



Board of Aldermen Request for Action

MEETING DATE: 9/23/2025

DEPARTMENT: Administration

AGENDA ITEM: Public Hearing Pertaining to The Shops at Smithville Community Improvement District (CID).

REQUESTED BOARD ACTION

Hold a Public Hearing pertaining to The Shops at Smithville Community Improvement District (CID).

SUMMARY

State statute outlines the process by which the Governing Body of any city, may establish a community improvement district, which begins with submission of a petition requesting formation of the district. The Petition for the Establishment of The Shops at Smithville Community Improvement District (the "Petition") was filed with the City and meets the statutory requirements of a valid petition. All statutorily required notices were complied with. In conjunction with the establishment of a CID, the City must hold a public hearing.

The Petition provides that the it will be governed by a Board of Directors (the "Board") comprised of five directors, four of which are property owner's representatives and one City representative. One director meets the statutory requirements of a "disinterested director" meaning that they are a resident of the City, has no financial interest in any real property or business in the District and is not related to any owner of real estate or any business in the CID. The initial Board is named in the Petition, but successor directors will be appointed by the Mayor with the consent of the Board of Aldermen. Further, revenues within the CID will be generated by a 1% sales tax to fund improvements within the District.

The Applicant is seeking a blight finding pursuant to a Blight Study. The Blight Study provides that due to insanitary or unsafe conditions and the deterioration of site improvements, the redevelopment area constitutes an economic and social liability in its present use and condition. A blight finding will allow for the Applicant to remediate the blighting conditions and rehabilitate and reconstruct the property.

The District intends to fund the improvements and services in accordance with the CID Act. These include renovation, reconstruction, and rehabilitation of the existing building, including, but not limited to the construction of interior and exterior improvements. Estimated costs are initially thought to be \$696,825.

A map of the CID is included as Exhibit B attached to the Petition.

The City's Economic Development Policy recommends a 20 year limit on CID terms and outlines a preference that the CID Board be Developer-controlled with City representation. The petition submitted by the development team requests the statutory maximum term of 27 years. The petition complies with the recommendation that the Board be developer controlled.

PREVIOUS ACTION

A public hearing was held earlier in this meeting.

POLICY OBJECTIVE

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENTS

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input checked="" type="checkbox"/> Other: Petition and Blight Study | |

RECEIVED
Aug 4, 2025
11:39 am

**PETITION FOR ESTABLISHMENT OF
THE SHOPS AT SMITHVILLE COMMUNITY IMPROVEMENT DISTRICT
CITY OF SMITHVILLE, MISSOURI**

PETITION FOR THE CREATION OF

THE SHOPS AT SMITHVILLE COMMUNITY IMPROVEMENT DISTRICT

To the Mayor and Board of Aldermen of the City of Smithville, Missouri:

The undersigned real property owner (the "Petitioner"), pursuant to RSMo Section 67.1421, being the owner of:

(1) one hundred percent (100%) by assessed value of the real property; and

(2) one hundred percent (100%) per capita of all owners of real property

within the boundaries of the hereinafter described proposed community improvement district, does hereby petition and request that the Board of Aldermen of the City of Smithville, Missouri create a community improvement district as described herein under the authority of Sections 67.1401 to 67.1571, RSMo (the "CID Act"). In support of this petition, the Petitioner sets forth the following information in compliance with the CID Act:

1. District Name. The name for the proposed community improvement district ("CID" or "District") is:
The Shops at Smithville Community Improvement District.
2. Legal Description and Map. A legal description and map generally depicting the boundaries of the proposed District are attached hereto as Exhibit A and Exhibit B, respectively. The proposed district consists of 3.04 +/- acres and is located entirely within the City of Smithville, Missouri.
3. Five-Year Plan. A five-year plan as required by the CID Act is attached hereto as Exhibit C (the "Five Year Plan").
4. Form of District. The proposed district will be established as a political subdivision of the State of Missouri under the CID Act.
5. Board of Directors.
 - a. Number. The District shall be governed by a Board of Directors (the "Board") consisting of five (5) members, whom shall be appointed in accordance with this petition.
 - b. Qualifications. Each Member of the Board ("Director") shall meet the following requirements:
 - (1) be at least 18 years of age;
 - (2) be and must declare to be either an owner of real property within the District ("Owner") or an authorized representative of an Owner, an owner of a business operating within the District ("Operator"), or a registered voter ("Resident") residing within the District, as provided in the CID Act;
 - (3) be and have been a resident of the State of Missouri for at least one year immediately preceding the date upon which he or she takes office in accordance with Article VII, Section 8 of the Missouri Constitution.

