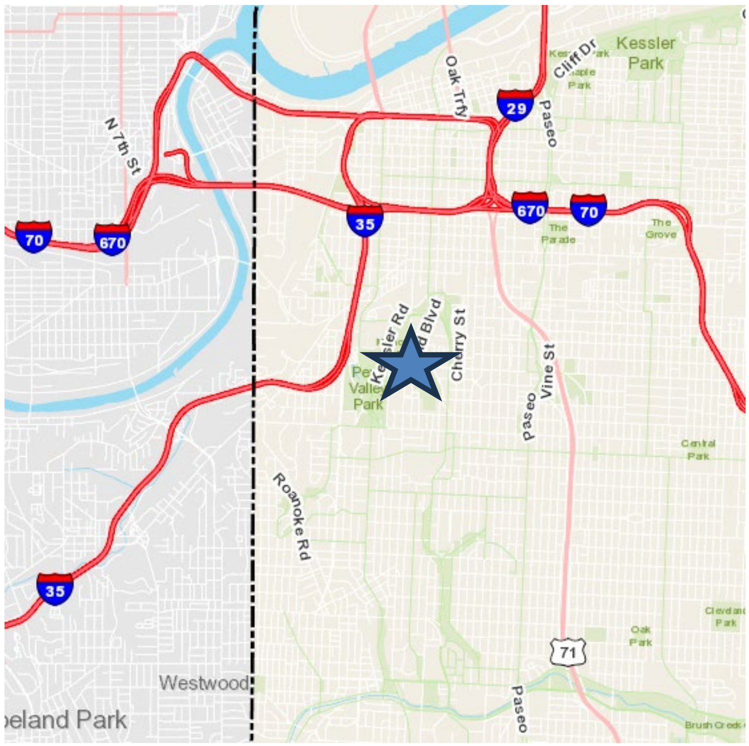
Detrimental to the public health, safety, morals, or welfare: I consider if, in aggregate, at least three of the factors described above are present such that a finding can be made that the Study Area is detrimental to the public health, safety, morals, or welfare. This test is applied to the entire area studied only upon completion of my analysis of the other Conservation Area factors.

Preponderance: A superiority in weight, power, importance, or strength. A superiority or excess in number or quantity. (Merriam Webster) I evaluate my findings of the factors above and individually report if those factors occur or do not occur in the Redevelopment Area. If they do occur, do they rise to the level of preponderance. I liken predominance to majority or >50%.

3.0 ECONOMIC/SURROUNDING AREA ANALYSIS

3.1 Area Overview

The subject 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 with a population density of 313 people per square mile.



3.2 Population

The Kansas City MSA has an estimated 2026 population of 2,274,161. The Kansas City MSA experienced an average population growth of 13,688 residents per year over the 2020 - 2026 period.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Trade Area							
Area (sq miles)	3	27	76	605	7,256	68,782	3,533,719
Density (pop/sq mile)	4,099	4,271	3,320	1,217	313	91	96
Population							
Population 2010 (census)	7,594	99,544	231,327	674,137	2,009,348	5,988,890	308,745,538
Population 2020 (census)	10,300	108,902	245,014	717,204	2,192,035	6,154,913	331,449,281
Population 2026 (current)	12,850	116,851	253,343	735,484	2,274,161	6,272,929	337,470,185
Population 2031 (5 yr proj)	14,841	123,728	259,350	746,347	2,326,208	6,348,837	342,640,129
% Change 2020-Current	3.8%	1.2%	0.6%	0.4%	0.6%	0.3%	0.3%
% Change 5 Yr Forecast	2.9%	1.2%	0.5%	0.3%	0.5%	0.2%	0.3%
% Change 2010-2020	3.1%	0.9%	0.6%	0.6%	0.9%	0.3%	0.7%

Source: Esri 2026

3.3 Employment Trends

The percentage of college graduates within the Kansas City MSA exceeds the national average.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Total (NAICS11-99) Employees	41,875	177,233	253,406	412,180	1,113,766	3,061,384	153,323,159
Total (NAICS11-99) Businesses	1,974	8,515	13,804	25,941	79,160	223,426	12,297,209
Unemployment Rate	1.7%	3.8%	4.5%	3.8%	3.5%	3.8%	4.3%
% College Graduate	56.7%	44.7%	38.8%	36.1%	41.4%	34.2%	36.1%
Avg Work Travel Time				23	23	24	27

Source: Esri 2026

3.4 Major Employers

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

	Name	Description	Employees 2023
1	Federal Government	Government	45,932
2	University of Kansas Health System	Health services	14,000
3	State Government KS and MO	State Government	14,000
4	Saint Luke's Health System	Health services	11,320
5	HCA Midwest Health	Health services (Division Hdq.)	9,905
6	Ford Motor Company	Motor vehicle mfg.	8,903
7	Children's Mercy	Health services	8,258
8	NNSA-Managed by Honeywell	NNSA, managed by Honeywell FM&T	6,326
9	Amazon	E Commerce	6,000
10	Oracle (formerly Cerner)	Health care information systems	5,861
11	Garmin International Inc.	Global positioning system mfg. (Hdq.)	5,300
12	University Health	Health services	4,453
14	T-Mobile	Telecommunications (Hdq.)	3,825
15	Quick Trip	Retail	3,192
16	Advent Health	Health Services	3,155
17	United Health	Insurance	3,000
18	Walmart	Retail	2,850
19	Hy Vee	Government	2,700
20	Hallmark Cards, Inc.	Retail and Manufacturing	2,500

Source: Kansas City Business Journal

3.5 Median Household Income

Median household income for the Kansas City MSA is $88,425, which is 16.45% higher than Missouri and 21.79% higher than the country's median household income.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Household Income							
Median HH Income	$81,265	$61,683	$60,634	$75,657	$88,425	$75,934	$72,603
Average HH Income	$119,792	$89,176	$93,171	$100,665	$121,507	$104,762	$107,008
Per Capita Income	$67,432	$45,694	$42,026	$42,747	$49,144	$43,159	$41,310
Population Distribution by Income							
-$15,000	1,026	9,524	16,687	29,568	62,197	213,201	12,298,792
$15,000 - $24,999	395	4,845	8,872	20,831	44,192	164,071	9,182,566
$25,000 - $34,000	355	4,499	9,175	21,723	53,279	181,365	9,577,830
$35,000 - $49,999	518	5,994	12,812	31,062	81,805	272,703	14,019,287
$50,000 - $74,999	969	9,692	18,583	50,858	138,926	436,358	21,371,036
$75,000 - $99,999	1,130	7,661	14,396	44,228	128,691	348,710	16,639,881
$100,000 - $149,999	1,152	8,925	15,571	53,547	169,390	450,804	21,948,226
$150,000 - $199,999	786	3,875	7,771	30,093	107,070	234,251	11,109,323
$200,000+	906	4,499	9,672	29,306	131,146	268,623	13,766,961

Source: Esri 2026

3.6 Household Summary

Approximately 39.73% of housing units within a 5-mile radius are owner-occupied, which is below the Kansas City MSA average of 64.20% The median year built for homes within a 5-mile radius of the study is 1949 which is older than the Kansas City MSA average of 1980.

Category	1 Mile	3 Mile	5 Mile	Jackson County	Kansas City MSA	Missouri	United States
Avg HH Size	1.67	1.89	2.16	2.3	2.4	2.4	2.53
Total Households 2010 (census)	3,845	46,179	96,937	274,798	789,536	2,375,595	116,716,292
Total Households 2020 (census)	5,474	53,739	106,435	297,580	868,375	2,479,146	126,817,580
Total Households 2026 (current)	7,237	59,512	113,540	311,216	916,696	2,570,086	129,917,449
Total Households 2031 (5 yr proj)	8,626	64,129	118,188	319,014	946,163	2,621,964	133,099,006
HH % Change 2020-Current	4.76%	1.72%	1.08%	0.75%	0.91%	0.60%	0.40%
HH % Change 5 Yr Forecast	3.57%	1.51%	0.81%	0.50%	0.63%	0.40%	0.49%
HH % Change 2010-2020	3.60%	1.53%	0.94%	0.80%	0.96%	0.43%	0.83%
Housing Units							
Total Housing Units	9,100	71,953	133,237	345,454	989,590	2,896,418	144,063,309
Median Year Built	1972	1951	1949	1970	1980	1978	1979
Housing Units % Vacant	20.5%	17.3%	14.8%	9.9%	7.4%	11.3%	9.8%
Housing Units % Owner Occupied	23.1%	27.4%	39.7%	56.5%	64.2%	67.0%	64.9%
Housing Units % Renter Occupied	76.9%	72.6%	60.3%	43.5%	35.8%	33.0%	35.1%
Median Home Value	$376,947	$248,072	$219,990	$259,003	$321,978	$264,642	$308,943

Source: Esri 2026

3.7 Neighborhood Analysis

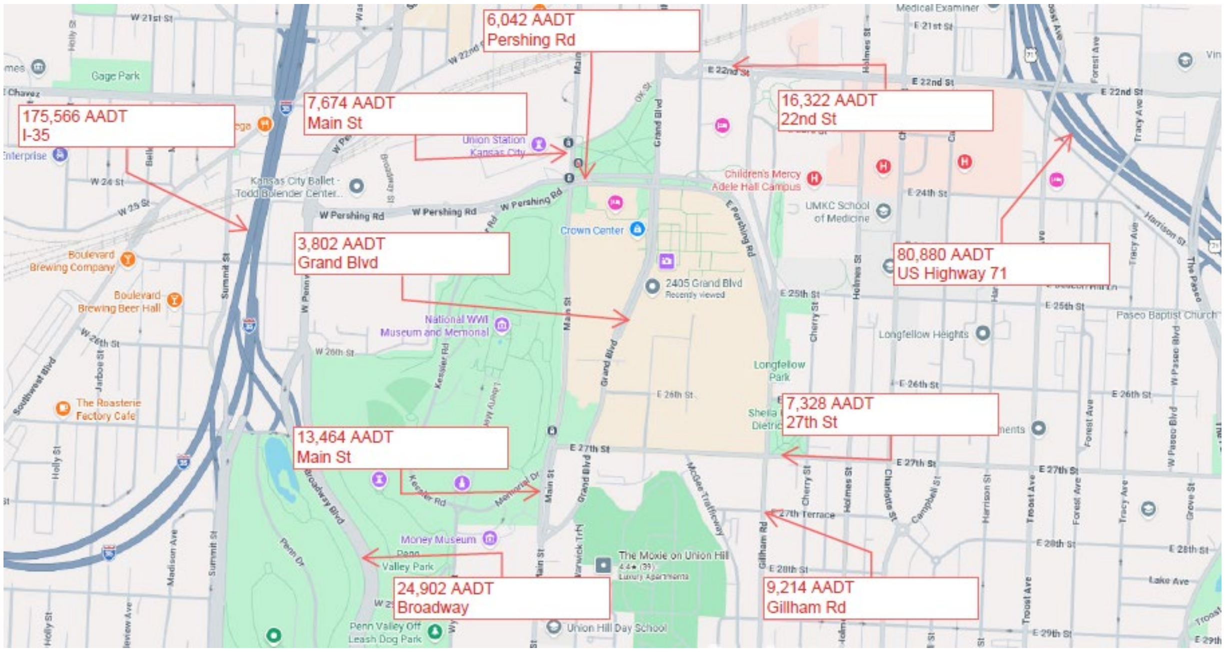
3.7.1 Access & Linkages

The study area is easily accessible as described below.

Access, Linkages and Transit

Primary Access to Area	I-35 and US Highway 71.	
Public Transportation Provider	Kansas City Streetcar with stops at Union Hill, just southwest of the project areas and at Liberty Memorial, just west of the project areas. KCATA bus service is readily available along Gillham, McGee, E Pershing, Grand Blvd and 27th Street. The Study Area has exceptional access to transit.	
Nearest On-Ramp	I-35 and US Highway 71.	0.75 (Miles)
Nearest Bus Stop	Throughout	0.00 (Miles)
Nearest Subway Station	Main Street	0.00 (Miles)
Nearest Train Station	Union Station	0.10 (Miles)
Nearest Airport	Kansas City International Airport (was Mid-Continent Internatio	16.57 (Miles)

Traffic counts within and surrounding the study area are described below. These are annual average daily count. Peak traffic . The Kansas City Streetcar map is included on the following page.



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The Kansas City Streetcar starter line opened in 2016 and travels two miles from River Market south to Union Station. The expansion south of Union Station began service less than one year ago. It extends from the subject 3.5 miles south to UMKC. The Riverfront extension began service in 2026. Presently configured the Kansas City Streetcar travels six miles north to south and the Downtown Stadium Redevelopment area is in the middle and comprises 0.4 miles or 7% of the entire frontage on the northbound route.

The Crown Center area is one of the most accessible areas of the entire region.

3.7.2 Neighborhood Demand Generators

The study area and its surrounding neighborhoods include all of Kansas City's major attractions. With Crown Center in the middle there is the Kauffman Performing Arts Center, KC Live and Power & Light, Financial Center, River Market, 18^{th} & Vine, Crossroads and Freighthouse Districts are all within two miles to the north of the subject. The Country Club Plaza and Westport are less than three miles to the south. Union Station and the World War I Museum are within 0.25 miles to the west, and Hospital Hill is immediately east of the study area. The Kansas City Branch of the Federal Reserve, three blocks southwest, is a 600,000 SF regional headquarters completed in 2008 on the site of the former St. Mary's Hospital site at 30^{th} and Main.

The economic activity generated in the immediate area is critical to the entire region and there has been public and private investment in support of that. Almost as soon as the Streetcar was completed from River Market to Union Station in 2016, an extension south, past the study area to the Plaza and UMKC was planned. The extension is now complete and has met with success similar to the original line. Crown Center hosts many events every year, most notable is Kansas City's Irish Fest. Children's Mercy, immediately east of the study area, announced a new acute care tower at the Adele Hall Campus. The estimated cost of this new hospital is approximately $1 billion. Between Children's Mercy and Truman Medical, presently there are 600 beds here. Union Station continues to present award winning and successful programs. Penn Valley Park hosted this summer's Fan Fest capitalizing on the World Cup. To the south, the Country Club Plaza owner is making a $1.3-$1.9 billion reinvestment. These are the most notable projects. Urban renewal continues as it has over the past 20 years with a multitude of smaller private investments which are in large part a reimagining of specific buildings or redevelopments of previously improved sites.