c. Initial Directors. The initial directors (“Initial Directors”) and their respective terms shall be:

- i. John R. Davis, Jr. - Owner’s Representative, four (4) year term
- ii. C. Shane Crees - Owner’s Representative, four (4) year term
- iii. *Cory Fautsch - Owner’s Representative, two (2) year term
- iv. Andrew Danner – Owner’s Representative, two (2) year term
- v. Gina Pate – City’s Representative, two (2) year term

Since there are no registered voters residing in the District on the date this Petition is filed with the City Clerk, at least one Director must be a resident of Smithville, Missouri that is registered to vote, has no financial interest in any real property or business within the District, and is not related (second degree blood or marriage) to any owner of real estate or any business in the CID. The Director(s) identified with an “*” above satisfy such additional qualification requirements.

d. Terms. Initial Directors shall serve for the term set forth above. Each Successor Director shall serve a four (4) year term or until his/her successor is appointed in accordance with this Petition. If, for any reason, a Director is not able to serve his/her term, the remaining Directors shall elect an Interim Director to fill the vacancy of the unexpired term.

Notwithstanding anything herein to the contrary, any Director’s failure to meet the qualification requirements set forth above, either in a Director’s individual capacity or in a Director’s representative capacity, shall constitute cause for the Board to take appropriate action to remove said Director.

e. Successor Directors. Successor Directors shall be appointed by the Mayor with the consent of the Board of Aldermen by resolution. The Executive Director of the District may submit a proposed slate of successor directors to the City of Smithville, Missouri’s City Clerk (the “City Clerk”), which slate may be comprised of any individuals that meet the above-listed criteria in the discretion of the Executive Director. Upon receipt of a slate of Successor Directors, the City Clerk shall promptly deliver the slate to the Mayor for consideration by the Board of Aldermen. The slate shall serve as a non-binding recommendation of persons to be appointed by the Mayor.

6. Assessed Value. The total assessed value of all real property in the District is \$620,960.

7. Determination of Blight. Petitioner is seeking a determination of blight under Section 67.1401.2(3) of the CID Act for property located within the District. A Blight Study addressing compliance with the factors of blight under the CID Act will be considered by the City contemporaneously with this Petition. The Improvements described in Exhibit C are reasonably anticipated to remediate the blighting conditions described in the blight study and will serve the public purpose of revitalizing an underutilized area, preventing further decline of improvements and eliminating the social liability and public safety risks associated with vacant, dilapidated property.

8. Duration of District. The proposed length of time for the existence of the District is twenty-seven (27) years from the date an ordinance is passed establishing the District. The District may be terminated prior to the end of such term in accordance with the provisions of the CID Act and this Petition, and said term shall not be extended unless a new petition is submitted and approved pursuant to the terms of the CID Act.

9. Real Property and Business License Taxes. The District will not have the power to impose a real property tax levy or business license taxes.
10. Special Assessments. The District will not have the power to impose special assessments.
11. Sales Tax. Qualified voters of the District may be asked to approve a sales tax of up to one percent (1%) ("District Sales Tax"), in accordance with the CID Act, to fund certain improvements within the District. Additional details about the District Sales Tax are set forth in the Five-Year Plan attached hereto as **Exhibit C.**
12. Borrowing Limits. Petitioner does not seek limitations on the borrowing capacity of the District.
13. Revenue Limits. Petitioner does not seek limitations on the revenue generation of the District.
14. Future Five Year Plans. The District shall submit future Five (5) Year Plans meeting the requirements of Section 1421.2(3)(d), RSMo (as amended or replaced from time to time) to the City for comment and review no earlier than 180 days and no later than 90 days prior to the expiration of each then-current Five (5) Year Plan.
15. Authority Limits. Petitioner does not seek limitations on the authority of the District, except as set forth in this Petition. The District will not fund any costs until a cooperative agreement is executed between the District, the City of Smithville, Missouri, and the developer of record for the project.
16. Right to Terminate. The property owner(s) within the District shall have the right to petition the Board of Aldermen to terminate the District at any time in accordance with the CID Act.
17. Board of Aldermen Right to Audit. The Board of Aldermen shall have the right to audit the books and records of the District at any time upon reasonable request.
18. **Revocation of Signatures. THE PETITIONER ACKNOWLEDGES THAT THE SIGNATURE OF THE SIGNER OF THIS PETITION MAY NOT BE WITHDRAWN FROM THIS PETITION LATER THAN SEVEN (7) DAYS AFTER THE FILING HEREOF WITH THE CITY CLERK.**

WHEREFORE, Petitioner respectfully requests that the Board of Aldermen establish the requested The Shops at Smithville Community Improvement District in accordance with the information set forth in this Petition and that the Mayor appoint and the Board of Aldermen consent to the proposed members for the Board of Directors as set forth in this Petition and take all other appropriate and necessary action that is consistent with the CID Act to establish the requested district.

**EXECUTION PAGES FOR PETITION FOR THE CREATION OF
THE SHOPS AT SMITHVILLE COMMUNITY IMPROVEMENT DISTRICT**

Name of owner: SMITHVILLE HOLDINGS LLC

Owner's address: 1000 Progress Drive, #299, Liberty, Missouri 64069

Owner's telephone number: (816) 918-1612

IF SIGNER IS DIFFERENT FROM OWNER:

Name of signer: John R. Davis, Jr.

Title: Authorized Member

Signer's telephone number: (816) 719-9327

Signer's mailing address: 1000 Progress Drive, #299
Liberty, Missouri 64069

If owner is an individual: _____ Single _____ Married

If owner is not an individual, state what type of entity (Mark Applicable Box):

<input type="checkbox"/>	Corporation	<input type="checkbox"/>	General Partnership
<input type="checkbox"/>	Limited Partnership	<input checked="" type="checkbox"/>	Limited Liability Company
<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Urban Redevelopment Corporation
<input type="checkbox"/>	Not-for-Profit Corporation	<input type="checkbox"/>	Other _____

Map and parcel number(s):

05913000102100

Total Assessed value: \$620,960

By executing this petition, the undersigned represents and warrants that he is authorized to execute this petition on behalf of the property owner named immediately below.

SMITHVILLE HOLDINGS LLC,
a Missouri limited liability company

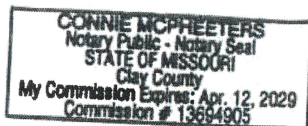
By: [Signature]
Name: JOHN R DAVIS JR
Title: AUTHORIZED MEMBER

Date: July 18, 2025

STATE OF Missouri)
COUNTY OF Clay) ss:

On this 18th day of July, 2025, before me appeared John R. Davis, Jr., to me personally known, who, being by me duly sworn did say that he is the Authorized member of SMITHVILLE HOLDINGS LLC, a Missouri limited liability company, and that said instrument was signed on behalf of said limited liability company, and said limited liability company acknowledged said instrument to be the free act and deed of said entity.

WITNESS my hand and official seal this 18th day of July, 2025.