Within one mile of the study area over 3,500 households have been added since 2010 which is nearly a 100% increase. 77% of the housing units are renter occupied and projections are for 1,400 new households in the next five years. Within three miles 73% of the households are renter occupied and 4,500 households are projected for the next five years. This growth will occur only if suitable housing stock is available. Consideration of housing accommodation is a component of blight and it is a necessary consideration of any project to come forth within the neighborhood. Neighboring land uses are described below.

Neighboring Land Uses

North	Freighthouse and Crossroads Districts
East	Hospital Hill with Truman Medical and Children's Mercy Hospital
West	Union Station, World War I Museum and Penn Valley Park and Kansas City Streetcar
South	Union Hill Neighborhood

The Crown Center is home to Kansas City's most well know company, Hallmark, which employs approximately 2,500 people, most at its headquarters location. Shook Hardy Bacon, Lathrop GPM, and Armstrong Teasdale and other Kansas City top law firms are located within the Crown Center area. Other major employers include the numerous retail stores at Crown Center, Sheraton and Westin Hotels, Children's Mercy, the IRS, the GSA, and Truman Medical. The employment and commercial centers of the Central Business District and the Country Club Plaza are within one and two miles of Crown Center respectively and immediately on the Kansas City Streetcar route.

3.7.3 Retail and Public Services

Public services are described below. Any consumer need is readily available.

Public Services and Amenities

Category	Description	Distance from Subject
Grocery	Consentinos	1.25 (Miles)
Shopping Center	Crown Center	0.00 (Miles)
Regional Mall	Crown Center	0.00 (Miles)
Fire Station	Kansas City Missouri Fire Department Station 7	0.76 (Miles)
Police Station	Kansas City Police Department - Central Patrol Division	1.04 (Miles)
Hospital	Children's Mercy	0.50 (Miles)

3.8 Economic/Surrounding Area Analysis Conclusion

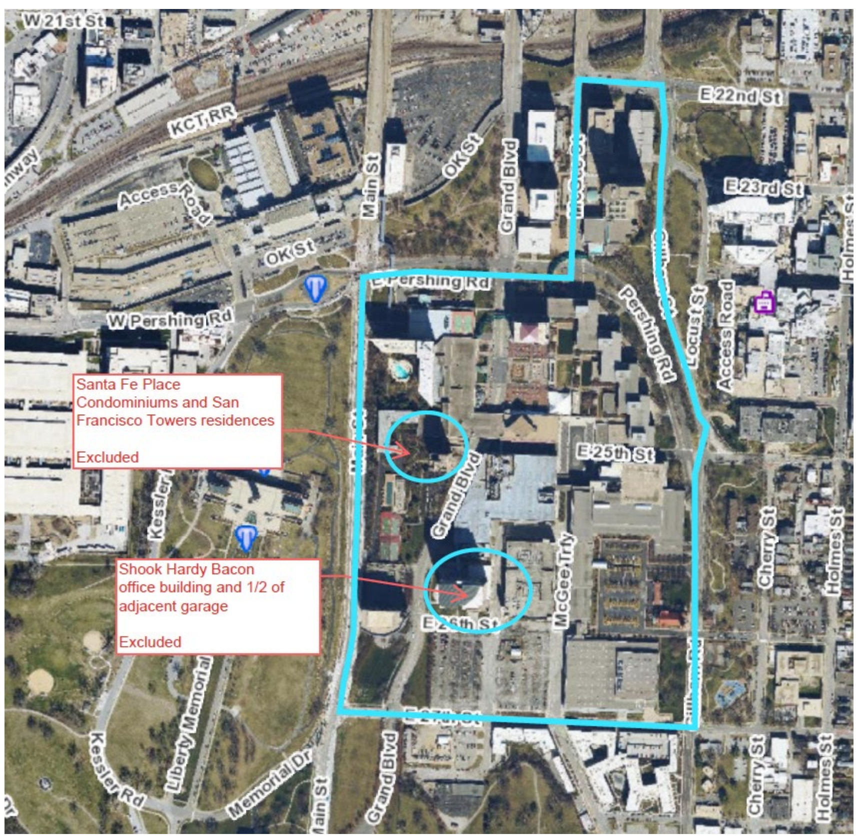
There are almost no land parcels of size that are unimproved and available for development within the neighborhood. Development sites are presently improved with functionally obsolete building improvements and speculative redevelopment opportunities to the south along the Streetcar route is are quickly becoming limited.

This description is by no means self-contained, but it is sufficient for the purposes of this study. Crown Center has been the focal point of Kansas City residents and visitors for decades and it has attracted some of areas most desired retailers, restaurants and office tenants. The Kansas City, Missouri's most valuable single family residences and condominiums and the highest apartment rents are found within close proximity to the study area.

4.0 STUDY AREA

4.1 Summary

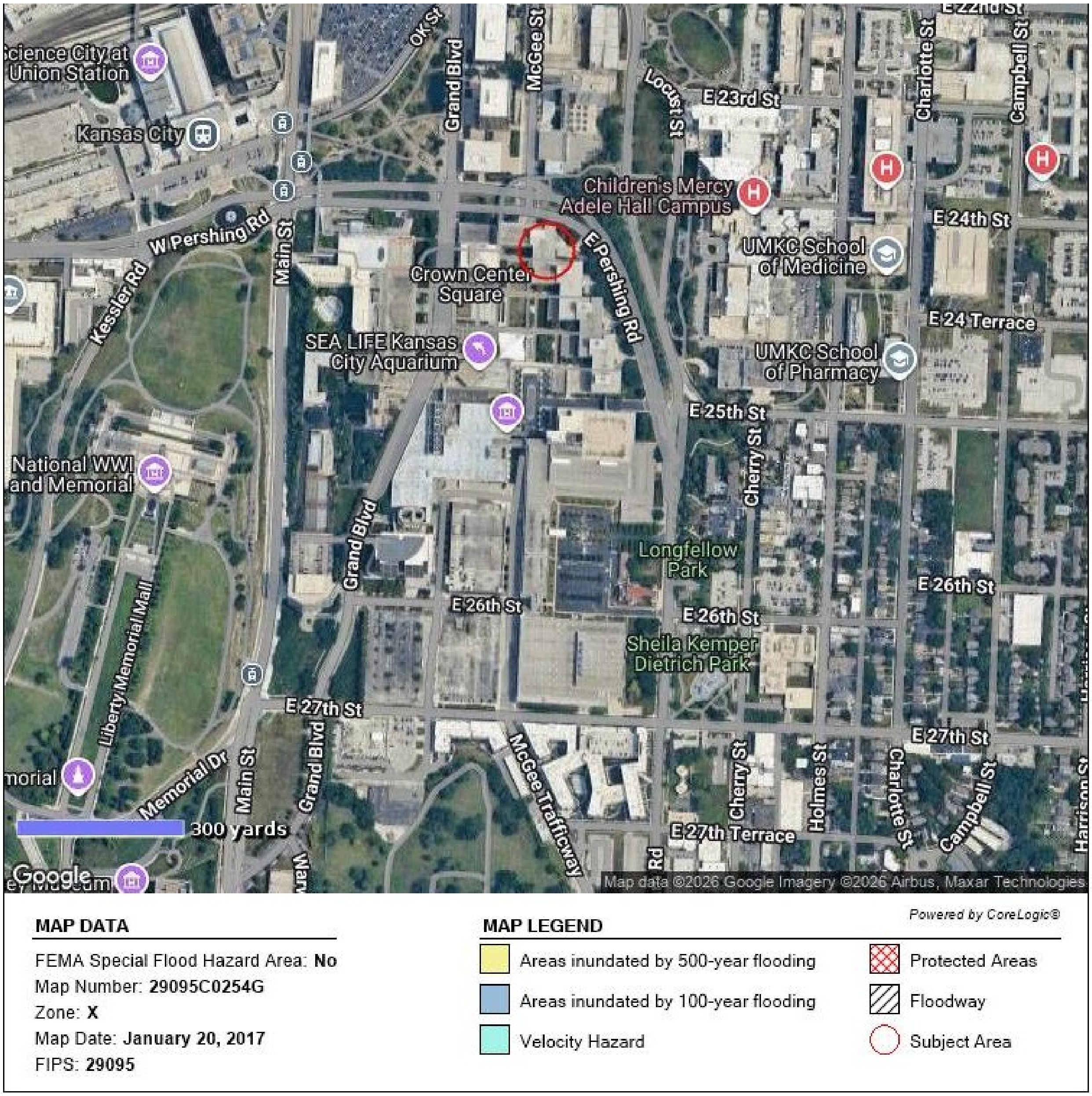
The study area of this assignment is identified as the Downtown Stadium Redevelopment Area comprised of 35 privately owned parcels located generally from 22nd Street and the Kansas City Terminal Railway south to 27th Street and east from Main Street to Gillham Road. The area is approximately 0.3 miles east to west and 0.8 miles north to south. The combined land area of the 35 parcels and adjacent public rights of way totals approximately 71 acres. The entire study area is characterized by dense development containing approximately 8.8 million square feet of gross building area including Crown Center Shops, Hallmark's Headquarters, two of Kansas City's largest hotels, leased office buildings, and numerous parking garages. The buildings date from 1916. Crown Center owned parcels contain over 7,300 parking spaces including surface lots. Within these boundaries, but excluded from the study area are privately owned Santa Fe and San Francisco Towers condominiums, and the 2555 Grand Boulevard office building along with one half of its garage.



The entire Downtown Stadium Redevelopment Area and exclusions are outlined in blue above and each parcel is listed by study ID number on the following page.

Study ID	Address	Tax ID	Owner Name	Land Use	Lot Acres	GBA/SF	Yr Built
1	2400 PERSHING RD	29-530-25-01-01-0-00-000	CROWN POWER & REDEV CORP	Office Building	10.64	1,784,104	1973
2	2501 GRAND	29-530-12-17-01-0-00-000	HALLMARK CARDS INC	Warehouse - Storage AC	4.90	878,171	1966
3	2505 GILLHAM/2501 MCGEE	29-530-10-01-01-1-00-000	HALLMARK CARDS INC	Office Headquarters - BD	3.70	1,220,735	1966
4	2560 MCGEE	29-530-12-19-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Parking Garage 1/2 Warwick	4.25	433,645	2003
5	402 E 26TH ST	29-540-18-02-00-0-00-000	HALLMARK CARDS INC	Surface Lot	0.31		
6	400 E 26TH ST	29-540-18-03-02-0-00-000	HALLMARK CARDS INC	Surface Lot	0.91		
7	2548 GILLHAM RD	29-540-18-04-02-1-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
8	NWC 26th AND GILLHAM	29-540-18-04-02-2-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church/Admin	0.22	1,000	1922
9	NWC 26th AND GILLHAM	29-540-18-04-03-0-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church	0.80	17,800	1922
10	ADJACENT PUBLIC RIGHTS-OF-WAY				6.00		
11	PERSHING RD	29-540-32-01-00-0-00-000	CROWN CENTER REDEV CORP	Parking Drive	0.16		
12	200 E 25TH ST	29-530-25-04-00-0-00-000	CROWN POWER & REDEV CORP	American and Central Plant	1.37	120,938	1973
13	200 E 25TH ST	29-530-25-03-00-0-00-000	CROWN POWER INC	Central Plant	0.02	56,044	1971
14	2650 GILLHAM RD	29-540-31-15-01-0-00-000	HALLMARK CARDS INC	Industrial Manufacturing/Rice	4.25	605,654	1982
15	300 E 27TH ST	29-540-31-13-00-0-00-000	HALLMARK CARDS INC	Industrial/Rice	0.77	185,434	1985
16	2301 McGee ST	29-520-45-04-00-0-00-000	CROWN POWER REDEV CORP	Office Building/Exhibition Hall	1.19	244,112	1999
17	2301 McGee ST	29-510-35-03-00-0-00-000	CROWN POWER REDEV CORP	Parking Garage	0.76	260,344	1986
18	2345 MCGEE ST	29-540-07-05-00-0-00-000	CROWN POWER REDEV CORP	Hospitality/Sheraton	3.00	758,637	1980
19	2450 GRAND AVE	29-530-24-12-00-0-00-000	CROWN POWER & REDEV CORP	Hospitality/Westin and Retail	8.62	1,191,940	1971
20	2498 GRAND ABOVE GRAND	29-530-24-08-00-0-00-000	CROWN POWER & REDEV CORP	Retail Bridge	0.02		
21	2600 GRAND AVE	29-530-24-05-02-0-00-000	CROWN POWER & REDEV CORP	Office Building	1.70	266,661	1990
22	2600 GRAND AVE	29-530-24-17-00-0-00-000	CROWN POWER & REDEV CORP	Parking Structure	0.19	166,118	1990
23	2600 GRAND	29-530-24-11-00-0-00-000	CROWN POWER & REDEV CORP	Unimproved Land	1.68		
24	27TH AND GRAND	29-530-12-14-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.05		
25	401 E 26TH ST	29-530-12-17-03-1-00-000	HALLMARK CARDS INC	Surface Lot	3.29		
26	2601 WARWICK	29-530-22-16-01-0-00-000	HALLMARK CARDS INC	Surface Lot	3.13		
27	2600 GILLHAM RD	29-540-31-01-00-0-00-000	HALLMARK CARD INC	Unimproved Land	0.25		
28	2606 GILLHAM RD	29-540-31-12-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.51		
29	2620 GILLHAM RD	29-540-31-06-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
30	2626 GILLHAM RD	29-540-31-05-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.18		
31	2630 GILLHAM RD	29-540-31-04-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.11		
32	2405 GRAND AVE	29-530-25-02-00-0-00-000	CROWN POWER & REDEV CORP	Office Building	0.56	250,434	1986
33	2498 GRAND Above Grand	29-530-24-18-00-0-00-000	CROWN POWER & REDEV CORP	Retail/Bridge	0.28		
34	25TH AND GRAND	29-530-24-14-00-0-00-000	CROWN POWER & REDEV CORP	Drive to retail parking	0.54		
35	GRAND CENTRAL POWER	29-530-24-09-00-0-00-000	CROWN CENTER REDEV CORP	Under Grand	0.22		
36	2525 Main	29-530-24-20-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Condo tennis/pool/landscaping	4.41	382,052	1975
37	ADJACENT PUBLIC RIGHTS-OF-WAY				2.00		
	Total				**71**	**8,823,823**	