Connie McPheeters
Notary Public

My Commission Expires: 4-12-29

EXHIBIT A

Legal Description of The Shops at Smithville Community Improvement District

All that part of the Northwest Quarter of Section 35, Township 53, Range 33, in the City of Smithville, Clay County, Missouri, more particularly described by Phillip James Schnitz PLS2014020715, on April 19, 2022, as follows (Basis of Bearings: South 03°08'49" West as determined by global positioning system observations to the Missouri State Plane Coordinate System, West Zone along the East line of the surveyed tract, being the West line of SEA PORT ONE, a subdivision of land file for record on February 11, 1992, in Cabinet B, in sleeve 189 in the Clay County Recorder of Deeds office):

Commencing at the intersection of the South line of said Northwest Quarter with the previous Easterly Right of Way line of Missouri State Highway No. 169; Thence North 3° 19 32 East (Deed: North 2° 23 00 East) along said previous Easterly Right of Way line, a distance of 479.42 feet; Thence South 86° 53 17 East, 16.3 feet, to the currently established Easterly Right of Way line of said 169 Highway and the True Point of Beginning of the tract of land herein described; Thence North 3° 19 32 East (Deed: North 2° 23 00 East), 300.44 feet (Deed: 300.0 feet), along said current Easterly Right of Way line; Thence South 86° 47 42 East (Deed: South 87° 37 00 East), 437.86 feet (Deed: 455.0 feet) to the West line of the Plat of SEA PORT ONE, a subdivision of land recorded February 11, 1992, in the Office of the Clay County Recorder of Deeds, in Cabinet B, in Sleeve 189; Thence South 3° 08 49 West, (Deed: South 2° 28 00 West), 299.73 feet (Deed: 300.0 feet) on said West line to the Southwest corner of said plat of SEA PORT ONE, being a point on the North line of B.R.A.A.G. DEVELOPMENT, a subdivision of land recorded May 10, 1999, in the Office of the Clay County Recorder of Deeds, in Cabinet E, in Sleeve 104; Thence North 86° 53 17 West (Deed: North 87° 37 00 West), 438.80 feet (Deed: 455.0 feet), on said North line and the westerly extension thereof to the True Point of Beginning. The above written description excludes, however, that part of the tract of land dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48.

The foregoing described property is intended to be the same as the legal description contained in vesting deed to Kays Furniture Co., Inc. recorded in 1974 in Book 1165 at Page 676, Clay County Recorder of Deeds, excluding, however, that part of the tract of land subsequently dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48, Clay County Recorder of Deeds.

EXHIBIT B

General Boundary Map of The Shops at Smithville Community Improvement District

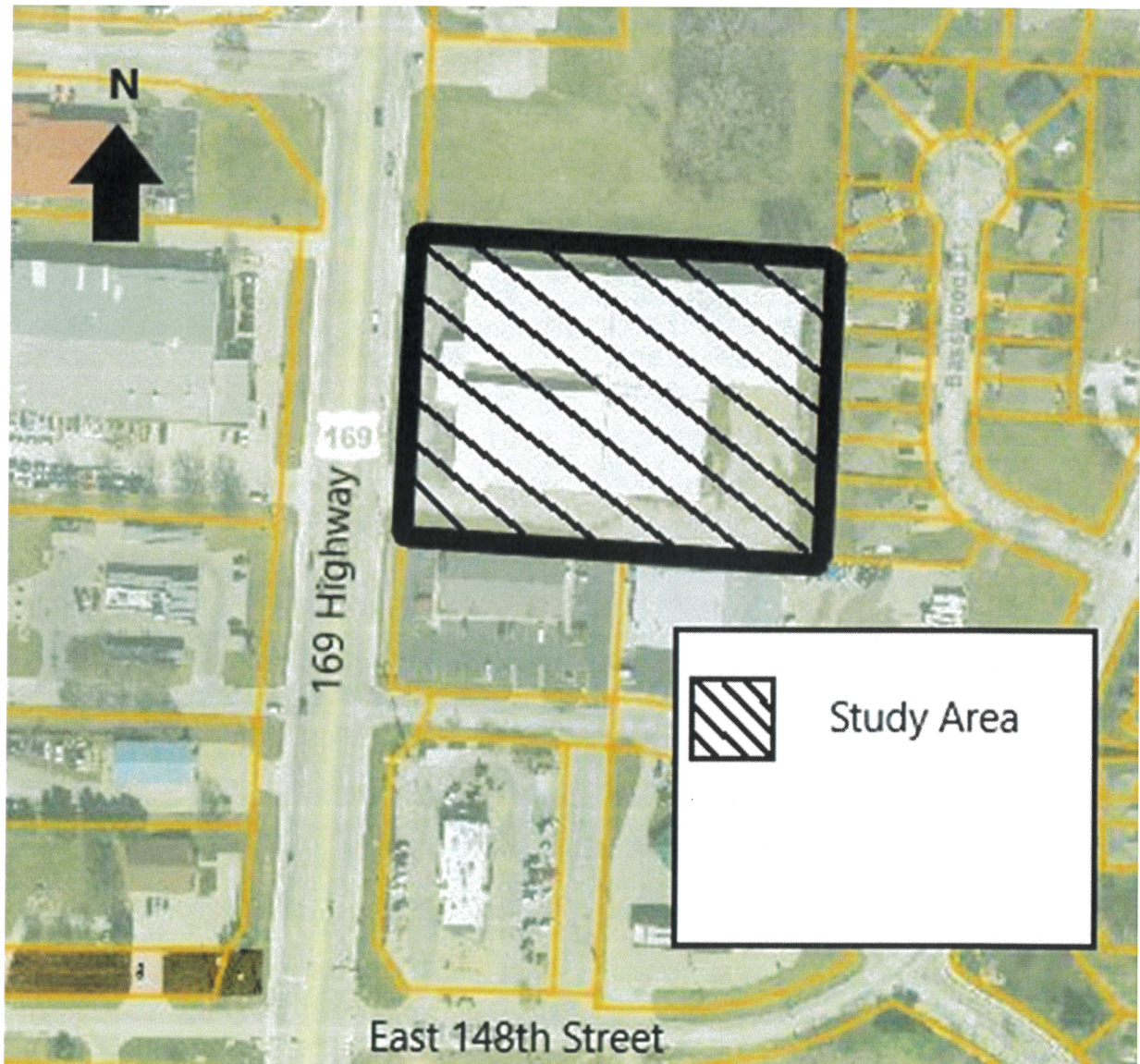


EXHIBIT C
FIVE YEAR PLAN

(Attached)

FIVE YEAR DISTRICT MANAGEMENT PLAN

OF

THE SHOPS AT SMITHVILLE COMMUNITY IMPROVEMENT DISTRICT

CITY OF SMITHVILLE, MISSOURI

The information and details outlined in the following pages represent the strategies, and activities that it is anticipated will be undertaken during the initial five-year duration of The Shops at Smithville Community Improvement District in Smithville, Missouri. It is an integral and composite part of the petition to establish The Shops at Smithville Community Improvement District.

Introduction

The Shops at Smithville Community Improvement District (the “District”) is created pursuant to Section 67.1401 through 67.1571 of the Revised Statutes of Missouri (the “CID Act”). Section 67.1421, RSMo, requires that the petition for the creation of the District be accompanied by a five-year plan which includes a description of the purposes of the proposed district, each improvement it will make, and an estimate of the costs of the improvements to be incurred. This Five-Year District Management Plan (the “Plan”) is intended to satisfy this statutory requirement and is appended to the Petition for Formation of the District as an integral part thereof.

Section 1 - Why Create a Community Improvement District?

The purpose of the District is to undertake certain improvements within the District, as discussed below, and to use or make available its revenue to pay the costs thereof, including, without limitation, debt service on any notes, bonds or other obligations issued and outstanding from time to time to finance all or any of such costs.

Section 2 - What is a Community Improvement District?