4.2 Flood Zone Status

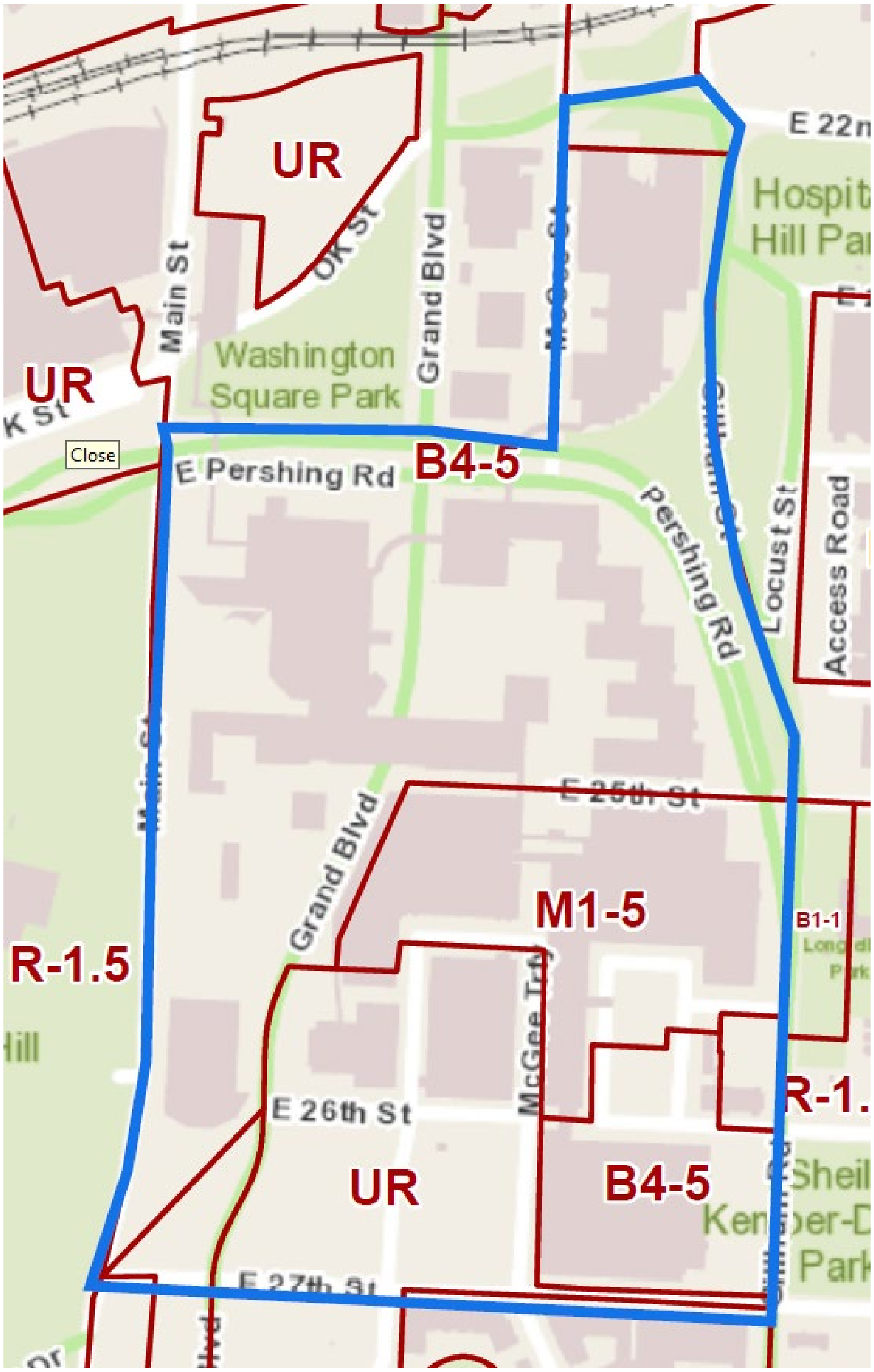


There is no flood hazard influence at the subject property.

4.3 Environmental Hazards

An environmental assessment was not provided for review. During my inspection I did identify areas where asbestos is found. This includes floor and ceiling tile and pipe insulation. The presence of potentially hazardous materials are detailed in my study of blighting factors.

4.4 Zoning & Other Restrictions Analysis



Zoning of the parcels within the Downtown Stadium Redevelopment Area are typical of Kansas City's Midtown and Crossroads neighborhoods. Detail of each zoning district is included on the following page.

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	Zoning District 1	Zoning District 2	Zoning District 3	Zoning District 4
Zoning Authority	Kansas City, Missouri	Kansas City, Missouri	Kansas City, Missouri	Kansas City, Missouri
Zoning District	Heavy Business Commercial	Industrial	Urban Renewal	Multifamily
Zoning Code	B4-5	M1-5	UR	R-1.5
Zoning Type/Description	The primary purpose of the B4, Heavy Business/Commercial district is to accommodate "heavier" commercial activities and a limited range of industrial uses with operating characteristics that make them generally incompatible with mixed-use or neighborhood-oriented environments.	Kansas City's manufacturing (M) zoning districts are primarily intended to accommodate manufacturing, warehousing, wholesale, and industrial uses. The regulations are intended to promote the economic viability of manufacturing and industrial uses; encourage employment growth; and limit the encroachment of unplanned residential and other non-industrial development into industrial areas.	The purpose of the UR, Urban Redevelopment district is to promote development and redevelopment of underdeveloped and blighted sections of the city and to accommodate flexibility in design to help ensure realization of the stated purposes of an approved plan for redevelopment. UR districts are further intended to promote the following objectives: 1) a more efficient and effective relationship among land use activities; 2) preservation and enhancement of natural, cultural and architectural resources and features; 3) enhancement of redevelopment areas to accommodate effective redevelopment; and 4) seamless and compatible integration of redevelopment projects into the development patterns that exist or that are planned to exist within the subject area.	Kansas City's residential (R) zoning districts are primarily intended to create, maintain, and promote a variety of housing opportunities for individual households and to maintain the desired physical character of existing and developing neighborhoods. While the districts primarily accommodate residential use types, some nonresidential uses are also allowed. The R district standards provide development flexibility, while at the same time helping to ensure that new development is compatible with the city's many neighborhoods. In addition, the regulations offer certainty for property owners, developers, and neighbors about the limits of what is allowed.
Current Use Legally Conforming	Yes	Yes	Yes	Yes
Permitted Uses	Very broad permitted uses: Single family, cultural, eating and drinking, office, retail, some hospitality, artisan manufacturing,	Multifamily use is permitted, public and civic uses, eating and drinking, office, parking lot and garage, data center, artisan and limited industrial, self-storage, indoor warehousing, Notably, hotel and motel requires a special use permit.	Per approved plan.	Detached single familly housing including zero lot lines and cottage homes. Attached to include townhomes, and multi-unit buildings.
Minimum Lot Area/Density	6.0 x FAR 200 SF per unit minimum	5.0 x FAR	Per approved plan.	3,000 SF. 1,500 SF per unit
Front Set Back Distance	None	None specified. Must match abutting residential setback.	Per approved plan.	15'
Side Yard Distance	None	None	Per approved plan.	10'
Back Yard Distance	30'	30'	Per approved plan.	25'
Maximum Building Height	None	None	Per approved plan.	45'
Zoning Comments	Requires floor to ceiling height of ground floor to be 13' for new construction. B4-5 limits industrial uses to a gross floor area of 25,000 SF.	There are specific setbacks for projects adjacent to Parkways and Boulevards.	All subject to site plan approval.	Proximity to residential zoning places restrictions on adjacent parcels. Rice Building and headquarters (AC) are inconsistent with current restrictions on neighborhing parcels.

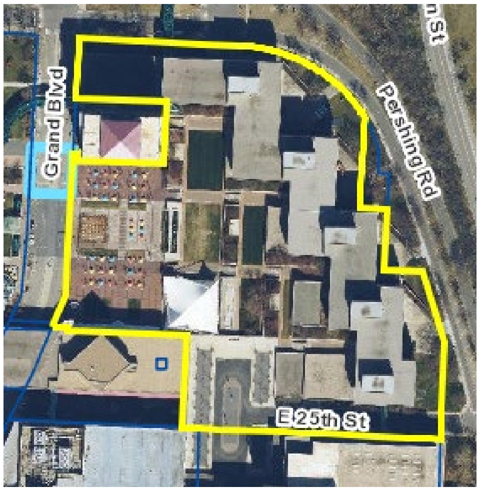
The zoning of individual parcels within the study area are typical of the area and generally supportive of new development and redevelopment of those specific parcels, but are not suited to multi-parcel development or redevelopment..

4.5 Encumbrance/Easements/Restrictions

I was not provided with a current title reports to review. Information provided by Crown Center and observed from public records suggests there are significant instances of encumbrances and encroachments. The study area has vertical parcels and common area interests which can sometimes impede the highest and best use of real property. Where appropriate these encumbrances are described within the study analysis and findings.

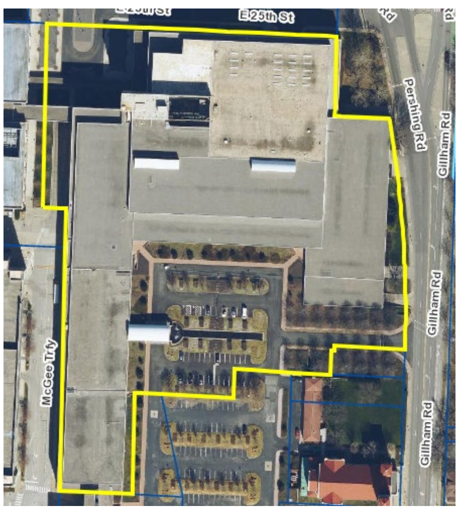
4.6 Site Analysis Conclusion

Parcels entirely or partially within RPA1 are the subject of the blight area study. These are presented in the Kansas City Missouri Parcelviewer exhibits below.

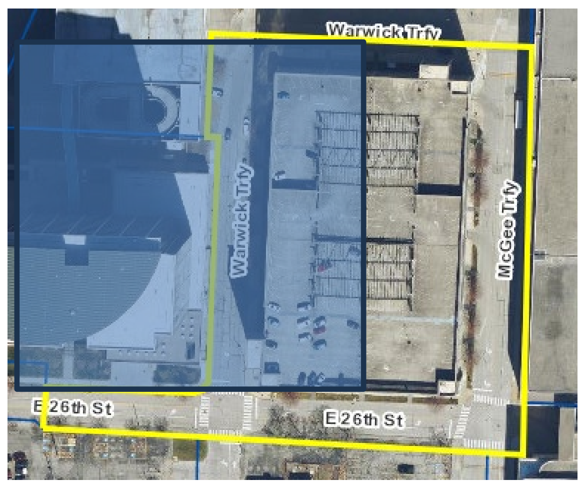


1) 2400 Pershing. Pershing Office Complex.

2) 2501 Grand. Hallmark Cards Warehouse/Storage AC.



3) 2505 Gillham/2501 McGee. Office Headquarters BD.



4) 2560 McGee is a parking garage partially used by tenants at 2555 Grand Blvd. One half of the garage and the office building, shaded in blue, are excluded from the Downtown Stadium Redevelopment Area. The east half of the garage, 26^{th} St., and McGee Trafficway are included in RPA1.

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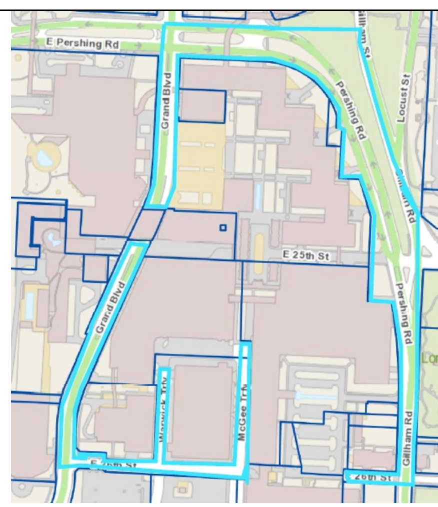
5) 402 E. 26th St. Surface parking lot.

6) 400 E 26th St. Surface parking lot.

7) 2548 Gillham Road. Unimproved land.

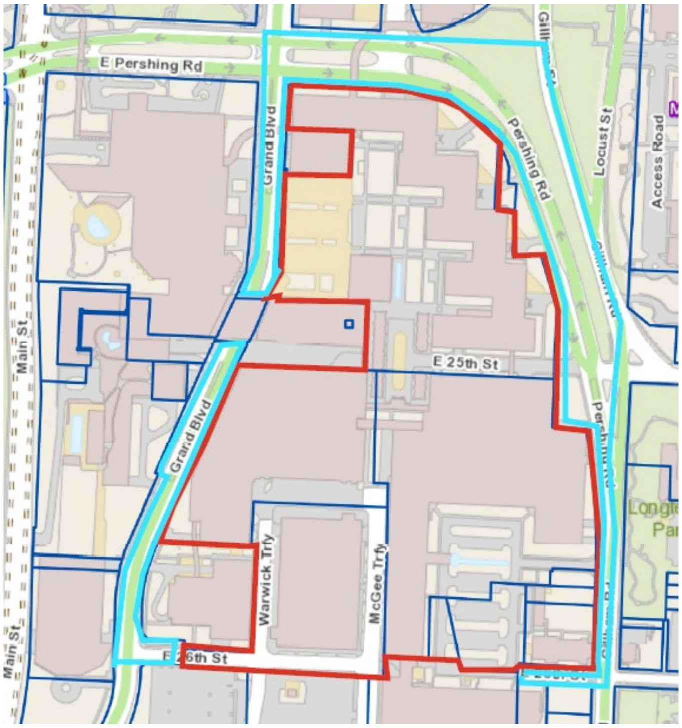
8) NWC 26th and Gillham Rd. Our Lady of Sorrows admin./school area.

9) NWC 26th and Gillham Rd. Our Lady of Sorrows Church and admin./school area.



10) Public rights-of-way adjacent to the RPA1 and included parcels.

The plat and aerial maps representing the nine parcels (red) and public areas (blue) described previously and depicting the area studied for the conditions of blight are included below.



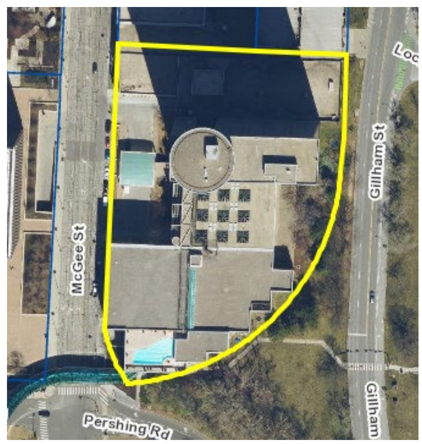
Parcels entirely within RPA2 are the subject of the Conservation Area Study. These are presented in the Kansas City Missouri Parcelviewer exhibits below.

<table>
<tr><td>
</td><td></td><td>
</td></tr>
<tr><td>11) Pershing Road. Parking Drive.</td><td></td><td>12) 200 E 26th. Central Utility Plant.</td></tr>
<tr><td>
</td><td></td><td>
</td></tr>
<tr><td>13) 200 E 26th. Central Utility Plant.</td><td></td><td>14) 2650 Gillham Rd. Office/Manufacturing/Parking.</td></tr>
</table>

15) 300 E 27th St. Rice Building. Office/Manufacturing/Parking.

16) 2301 McGee. Office and Exhibition Hall.

17) 2200 Gillham St., Parking Garage.



18) 23456 McGee St., Sheraton Hotel.

19) 2450 Grand Blvd. Westin Hotel and Retail.

20) 2498 Grand Blvd. Above Street. Retail bridge.

21) 2600 Grand Blvd. Office Building.

22) 2600 Grand. Parking Garage

23) 2600 Grand Blvd. Green Space.

24) 27th and Grand Blvd. Unimproved Land.

25) 401 E 26th St., Surface Lot

26) 2601 Warwick St. Surface Lot.

27) 2600 Gillham Rd. Unimproved Land

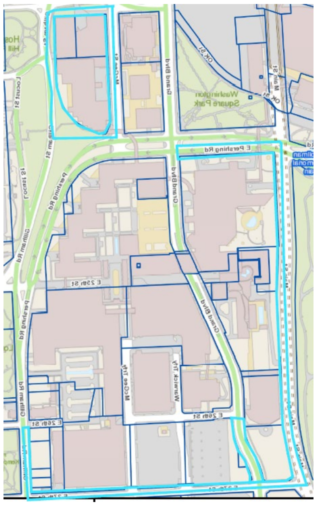
28) 2606 Gillham Rd. Unimproved Land.

29) 2620 Gillham Rd. Unimproved Land.

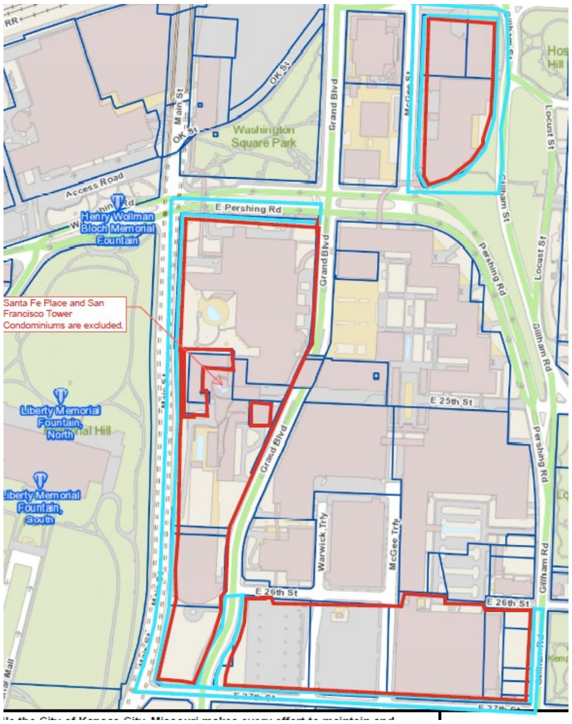
30) 2626 Gillham Rd. Unimproved Land.

31) 2630 Gillham Rd. Unimproved Land.

32) 2405 Grand Blvd. Office Building

	
33) 2498 Grand Blvd. Retail Bridge and Utility Corridor.	34) 25th and Grand Blvd. Drive to Retail Parking.
	
35) 25th and Grand Blvd. Below Grade Utility Corridor.	36) 2525 Main Street. Condo Tennis/Pool/Landscaping.
	
37) Public rights-of-way adjacent to the RPA1 and included parcels.	

The plat and aerial maps representing the 26 parcels (red) and public areas (blue) described previously and depicting the area studied for the conditions of a conservation area are included below.



Support of my findings are included in Appendix A (Blight) and Appendix B (Conservation 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 subject of this report, and no personal interest or bias with respect to the parties involved or property.
4. Kenneth Jaggers, MAI 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 has made a personal inspection of the property that is the subject 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 subject and are in compliance with the Competency Rule of USPAP.
12. As of the date of this report, Kenneth Jaggers, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

Kenneth Jaggers, MAI
Managing Director
Certified General Appraiser
MO Certificate # RA003190

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 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 I 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 I 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. I 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. I do not accept responsibility for erroneous information provided by others. I assume that no information that has material effect on our appraisal has been withheld. I am not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions.

G. MARKETABLE TITLE. I 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 effect on the value of the interest under consideration. There is no material litigation pending involving the property.

H. REGULATORY COMPLIANCE. I 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. I 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, I am 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 I 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 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 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 & ENCHROACHMENTS. I 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 I assume that data is correct up to date and can be relied upon.

Q. TENANT CREDIT RISK. I 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, I 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 d 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 to the assumptions, limitations, and qualifying statements contained in the report.

APPENDIX A: BLIGHT CRITERA AND FINDINGS

1.0 CRITERIA OF BLIGHT

The definitions below relate to the finding of the presence or absence of blight and are referred to throughout the study. Key words in each blighting characteristic and terms considered in developing my opinion are defined below.

Blighted Area: An area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use. (RSMo 99.805) Effective August 28, 2021.

***Predominance*:** A superiority in weight, power, importance or strength. A superiority or excess in number or quality. (Merriam Webster). I evaluate my findings of the factors above and individually report if those factors occur or do not occur in the study area. My analysis identifies a predominance of the factors and the degree to which those factors impact the subject.

Shown below, outlined in blude, is the area studied for blighting factors. It includes all of RPA1 and those parcels partially within RPA1, and adjacent public-rights of way.

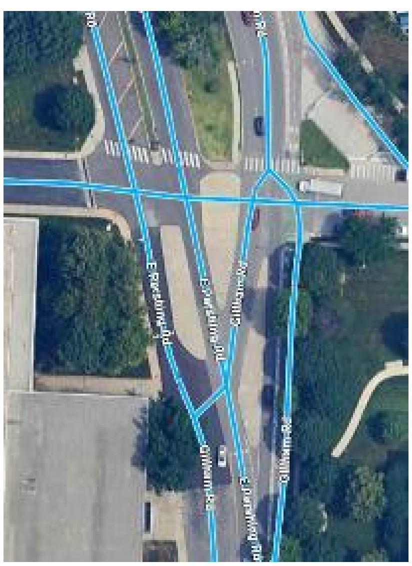
Hallmark/Crown Center owns all parcels shown above except Our Lady of Sorrows and adjacent administration building and owned by the Catholic Diocese. My findings include parts of Gillham Road, E Pershing Road, and Grand Boulevard adjacent to the area outlined above. Specific tax parcels and rights-of-way comprising the area are outlined in blue and identified on the following page.

Each of the conditions of a blighted area are described a findings are reported in the following discussion.

Study ID	Address	Tax ID	Owner Name	Land Use	Lot Acres	GBA/SF	Yr Built
1	2400 PERSHING RD	29-530-25-01-01-0-00-000	CROWN POWER & REDEV CORP	Office Building	10.64	1,784,104	1973
2	2501 GRAND	29-530-12-17-01-0-00-000	HALLMARK CARDS INC	Warehouse - Storage AC	4.90	878,171	1966
3	2505 GILLHAM/2501 MCGEE	29-530-10-01-01-1-00-000	HALLMARK CARDS INC	Office Headquarters - BD	3.70	1,220,735	1966
4	2560 MCGEE	29-530-12-19-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Parking Garage 1/2 Warwick	4.25	282,376	2003
5	402 E 26TH ST	29-540-18-02-00-0-00-000	HALLMARK CARDS INC	Surface Lot	0.31		
6	400 E 26TH ST	29-540-18-03-02-0-00-000	HALLMARK CARDS INC	Surface Lot	0.91		
7	2548 GILLHAM RD	29-540-18-04-02-1-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
8	NWC 26th AND GILLHAM	29-540-18-04-02-2-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church/Admin	0.22	6,200	1922
9	NWC 26th AND GILLHAM	29-540-18-04-03-0-00-000	CATHOLIC DIOCESE OF KC & ST JOE	Church	0.80	17,800	1922
10	ADJACENT PUBLIC RIGHTS-OF-WAY				6.00		
	Total - Blight Study Area				**32**	**4,189,386**	

2.0 INSANITARY & UNSAFE CONDITIONS

***Insanitary or Unsafe* Conditions:** Unclean enough to endanger health. (Merriam Webster). Able or likely to cause harm, damage, or loss. Not giving protection from danger, harm, or loss. (Merriam Webster).

   	These photos are taken along sidewalks a curbs adjacent to the Our Lady of Sorrows church and the Hallmark Corporate entrance, areas with heavy foot traffic. Uneven sidewalks create pedestrian safety issues.
	Site lines looking north on Gillham Rd to E Pershing Rd from Hallmark Corporate Entrance are unsafe. This unsafe condition is exacerbated by the intersection immediately north and described below.
	Within the public rights-of-way is the dangerous transition from E Pershing southbound to Gillham Rd southbound. Gillham intersects with northbound East Pershing Road at Crown Center's 25th Street Entrance. The only traffic control is a yield sign for northbound E Pershing Rd. This is an unsafe intersection for automobiles, bicycles/scooters, and pedestrians.

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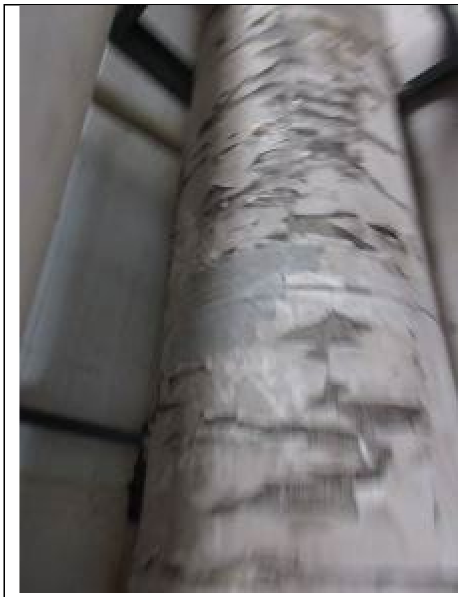
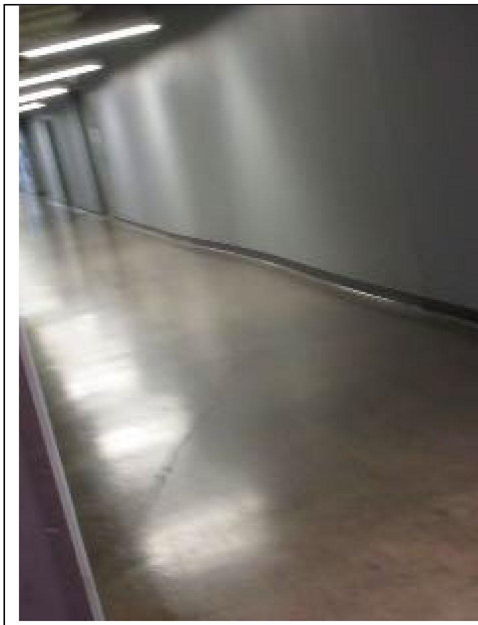
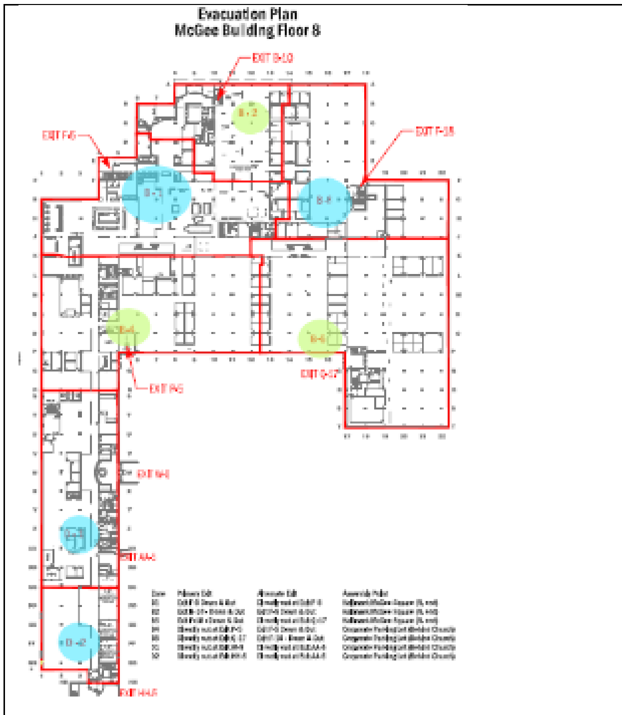
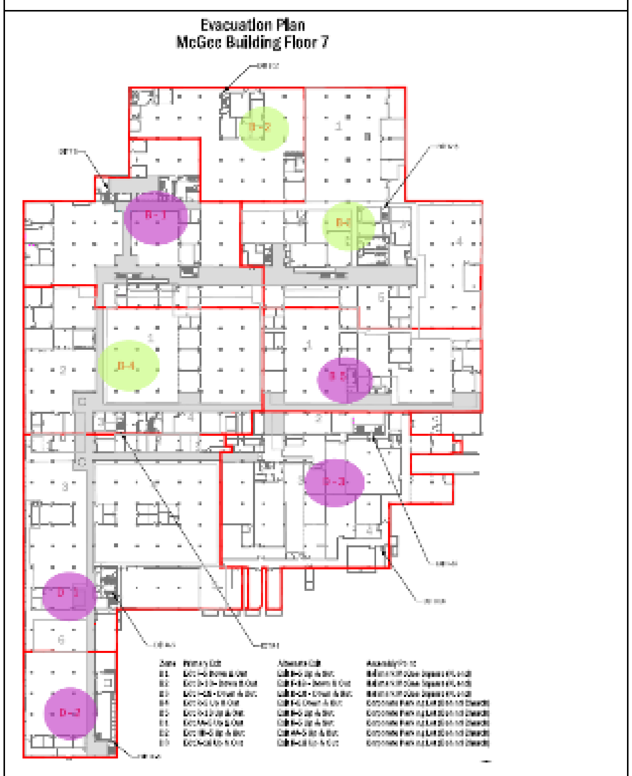


There are several instances of asbestos yet to be encapsulated or removed in the older buildings and utility corridors. These are infrequent but known and impair the area and are considered unsafe and insanitary conditions.

	
	The Headquarters Building BD is built into the existing hillside and the limestone comprises part of the building structure and the site improvements. The continual and chronic heaving creates uneven floors, doors that will not operate properly and can collapse utility conduits including plumbing. There can be a safety risk to the Hallmark employees and visitors and repeated exposure to the surrounding soil and limestone is an insanitary or unsafe condition as well.
	





Life safety systems within the blight study area are a significant example of unsafe conditions.

To the left are the eighth and seventh floors in Hallmark Headquarters BC as depicted in the evacuation plan. The instructions are not intuitive which is essential for a life safety/evacuation plan. Employees in adjoining cubicles or offices are directed to distinctly different exits.

Areas identified in blue in the evacuation plans to the left offer direct emergency exit. In green highlighted areas employees and visitors are directed down the stairs then to specific pedestrian doors. This is on the eighth floor, shown in the top plan, the only floor at street level.

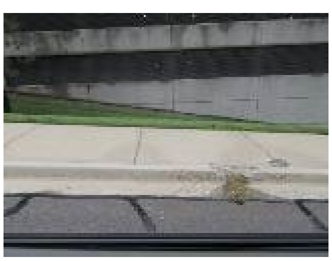
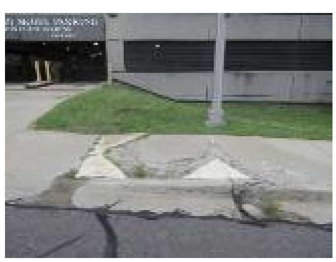
On the seventh floor, employees and visitors in purple highlighted areas are directed up the stairs then to a specific pedestrian door. Those in green highlighted areas are directed down the stairs then to a specific pedestrian door.

Each floor is similarly confusing creating an unsafe condition.

3.0 DETERIORATION OF SITE IMPROVEMENTS

Deterioration* of *Site Improvements: The act or process of becoming worse. The action or process of deteriorating. (Merriam Webster). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). Improvements on and off a site that make it suitable for its intended use or development. On-site improvements include grading, landscaping, paving, and utility hook-ups; off-site improvements include streets, curbs, drains, sidewalks and connecting utility lines. (The Dictionary of Real Estate Appraisal).

The conditions of deterioration are not always observable considering the extensive below grade improvements within the study area. Commentary by the property management is considered for this part of the discussion.

<table>
<tr><td colspan="2"></td><td>Deterioration of the concrete roof of the garage structure which is part of the infrastructure and at grade in Crown Center Square.</td></tr>
<tr><td></td><td></td><td rowspan="2">The parcels and the buildings in the blight study area have dozens of points of ingress and egress. While not pervasive there are numerous instances where site improvements near these points of ingress and egress have deteriorated. These examples are along Gillham Road/E Pershing Road, within and adjacent to public rights-of-way.</td></tr>
<tr><td></td><td></td></tr>
</table>

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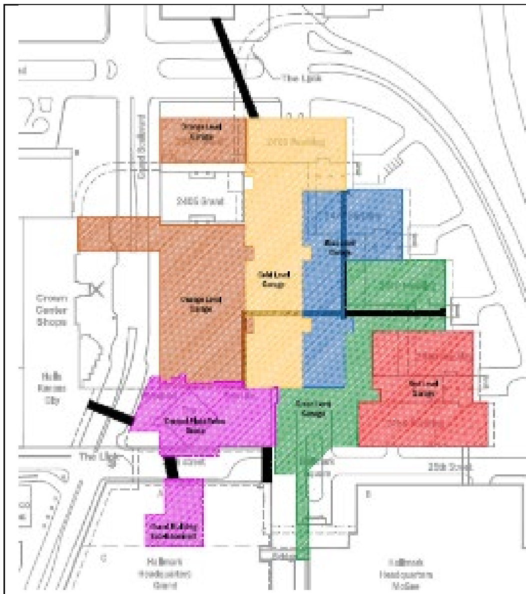
Nearly all of Crown Center's landscaping and hardscaping is built over parking garages. The membranes and drainage system require continual maintenance and capital improvement. Much of the deterioration is unobservable until a condition becomes critical which is a frequent occurrence.

Numerous fountains are in disrepair and contribute to the drainage and membrane issues affecting the garage roofs and the surface improvements.

Crown Center's capital needs program identifies $13.3 million, short term, for capital investment to maintain the membranes and drainage. Deterioration causes operating expenses and capital expenditures are significantly more any other project in the Kansas City area.



There are many instances where site improvements of one building or parcel intersect with neighboring building improvements. This is due to the multi-level development of Hallmark and Crown Center over the last 50+ years. This is exacerbated by the utility corridors which provide power, heat, cooling and water to nearly all buildings from the central power plant.

The central plant was constructed in 1971. That specific building is not within the area studied for blight, however, the utility corridors from it are of similar vintage and included in the blight study area. These corridors represent site improvements experiencing deterioration and exhibiting unsafe conditions.

The infrastructure emanating from the central plant deteriorates continually. I estimate there is nearly ½ mile of utility corridor between and above, at or below street grade between the nine parcels comprising the blight study area. There is significant deterioration at various locations within these corridors as represented in the photographs to the left.

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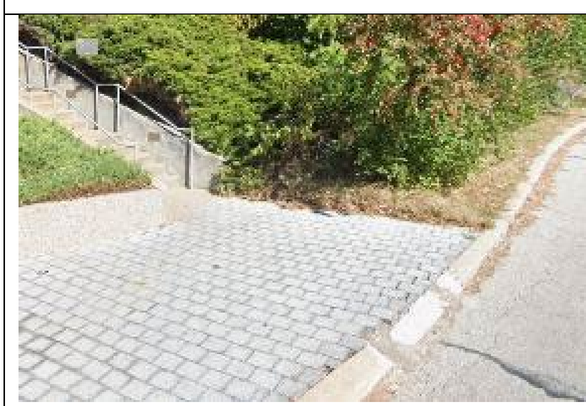
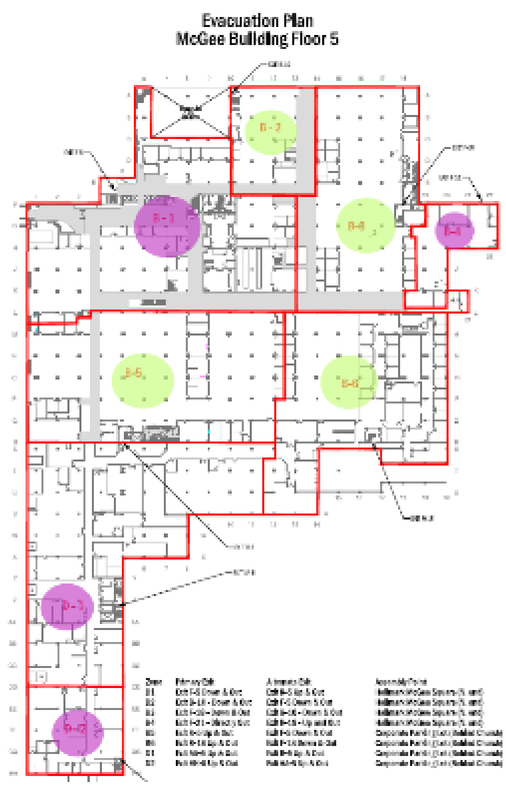
  	Shown to the left are a few examples of the deterioration to site improvements in the median between E Pershing Road and Gillham Road. The area is entirely overgrown and the retaining wall is crumbling in several locations.

The existing limestone bedrock into which the Headquarters Building BD is constructed are elements of site improvements. This creates unusual conditions within the study area. To address deterioration, the limestone must be sealed and some of these areas provide access to mechanical systems. Due to the existing and continual deterioration, there is frequent need of repair and replacement.

4.0 CONDITIONS WHICH ENDANGER LIFE OR PROPERTY

***Endanger Life or Property by Fire and Other Causes*:** To bring into danger or peril. (Merriam Webster).

I have identified the following conditions which endanger life or property which are also found to be unsafe conditions as previously described.

	The small and expected presence of asbestos and the unsafe design of evacuation are evidence of a danger to life and property. Here the presence of asbestos in Building AC is identified and prohibited from interruption as shown in the photo to the left. Below is a directional sign posted in a stairwell in Building BD where habit and intuition suggests an employee or visitor would go up the stairs in the event of an evacuation yet the directional sign is to go down the stairs. I have included another example of posted evacuation instructions each confusing and not intuitive and a danger to life and property.
	

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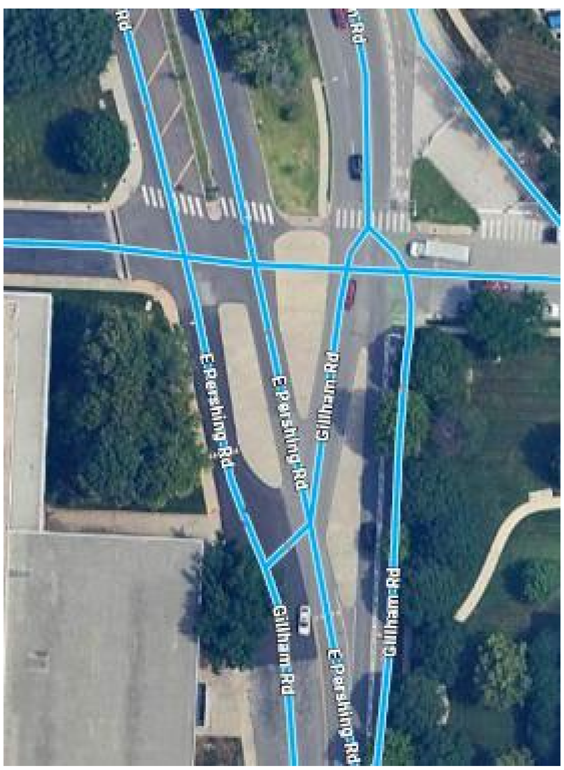

The intersection of E 25th Street, Gillham Road, and E Pershing Road is a danger to life and property. The intersection has Gillham Road maintaining its north south route at 25th Street while diverging completely to E Pershing Road also north to south. In this instance southbound E Pershing must merge with southbound Gillham Road and northbound E Pershing must exit across southbound Gillham Road where the only traffic control is a yield sign. All of this while there is two way traffic on 25th Street. Eastbound E 25th Street will cross two lanes of traffic.

The danger to pedestrians, bicyclists, scooter riders, and motorists is apparent and the expectation of property (vehicle) damage is certain.

The site lines previously discussed are a danger to live and property as well.

5.0 RETARDS PROVISION OF HOUSING ACCOMODATION

I have established that there are insanitary and/or unsafe conditions and deterioration of site improvements, and conditions which endanger life or property, sufficient in magnitude to create harm or impairment within the study area. The question of blight is specific to the impact on the study area according to the 99.805 definition. Delayed provision of housing accommodations is one of these questions to be analyzed.

To examine this I consider the need for housing. Described within the body of the preceding report is population and household growth expected to occur within the next five years. ESRI projects an additional 1,400 households within a one mile radius and an additional 4,500 households within a three mile radius. 77% of those new households, 1,100 within a one mile radius, will be renters.

I have further evaluated the supply of modern (post 2000 construction) apartment supply from Main Street east to US Highway 71 and from the Kansas City Terminal Railway south to 31st Street. This is a neighborhood separate from Midtown and Crossroads and dominated by Hospital Hill and Crown Center. Relative to other neighborhoods this specific neighborhood is underserved and considering the resulting employment of Children's Mercy $1 billion new acute care tower, the inadequacy of suitable housing will be exacerbated over the coming several years for certain. Presently there are only 1,300 apartment units within the area described above and constructed over the past 25 years, thus providing modern accommodation. Occupancy within the area is strong.

There are similar vintage office buildings in Kansas City converting to multifamily. Included among these are the Flash Cube Building and Commerce Trust Building and Ten Main Center in the CBD. Within the immediate area, Penn Tower at 31st and Broadway is being considered for conversion. The former MGE office building at 34th and Broadway and 2 Emmanuel Cleaver Blvd have been converted to market rate rental and senior rental property, respectively. There is precedent sufficient to consider conversion of buildings within the blight study area to housing units. A review of the existing conditions within the study area shows that the provision of housing is delayed or prohibited due to 1) life safety and traffic concerns, and 2) deterioration of the infrastructure and 3) reliance on the central plant and large utility corridors serving significant building areas. The biggest prohibition to the provision of housing comes from redevelopment cost and the scale of the existing improvements which are not identified as blighting conditions. Exhibits of these prohibitive conditions are included in the following pages

The image on the left is facing west from the Headquarters BD toward the Shook Hardy Bacon office building. The view is of the eighth floor which is at grade on the east elevation. The image below is facing southwest between the Headquarters BD (left) and Warehouse AC. On the left I show the ground level/1st floor of the eight story BD Building. Within these two buildings, a developer converting to multifamily would lose over 50% of the gross building area to unproductive common area.

Facing north between BD (right) and AC, along McGee. Even a convenient and well suited building footprint will not overcome the other aspects of the area which is inappropriate for housing such as the inability to provide utilities in a feasible manner, the near absence of windows, and the distance between elevator lobbies.

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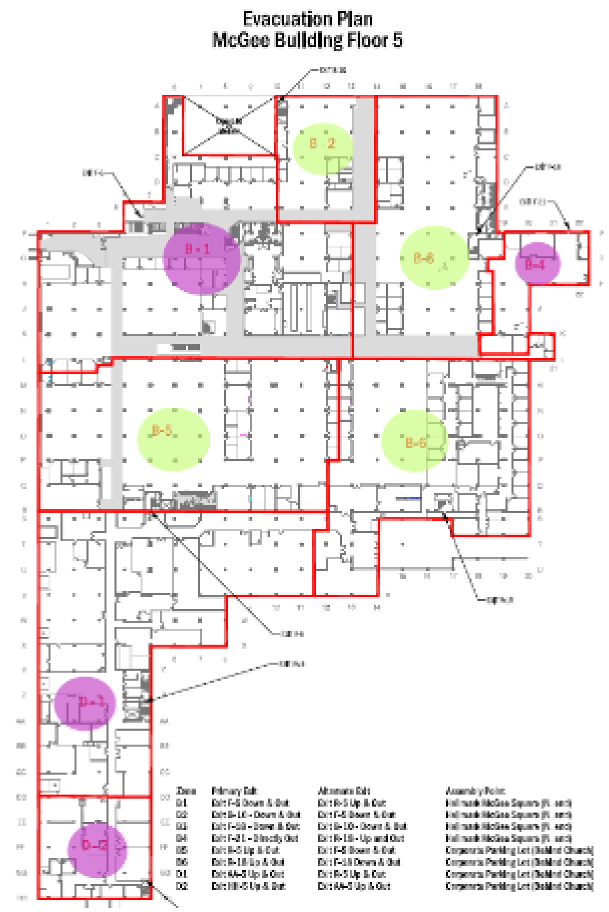

The life safety complications of the Headquarters BC building are inconsistent with multifamily residential use and could never meet building codes for residential as they currently exist.

The extensive infrastructure of the parking garages below grade prohibits significant disturbance of the surface as would be necessary for the addition of residential development. Exceedingly high expenses and the complicated deterioration of said site improvements would increase significantly with the addition of or change in use to residential.

Conversion of the existing buildings is not even practical to consider by virtue of economics. Deteriorating site improvements, unsafe or insanitary conditions, or those conditions which endanger life and property further eliminate the provision of housing accommodations from possibility now and in the foreseeable future.

6.0 CONSTITUTES A SOCIAL LIABILITY

Constitutes a *Social Liability:* Relating to society or its organization. (Merriam Webster). The quality or state of being liable. (Merriam Webster). A risk or disadvantage that may cause harm or loss.

It is my opinion that there is a social liability in the uncertainty of Crown Center, one of Kansas City's most iconic attractions. Hallmark's original investment dates from 1916 and it has proven resilient over many years. There is a social liability associated with the long term prosperity for Crown Center. The physical features of the entire development and specifically those parcels entirely or partially in RPA1 create conditions which expose the Kansas City region to the social liability that economic and business considerations of the owner will increasingly outweigh the social benefits of this location for its current use.

Social liability also occurs when the study area does not support surrounding land uses. Completion of the Kansas City Streetcar Route immediately west of the study area, the continued success of Union Station, Federal Reserve, Freighthouse and Crossroads, expectations for 18th and Vine, and plans to improve and expand Children's Mercy Hospital are all important to my finding that blighting conditions within the study area constitute a social liability. The liability exists with the social contract to capitalize on the extensive public and private investment in the area and to address reputational risk to the city and the region.

7.0 CONSTITUTES AN ECONOMIC LIABILITY

Constitutes an *Economic Liability:* Relating to, or based on the production, distribution, and consumption of goods and services. (Merriam Webster). A risk or disadvantage that may cause harm or loss.

Shown on the page to follow is a brief analysis of the liability created by the conditions of the site and buildings and the current economic environment. These conditions are readily identified by observation and also in the simple economic analysis of the additional property tax revenue the subject might generate were the blighting factors not present. And after considering the demonstrated practice of the Jackson County Assessor's office I have projected very modest $25 market value per square foot for the buildings and $10 per square foot of land area for the unimproved properties.

There is a $55.5 million difference in market value which is a difference of $17.8 million in assessed value for these nine properties cumulatively. Annual real property tax revenue might total $1.6 million more annually based on these modest value assumptions, 32% assessment ratio and an approximate tax rate of 0.09.

Study ID	x ID	Address	Land Use	Lot Acres	GBA/SF	County Appraised Total	Estimated Fair Market Value
1	29-530-25-01-01-0-00-000	2400 PERSHING RD	Office Building	10.64	1,784,104	$25,200,000	$44,602,600
2	29-530-12-17-01-0-00-000	2501 GRAND	Warehouse - Storage AC	4.90	878,171	$4,581,396	$21,954,275
3	29-530-10-01-01-1-00-000	2505 GILLHAM/2501 MCGEE	Office Headquarters - BD	3.70	1,220,735	$9,840,073	$30,518,375
4	29-530-12-19-00-0-00-000	2560 MCGEE	Parking Garage 1/2 Warwick	4.25	282,376	$7,000,000	$7,059,400
5	29-540-18-02-00-0-00-000	402 E 26TH ST	Surface Lot	0.31		$242,870	$135,036
6	29-540-18-03-02-0-00-000	400 E 26TH ST	Surface Lot	0.91		$656,770	$396,396
7	29-540-18-04-02-1-00-000	2548 GILLHAM RD	Unimproved Land	0.15		$249,790	$65,340
8	29-540-18-04-02-2-00-000	NWC 26th AND GILLHAM	Church/Admin	0.22	6,200	$344,470	$155,000
9	29-540-18-04-03-0-00-000	NWC 26th AND GILLHAM	Church	0.80	17,800	$1,698,360	$445,000
Totals			$0	26	4,189,386	$49,813,729	$105,331,422

Among the reasons that the study area is valued as low as it is by Jackson County are;

- The excessive costs in operating expenses and capital expenditures to maintain the site improvement and the inability to pass any of that through to tenants under full service gross rents.
- Long standing market reluctance to existing properties due in part to unsafe or insanitary conditions.
- Eroding utility to the current owner/occupant due to cost of maintaining site improvements, obsolete life safety capacity of existing buildings, and endangering conditions of individual parcels and within the adjacent public rights-of-way.

8.0 MENACE TO PUBLIC HEALTH SAFETY OR WELFARE

Menace* to *Public Health, Safety, Morals,* or *Welfare: A show or intention to inflict harm, a threat. (Merriam Webster). The health of the population as a whole, especially as the subject of government regulation and support. The welfare and protection of the general public. Ethical standards enforced in a society. The health, happiness, and fortunes of a person or group. (Dictionary.Com)

While the conditions described previously intersect with the criteria of menace, the previously discussed conditions are more specific to the examples provided. Having met the provision of housing and economic and social liability conditions, I make no conclusive finding that the study area presents a menace.

9.0 CONCLUSION

My findings are presented below.

Study ID	Address	Land Use	Insanitary or Unsafe Conditions	Deterioration of Site Improvements	Conditions Which Endanger Life or Property by Fire or Other Causes	Retards the Provision of Housing	Constitutes Economic or Social Liability	Menace to Public Safety
1	2400 PERSHING RD	Office Building	**Moderate**	**Moderate**	**Moderate**	**The Provision of Housing is delayed or prevented due in part to the factors of blight identified within the study area.**	**Economic and Social Liabilities exist due to the factors of blight identified within the study area.**	**No Finding**
2	2501 GRAND	Warehouse - Storage AC						
5	402 E 26TH ST	Surface Lot						
6	400 E 26TH ST	Surface Lot						
7	2548 GILLHAM RD	Unimproved Land						
8	NWC 26th AND GILLHAM	Church/Admin						
9	NWC 26th AND GILLHAM	Church						
10	ADJACENT PUBLIC RIGHTS-OF-							

Examples are sufficient by the number of occurrences and magnitude to create a predominance of blighting factors and meet the requirements of the definition according to RSMo 99.805.

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APPENDIX B: CONSERVATION AREA CRITERIA AND FINDINGS

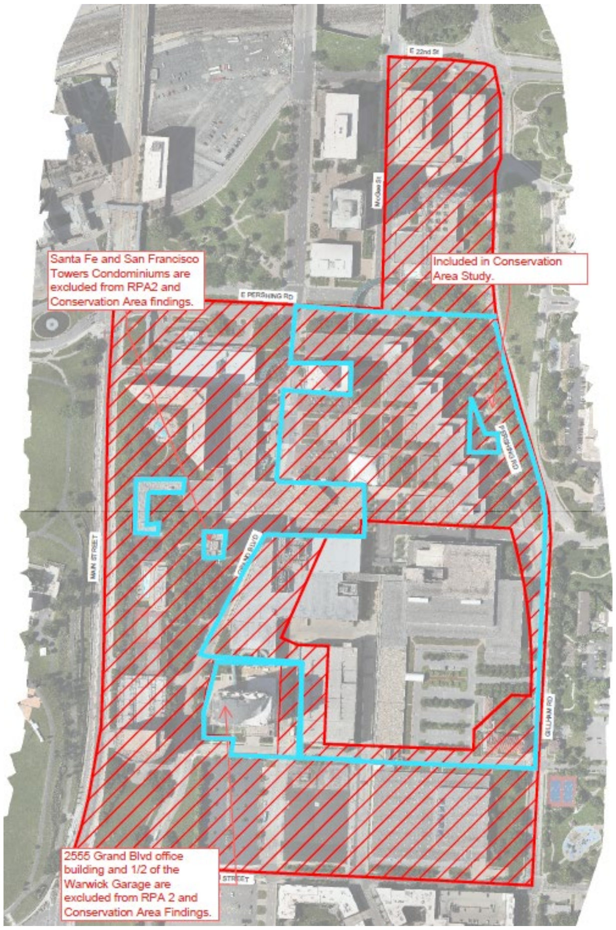
1.0 CRITERIA OF CONSERVATION AREA

The definitions in each of the following sections to this report are referred to throughout this report.

Conservation Area: Any improved area within the boundaries of a Redevelopment Area located within the territorial limits of a municipality in which fifty percent (50%) or more of the structures in the area have an age of at least thirty-five years. Such an area is not yet a blighted area but is found detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A Conservation Area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a Conservation Area shall meet the dilapidation factor as one of the three factors required under this subdivision.

Preponderance: A superiority in weight, power, importance, or strength. A superiority or excess in number or quantity. (Merriam Webster) I evaluate my findings of the factors above and individually report if those factors occur or do not occur in the Redevelopment Area. If they do occur, do they rise to the level of preponderance. I liken predominance to majority or >50%.

Shown on the following page is the under study for the criteria of a Conservation Area.



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2.0 AGE

A Conservation Area is any improved area within the boundaries of a Redevelopment Area located within the territorial limits of a municipality in which fifty percent (50%) or more of the structures in the area have an age of at least thirty-five years. As is shown on the following page the age requirement is met. Additional criteria from RSMo 99.805 is included below.

Such an area is not yet a blighted area but is found detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A Conservation Area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a Conservation Area shall meet the dilapidation factor as one of the three factors required under this subdivision.

Steps for the Conservation Area Study similar to the Blight Study and include a detailed inspection of the study area, review of source documents from the property owners and reliance on sources commonly used by real estate professionals. Parcels making up the conservation study area are shown below.

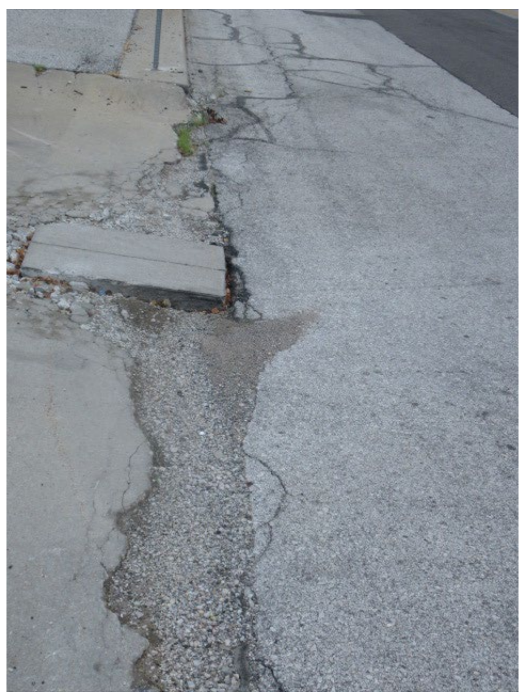
Study ID	ldress	Tax ID	Owner Name	Land Use	Lot Acres	GBA/SF	Yr Built
11	PERSHING RD	29-540-32-01-00-0-00-000	CROWN CENTER REDEV CORP	Parking Drive	0.16		
12	200 E 25TH ST	29-530-25-04-00-0-00-000	CROWN POWER & REDEV CORP	American and Central Plant	1.37	120,938	1973
13	200 E 25TH ST	29-530-25-03-00-0-00-000	CROWN POWER INC	Central Plant	0.02	56,044	1971
14	2650 GILLHAM RD	29-540-31-15-01-0-00-000	HALLMARK CARDS INC	Industrial Manufacturing/Rice	4.25	605,654	1982
15	300 E 27TH ST	29-540-31-13-00-0-00-000	HALLMARK CARDS INC	Industrial/Rice	0.77	185,434	1985
16	2301 McGee ST	29-520-45-04-00-0-00-000	CROWN POWER REDEV CORP	Office Building/Exhibition Hall	1.19	244,112	1999
17	2301 McGee ST	29-510-35-03-00-0-00-000	CROWN POWER REDEV CORP	Parking Garage	0.76	260,344	1986
18	2345 MCGEE ST	29-540-07-05-00-0-00-000	CROWN POWER REDEV CORP	Hospitality/Sheraton	3.00	758,637	1980
19	2450 GRAND AVE	29-530-24-12-00-0-00-000	CROWN POWER & REDEV CORP	Hospitality/Westin and Retail	8.62	1,191,940	1971
20	2498 GRAND ABOVE GRAND	29-530-24-08-00-0-00-000	CROWN POWER & REDEV CORP	Retail Bridge	0.02		
21	2600 GRAND AVE	29-530-24-05-02-0-00-000	CROWN POWER & REDEV CORP	Office Building	1.70	266,661	1990
22	2600 GRAND AVE	29-530-24-17-00-0-00-000	CROWN POWER & REDEV CORP	Parking Structure	0.19	166,118	1990
23	2600 GRAND	29-530-24-11-00-0-00-000	CROWN POWER & REDEV CORP	Unimproved Land	1.68		
24	27TH AND GRAND	29-530-12-14-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.05		
25	401 E 26TH ST	29-530-12-17-03-1-00-000	HALLMARK CARDS INC	Surface Lot	3.29		
26	2601 WARWICK	29-530-22-16-01-0-00-000	HALLMARK CARDS INC	Surface Lot	3.13		
27	2600 GILLHAM RD	29-540-31-01-00-0-00-000	HALLMARK CARD INC	Unimproved Land	0.25		
28	2606 GILLHAM RD	29-540-31-12-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.51		
29	2620 GILLHAM RD	29-540-31-06-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.15		
30	2626 GILLHAM RD	29-540-31-05-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.18		
31	2630 GILLHAM RD	29-540-31-04-00-0-00-000	HALLMARK CARDS INC	Unimproved Land	0.11		
32	2405 GRAND AVE	29-530-25-02-00-0-00-000	CROWN POWER & REDEV CORP	Office Building	0.56	250,434	1986
33	2498 GRAND Above Grand	29-530-24-18-00-0-00-000	CROWN POWER & REDEV CORP	Retail/Bridge	0.28		
34	25TH AND GRAND	29-530-24-14-00-0-00-000	CROWN POWER & REDEV CORP	Drive to retail parking	0.54		
35	GRAND CENTRAL POWER	29-530-24-09-00-0-00-000	CROWN CENTER REDEV CORP	Under Grand	0.22		
36	2525 Main	29-530-24-20-00-0-00-000	CROWN CENTER REDEVELOPMENT CORP	Condo tennis/pool/landscaping	4.41	382,052	1975
37	ADJACENT PUBLIC RIGHTS-OF-WAY				2.00		
	Total - Conservation Study Area				**39**	**4,488,368**	
	Conservation Study Area Age Qualifications			**% Building ≥35 years**	**8.33%**	**% SF**	**5.44%**

The most obvious and demonstrative criteria of a conservation area are detailed in the following paragraphs.

3.0 DILAPIDATION

Dilapidation: A condition of decay or partial ruin (Merriam Webster Dictionary). Dilapidation is not age dependent. An instance of dilapidation is also considered one or both deterioration and depreciation. Dilapidation is the most severe of the three factors specifically addressing physical condition. In the discussion below I identify examples of dilapidation. Each of those examples will also represent either or both deterioration and depreciation.

Dilapidated and decayed site improvement at the surface lot at 2601 Warwick and 401 E. 26th Street shown above and below.



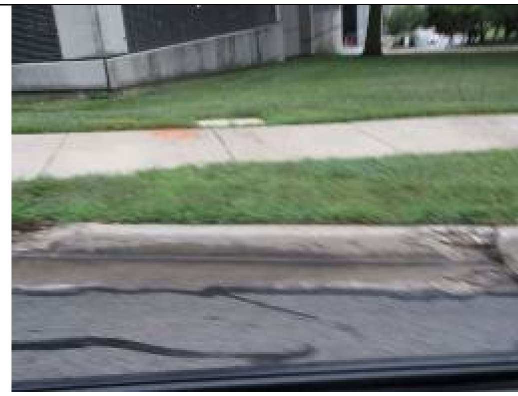
	
Dilapidated site improvement at the Westin.	Long vacant space at 2301 McGee. Extensive buildout required.
	
Dilapidation on the concrete floor in the Retail garage.	HVAC insulation in the Central Plant. Likely asbestos containing.
	
Dilapidation in the stairwell from parking to West Retail.	Dilapidated boiler in Central Utility Plant.

The photos above depict dilapidation in the former American Restaurant.

The interior finish at Skies is dilapidated and unusable

Dilapidated load bearing concrete retail parking Sheraton Garage.

Shown above is an example of dilapidation at the outdoor common area for San Francisco Towers and Santa Fe Condominiums.

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>Dilapidated site improvements along Pershing near the Sheraton.</td><td></td><td>Site improvements along Gillham near the Sheraton have instances of dilapidation.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td colspan="3">Within the public right-of-way the retaining wall between Gillham and Pershing near the Sheraton Hotel is dilapidated.</td></tr>
</table>

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4.0 OBSOLESCENCE

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a study area less desirable and valuable for a continued use; may be either functional or external. (Dictionary of Real Estate Appraisal).

Functional Obsolescence: An element of accrued depreciation resulting from deficiencies or superadequacies in the structure. (Dictionary of Real Estate Appraisal).

External (Economic) Obsolescence: An element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of an owner, landlord, or tenant. (Dictionary of Real Estate Appraisal)

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>Poor ADA access at Crown Center Square Garage. Most older structures in the study area will not practically accommodate ADA compliant renovations.</td><td></td><td>Perimeter heating at the Pershing Road Office Complex is difficult to zone and costly to repair.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td colspan="3">Nearly all landscaped and hardscaped area within Crown Center, from 22nd south to 25th Street is built over parking garages. The watertight membrane and extensive additional drainage is prone to failure and costly repair, creating extraordinary common area expenses which tenants will not likely bear.</td></tr>
</table>

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Central plant access is obsolete. HVAC equipment must installed and extracted through the street grates shown above both interior and exterior view.

The Sheraton is 46 years old. It is in good condition overall and it's a favored asset of the owners. It is functionally obsolete by way of its guestroom plumbing. First are the combo tub and shower fixtures and tank toilets which are inconsistent with Marriott's requirements for the Sheraton brand. Second is the toilet plumbing. The room's socket over end vents create backup, odor and low pressure in the guestrooms and require extraordinary maintenance. Also the HVAC is largely original.

	
Other instances of obsolescence are the Sheraton's single pane windows and the revolving function at the former Skies Restaurant. The equipment required for operation is in disrepair and there are no replacement parts or service warranty available so its impractical to restart that Kansas City iconic attraction. And it is equally impractical to remove it.	
	
Obsolescence was also noted in the Crown Center Westin, also a Marriott brand. This building was constructed in 1971. It is entirely cast concrete and it is known that the design and construction makes compliance with Marriott standards difficult. The building is a solid concrete structure built right into the limestone bedrock. Electric outlets, cable, and sprinklers all require a self-contained surface mounted chase. There is no real potential to upgrade the hallways to the guestrooms because of the low concrete ceilings. Lighting and sprinklers are located within the chase as shown above.	

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The Westin was built in 1971 when doormen were necessary and common. Now the entry ways are dysfunctional. The revolving doors are too narrow to accommodate guests and luggage and have been locked. It does not have automatic doors that are standard for the Westin brand.

Functional and external obsolescence are demonstrated in the fair market valuation of a property for ad valorem tax purposes. A comparison of the values within the study area with very modest market value assumptions demonstrates this on the following page. The study area is appraised at $27.90 per SF GBA or $45.21 per SF land. Because of the obsolescence described throughout this report, the diminution in value is detrimental to the represented taxing jurisdictions. I have considered the market value of underlying land and valuations of similar aged but reasonably functional properties. And after considering the demonstrated practice of the Jackson County Assessor's office I have projected very modest values of $50 per square foot for the buildings. And for parcels without building improvements I apply $10 per square foot to the land. But for functional and economic obsolescence, taxing jurisdictions might expect an additional $2.5 million in real property tax revenue annually. The property taxes on a per square foot basis would still be favorable to competing buildings in Jackson County.

Study ID	x ID	Address	Land Use	Lot Acres	GBA/SF	County Appraised Total	Estimated Fair Market Value
11	29-540-32-01-00-0-00-000	PERSHING RD	Parking Drive	0.16		$4,370	$69,696
12	29-530-25-04-00-0-00-000	200 E 25TH ST	American and Central Plant	1.37	120,938	$337,869	$6,046,900
13	29-530-25-03-00-0-00-000	200 E 25TH ST	Central Plant	0.02	56,044	$481,900	$2,802,200
14	29-540-31-15-01-0-00-000	2650 GILLHAM RD	Industrial Manufacturing/Rice	4.25	605,654	$7,046,955	$30,282,700
15	29-540-31-13-00-0-00-000	300 E 27TH ST	Industrial/Rice	0.77	185,434	$400,986	$9,271,700
16	29-520-45-04-00-0-00-000	2301 McGee ST	Office Building/Exhibition Hal	1.19	244,112	$9,920,000	$12,205,600
17	29-510-35-03-00-0-00-000	2301 McGee ST	Parking Garage	0.76	260,344	$5,175,000	$13,017,200
18	29-540-07-05-00-0-00-000	2345 MCGEE ST	Hospitality/Sheraton	3.00	758,637	$22,660,000	$37,931,850
19	29-530-24-12-00-0-00-000	2450 GRAND AVE	Hospitality/Westin and Retail	8.62	1,191,940	$40,249,999	$59,597,000
20	29-530-24-08-00-0-00-000	2498 GRAND ABOVE GRAND	Retail Bridge	0.02		$4,770	$8,712
21	29-530-24-05-02-0-00-000	2600 GRAND AVE	Office Building	1.70	266,661	$15,600,000	$13,333,050
22	29-530-24-17-00-0-00-000	2600 GRAND AVE	Parking Structure	0.19	166,118	$117,990	$8,305,900
23	29-530-24-11-00-0-00-000	2600 GRAND	Unimproved Land	1.68		$517,500	$731,808
24	29-530-12-14-00-0-00-000	27TH AND GRAND	Unimproved Land	0.05		$132,870	$21,780
25	29-530-12-17-03-1-00-000	401 E 26TH ST	Surface Lot	3.29		$2,656,300	$1,433,124
26	29-530-22-16-01-0-00-000	2601 WARWICK	Surface Lot	3.13		$1,960,100	$1,363,428
27	29-540-31-01-00-0-00-000	2600 GILLHAM RD	Unimproved Land	0.25		$412,300	$108,900
28	29-540-31-12-00-0-00-000	2606 GILLHAM RD	Unimproved Land	0.51		$884,540	$222,156
29	29-540-31-06-00-0-00-000	2620 GILLHAM RD	Unimproved Land	0.15		$259,220	$65,340
30	29-540-31-05-00-0-00-000	2626 GILLHAM RD	Unimproved Land	0.18		$323,850	$78,408
31	29-540-31-04-00-0-00-000	2630 GILLHAM RD	Unimproved Land	0.11		$180,590	$47,916
32	29-530-25-02-00-0-00-000	2405 GRAND AVE	Office Building	0.56	250,434	$13,500,000	$12,521,700
33	29-530-24-18-00-0-00-000	2498 GRAND Above Grand	Retail/Bridge	0.28		$1,299,860	$121,968
34	29-530-24-14-00-0-00-000	25TH AND GRAND	Drive to retail parking	0.54		$8,740	$235,224
35	29-530-24-09-00-0-00-000	GRAND CENTRAL POWER	Under Grand	0.22		$4,370	$95,832
36	29-530-24-20-00-0-00-000	2525 Main	Condo tennis/pool/landscapi	4.41	382,052	$10	$10
Totals				26		$124,140,089	$209,920,102

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Another way to recognize functional obsolescence is an analysis of operating expenses. I rely on information provided by TREPP which is privileged to have operating data from most of the properties securitized in the CMBS market. There is likely no broader or deeper source of expense data available. The owner reports operating expenses (excluding taxes and capital expenditures for its office buildings of $9.00 to $12.50 per square foot. I have looked at larger properties which appropriately reflect Crown Centers multitenant office properties. Excluding taxes and capital expenditure, these properties demonstrate a range of $4.82 to $7.64 per square foot. This suggests a difference ranging from $1.32 to $4.18 per square foot at the lowest. Certainly some of the difference is a result of Crown Center's mindfulness of its iconic stature in the Kansas City Market. In addition, there are inefficiencies in the HVAC systems and reliance on the central power plant, some single pane windows, extensive common areas, as well as extensive underground parking which contribute to the higher expenses at Crown Center office properties.

Data Source	Comp 1		Comp 2		Comp 3		Comp 4		Comp 5	
Year Built	1982		1982		2000		1981		2008	
Net Rentable Area	742,244		880,476		1,287,820		223,579		219,325	
Occupancy	83.0%		89.0%		88.0%		82.0%			
City, State	Saint Louis, MO		Creve Coeur, MO		Irvine, CA		Overland Park, KS		Kansas City, MO	
	/SF	%	/SF	%	/SF	%	/SF	%	/SF	%
Effective Gross Income	$16.12	100.0%	$24.60	100.0%	$28.64	100.0%	$18.15	100.0%	$22.32	100.0%
Tax Expense	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
Insurance	$0.36	2.2%	$0.22	0.9%	$0.23	0.8%	$0.20	1.1%	$0.37	1.7%
Total Utilities	$1.58	9.8%	$1.74	7.1%	$1.38	4.8%	$1.67	9.2%	$2.67	12.0%
Repairs/Maintenance	$0.38	2.4%	$1.50	6.1%	$1.52	5.3%	$1.34	7.4%	$1.16	5.2%
Cleaning/Janitorial	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
Roads/Grounds	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
Security	$3.52	21.8%	$2.26	9.2%	$0.01	0.0%	$0.28	1.5%	$0.12	0.5%
General/Administrative	$0.84	5.2%	$0.94	3.8%	$0.53	1.9%	$0.60	3.3%	$0.37	1.7%
Management	$0.64	4.0%	$0.98	4.0%	$1.15	4.0%	$0.84	4.6%	$0.72	3.2%
Non-Reimbursable Expenses	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
Total Expenses	$7.32		$7.64		$4.82		$4.93		$5.41	
Operating Expense Ratio		57.4%		50.2%		22.6%		43.5%		46.3%

The retail shops and attractions report operating expenses of approximately $25 per square foot again excluding taxes and capital expenditures. These areas see even higher attention and Crown Center's pride of ownership is very apparent from my inspection. However that explains only a part of the difference. For retail, the obsolescence is largely economic. The owner reports that the tenants by and large do not reimburse the owner for taxes or operating expenses. It is customary for retail tenants to pay their pro rata share of operating expenses and taxes. Crown Center is mindful to keep the retail buildings occupied and well attended and if full costs to the tenants were applied it would materially change the character and the occupancy of Crown Center.

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5.0 DETERIORATION

Deterioration: The act or process of becoming worse. The action or process of deteriorating. (Merriam Webster). Impairment of condition; a cause of depreciation that reflects the loss in condition due to wear and tear, disintegration, use in service, and the action of the elements. (The Dictionary of Real Estate Appraisal). This factor and depreciation are tied to the age of site and building improvements and is a recognizable condition.

	Deteriorated street improvements along Gillham.
	Sidewalk and drive to McGee Parking Garage

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	Deterioration of floor tiles at the Westin
	Floor tiles in the West Retail Building are failing at an unacceptable rate. And the tiles cannot be matched in color or texture. Replacement of the entire floor is imminent but retail tenants will experience significant disruption and lack of access during the process.

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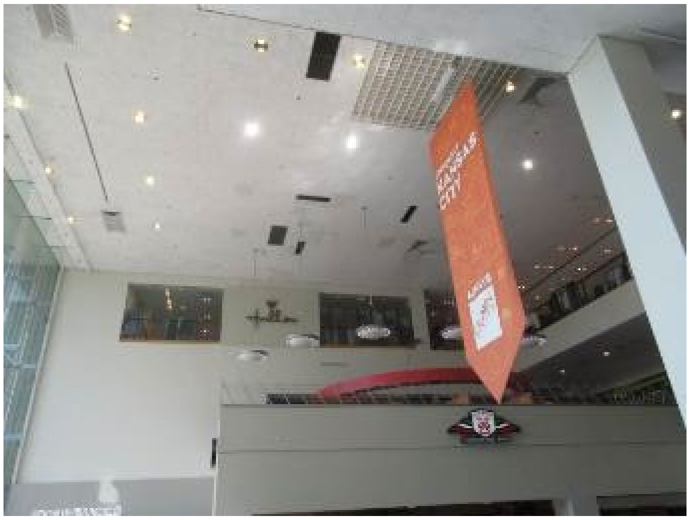
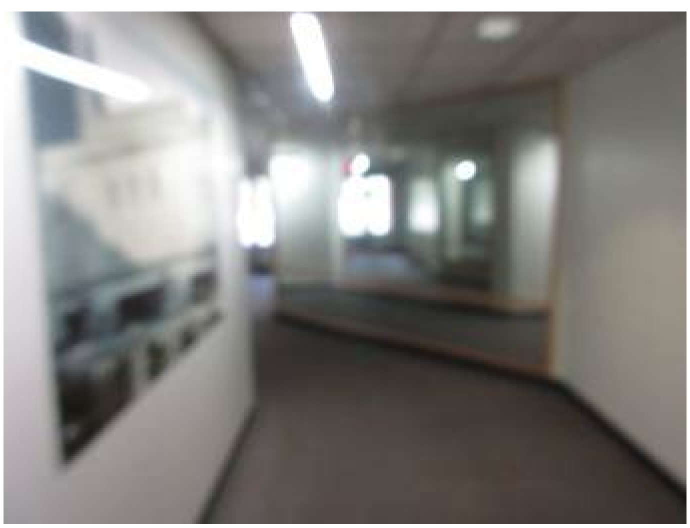
	Likewise the ceiling in the West Retail building is nearing the end of its useful life. Most tenants and patrons will not notice the condition until the ceiling fails completely. Replacement is expensive given the height of the ceiling in the atrium.
	Deterioration in the parking garage serving West Retail.
	Interior finish adjacent in the Link to the San Francisco Tower and Santa Fe Condominiums is deteriorating

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6.0 ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures: There is no formal definition of this factor. I interpret it to address those buildings or improvements within the study area that are used for illegal purpose or those that are an illegal, criminal, or non-conforming use according to the relevant zoning ordinance.

I do not perceive or observe any illegal use of individual structures within the study area.

7.0 STRUCTURES BELOW MINIMUM CODE

Structures below minimum code standards: This finding is based on complaints or findings from an inspection. There is no specific definition to elaborate this particular factor.

There are no identified examples of structures below minimum code standards.

8.0 ABANDONMENT

Abandonment: It is the surrender, relinquishment, disclaimer, or cession of property or rights. Voluntary relinquishment of all right, title, claim, and possession, with the intention of not reclaiming it. (thefreedictionary.com)

There is no example of abandonment within the study area.

9.0 EXCESSIVE VACANCIES

Excessive vacancies: There is no specific definition to apply for this factor. Excessive vacancy, as a Conservation Area factor is based on the market's interpretation of the Project Area as far as physical and economic vacancy.

Sources utilized include the current vacancy report provided by Crown Center Development, current property information available from CoStar and individual leasing agents for non-Crown Center properties within the study area. I do not have access to operating data for either the Sheraton or the Westin.

Only one building, 2600 Grand outperforms the market. The other buildings in the conservation area fall well short of market expectations and those are described below.

	American Restaurant is over 10,000 square feet and has been vacant for approximately six years. This building is 23% vacant.
	2301 McGee is 38% vacant.

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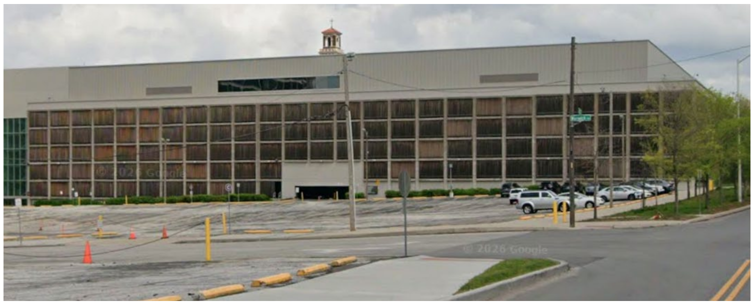
	2615 McGee is the RIC building. It is mostly parking but there is 185,000 SF net rentable area which is completely vacant.

10.0 OVERCROWDING

Overcrowding of structures and community facilities: There is no specific definition to apply for this factor. Any commentary as to overcrowding as a Conservation Area factor is based on lot width, setbacks, height and public rights-of-way.

Overcrowding is not present within the study area.

11.0 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Lack of ventilation, light, or sanitary facilities: There is no specific definition or criteria to apply to the study area to address this factor.

There is no meaningful impact to the study area due to lack of ventilation, light or sanitary facilities.

12.0 INADEQUATE UTILITIES

Inadequate utilities: There is no specific definition or criteria to apply to the study area to address this factor. I have verified service to the area and give this factor no further consideration.

Utilities within the study area are adequate.

13.0 EXCESSIVE LAND COVERAGE

Excessive land coverage: There is no specific definition or criteria to apply to the study are to address this factor. The density of development within the individual study areas as well as the presence or absence of green space and the impact of public rights-of-way is considered.

Excessive land coverage is immaterial to the study area.

14.0 DELETERIOUS LAND USE OR LAYOUT

Deleterious land use or layout: Harmful often in a subtle or unexpected way. (Merriam Webster). It is used to describe things that are harmful in ways that are unexpected, slow-acting, or not readily apparent.

There are no instances of deleterious land use or layout material to my findings.

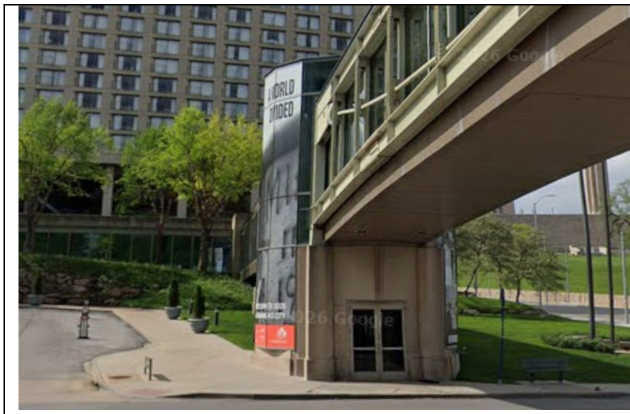
15.0 DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance: A loss in condition from any cause. In regard to improvements, depreciation encompasses both deterioration and obsolescence (Dictionary of Real Estate Appraisal). Dilapidation, obsolescence, and deterioration are separately addressed, depreciation addresses only age.

The preceding discussion of Dilapidation and Deterioration are also examples of Depreciation of Physical Maintenance. I considered Crown Center's Capital Needs schedule and consolidated the information to address major systems. The information was not available for the Westin or Sheraton properties, or the east or west retail buildings. Furthermore I have excluded any tenant build out, additions, or reconfigurations, leaving only true capital needs. Over ten years, Crown Center expects to spend and $75 per rentable square foot to the Pershing Office Complex. These are not improvements to the property, they are identified capital expenditures and do not generate any new occupancy or rental income. This capital spend addresses observable dilapidation, deterioration, and accrued depreciation.

16.0 LACK OF COMMUNITY PLANNING

Lack of community planning: There is no specific definition or criteria to apply to the study area to address this factor. This factor addresses the impact of past and current land use restrictions and design on the entire Redevelopment Area.



Over the past years an adjacent parcel Washington Park has experienced recurring issues related to trespassing, vagrancy, littering and other city code violations. These instances have been reported on many occasions during the course of my study of existing conditions and consulting activity prior to this assignment. I have observed the impact on tenants and visitors to nearby office buildings on Grand. Crown Center management has also confirmed for me that trespassing is a continual problem for the Westin and Crown Center's retail. The Links between the hotels, retail and Union Station must be locked at 9 or 10 pm which is inconsistent with the expectations of the operators and guests at either hotel.

The expectations of those visiting or working in the Crown Center area must be addressed by city officials and the various agencies involved. At present this some Crown Center amenities and adjacent public rights-of-way cannot be used as intended.

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	The Streetcar Route is adjacent to the study area for a 0.8 mile stretch, yet there is no retail or service oriented use directly visible and easily accessible from the Streetcar. While it is visually attractive, pedestrian and rider amenities are missing. The study area frontage along the streetcar is approximately 7% of the entire route. Given the Streetcar investment, the absence of street retail, usable green space, and good pedestrian access from Main Street directly to the West Retail reflects a lack of community planning.

17.0 DETRIMENTAL TO PUBLIC HEALTH, SAFETY, WELFARE, MORALS

A condition of the definition of a conservation area is that at least three of the preceding criteria are present and to the level of preponderance.

The final requirement of a conservation area is, are these conditions found within the study area detrimental to the public health, safety, morals, or welfare? Safety concerns are best identified by dilapidation, deterioration and instances of the lack of community planning. Excessive vacancies are detrimental to the study area by detracting from the use and enjoyment of surrounding land uses and encumbering significant land area with infeasible improvements.

Presently, and increasing over time, is the disconnect of the existing conditions and expectations of visitors, guests, residents, employees, employers, and investors. Crown Center has and continues to hold a prominent place in Kansas City's identity. In my opinion Crown Center is proactively committing the time, expertise, and capital necessary to maintain the visitor and employee experience, but losing ground to the conditions described herein. The conditions are not abating and as described in my discussion of Obsolescence, the prospect of even the most modest financial return is remote. The presence of these conservation area conditions are detrimental to the study area's capacity to meet expectations. This does not affect just Crown Center or Hallmark. The surrounding owners will also find these expectations challenging to meet, but without the reputational risk that Crown Center endures.

There is a cost to the public when the conditions within the study area are fully understood. Uncertainty surrounding Kansas City's iconic attraction is detrimental to the public's welfare primarily, and to a lesser extent health, safety and morals. Considering age/condition, obsolescence and excessive vacancies, many of the buildings in the study area predate positive trends of the area which started with renovation of Union Station. Subsequent redevelopment projects include the IRS facility on Pershing, The Federal Reserve, and Power & Light/KC Live. Hospital Hill has seen considerable investment over the past decade. Planned improvements totaling over $1 billion are soon to occur at Children's Mercy Hospital. The last, and many believe most critical of all to the entire region, is the Streetcar. Concern and uncertainty over the sustainability of momentum within the larger neighborhood is detrimental and reflected in my findings that the study area meets the requirements of a Conservation Area as reported on the following page.

Study ID	Address	Land Use	Yr Built	Dilapidation	Obsolescence	Deterioration	Excessive Vacancies	Lack of Community Planning	Depreciation of Physical Maintenance	Detrimental to Public Health, Safety, Welfare, or Morals
11	PERSHING RD	Parking Drive		**Moderate**	**Significant**	**Moderate**	**Significant**	**Moderate**	**Moderate**	**Moderate**
12	200 E 25TH ST	American and Central Plant	1973							
13	200 E 25TH ST	Central Plant	1971							
14	2650 GILLHAM RD	Industrial Manufacturing/Rice	1982							
15	300 E 27TH ST	Industrial/Rice	1985							
16	2301 McGee ST	Office Building/Exhibition Hall	1999							
17	2301 McGee ST	Parking Garage	1986							
18	2345 MCGEE ST	Hospitality/Sheraton	1980							
19	2450 GRAND AVE	Hospitality/Westin and Retail	1971							
20	2498 GRAND ABOVE GRAND	Retail Bridge								
21	2600 GRAND AVE	Office Building	1990							
22	2600 GRAND AVE	Parking Structure	1990							
23	2600 GRAND	Unimproved Land								
24	27TH AND GRAND	Unimproved Land								
25	401 E 26TH ST	Surface Lot								
26	2601 WARWICK	Surface Lot								
27	2600 GILLHAM RD	Unimproved Land								
28	2606 GILLHAM RD	Unimproved Land								
29	2620 GILLHAM RD	Unimproved Land								
30	2626 GILLHAM RD	Unimproved Land								
31	2630 GILLHAM RD	Unimproved Land								
32	2405 GRAND AVE	Office Building	1986							
33	2498 GRAND Above Grand	Retail/Bridge								
34	25TH AND GRAND	Drive to retail parking								
35	GRAND CENTRAL POWER	Under Grand								
36	2525 Main	Condo tennis/pool/landscaping	1975							
37	ADJACENT PUBLIC RIGHTS-(									

The preponderance of the factors above is sufficient for the finding that study area qualifies as a Conservation Area according to RSM0 99.805.

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Valuation Advisors

Kenneth Jaggers, MAI

Managing Director

Experience Summary

Kenneth Jaggers is Managing Director for Partner Valuation Advisors and operates from Kansas City. Mr. Jaggers has over 35 years of commercial real estate appraisal, consulting, and loan underwriting experience. For the past 25 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 vacant 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. Mr. Jaggers routinely completes Yellow Book complaint assignments and has been a court appointed appraiser.

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

Highlights

35+ years in CRE valuation and advisory
25 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

Missouri, Kansas, Colorado, Nebraska, Iowa, and South Dakota

Contact

PARTNER VALUATION ADVISORS, LLC
1 South Dearborn Street, Suite 1530
Chicago, IL 60603
(913) 214-0057
kjaggers@partnerval.com

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

VALID THROUGH JUNE 30, 2028
ORIGINAL CERTIFICATE/LICENSE NO. RA003190
KENNETH JAGGERS
3011 W. 83RD TERRACE
LEAWOOD KS 66206
UNITED STATES

State of Missouri

Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission

State Certified General Real Estate Appraiser

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ORIGINAL CERTIFICATE/LICENSE NO. RA003190

KENNETH JAGGERS
3011 W. 83RD TERRACE
LEAWOOD KS 66206
UNITED STATES

Varina Beauchamp
EXECUTIVE DIRECTOR

Sheila Solon
DIVISION DIRECTOR