A community improvement district is an entity that is separate from the City of Smithville, Missouri and is formed by the adoption of an ordinance by the Board of Aldermen following a public hearing before the Board of Aldermen regarding formation of the District. A CID may take the form of a political subdivision of the State of Missouri, or a nonprofit corporation that is formed and operated under Missouri corporation laws. CIDs are empowered to provide a variety of services and to construct and/or finance a number of different public improvements, and in a blighted area, private improvements, as set forth more particularly in the CID Act. CIDs derive their revenue from taxes and assessments levied within the boundaries of the CID. Such revenues are then used to pay the costs of the services or improvements. A CID is operated and managed by a board of directors, whose members may be appointed or elected. Board members serve for a designated period of time, and the Board positions are again elected or appointed at the expiration of each term as provided in the petition creating such CID.

Section 3 - Management Plan Summary

The District in this case will take the form of a separate political subdivision of the State of Missouri, which will be governed by a Board of Directors that will consist of five (5) members appointed by the Mayor of Smithville with the consent of the Board of Aldermen.

District Formation:

CID formation requires submission of signed petitions from a group of property owners:

- collectively owning more than fifty percent (50%) by assessed value of the real property within the District, and
- representing more than fifty percent (50%) per capita of all owners of real property within the District.

In this case, the Petition to which this Plan is attached has been signed by the owners of 100% of the assessed value and 100% of the per capita property owners within the District.

Location:

The District will encompass approximately 3.04 +/- acres of land located in the northeast quadrant of the intersection of Highway 169 and East 148th Street, as more particularly described in the Petition.

Assessed Value of District:

The total assessed value of the properties within the District on the date of the Petition is \$620,960.

Improvements:

The purpose of the District is to provide funding for the improvements more particularly described in Exhibit A to this Plan (the "Improvements"). The items included within the Improvements may be modified from those listed herein as allowed pursuant to a cooperative agreement between the District, City and developer of the project. The costs of the Improvements to be financed by the District shall include all associated with design, architecture, engineering, financing costs incurred to finance such Improvements, and legal and administrative costs relating to the completion of the Improvements. The District may also provide funding for the District's formation and its ongoing operation and administration costs on an annual basis.

It is anticipated that all costs, including attorneys' fees, associated with formation of the District, including, but not limited to, the preparation of the CID Petition, the negotiation and drafting of any agreements entered into upon formation of the District in furtherance of the District's purposes, and the initial implementation of the District ("Formation Costs") will be reimbursed to the advancing party, or paid directly, from funds generated by the District.

The District will enter into a cooperative agreement with the City and the developer of the Improvements, and such agreement will set forth the restrictions and limitations associated with funding the Improvements and the approval of any additional improvements that are not set forth in this initial Five-Year Plan.

Method of Financing:

It is proposed that the District will impose a sales and use tax of up to one percent (1%) (the "District Sales Tax"), which District Sales Tax shall be imposed for the term of the District and is in addition to any other state, county or city sales and use tax. The District Sales Tax is payable on the same retail sales that are subject to taxation pursuant to Sections 144.010 to 144.525, RSMo, except sales of motor vehicles, trailers, boats or outboard motors, and sales to or by public utilities and providers of communications, cable, or video services. All costs of the District shall be financed in the manner and amount determined by the Board of Directors from the amounts on deposit with the CID. It is anticipated that the developer will advance all costs of the Improvements, either from funds on hand or the proceeds of loans, to be reimbursed from District Sales Tax revenues. Any developer loans will be for the term negotiated between the developer and its lender. Amounts advanced to the District by the Petitioner, or its successors or assigns, to cover the costs contemplated hereunder will be reimbursed by the District upon the availability of funds. Financing costs, including interest costs, associated with any loan obtained by the District, or notes, bonds, or other obligations issued by District to finance Improvements may be paid from District Sales Tax revenues.

Estimated Costs:

Attached as **Exhibit A** to this Plan is a table setting forth the estimated cost of the Improvements, and a table setting forth the projected cash flow for the first five years of the District's existence.

City Services:

The CID Act mandates that existing City services will continue to be provided within a CID at the same level as before the District was created (unless services are decreased throughout the City) and any District services shall be in addition to existing City services. The District anticipates that City services will continue to be provided within the District at the same level as before the District was created, and the District will not cause the level of City services within the District to diminish.

Duration:

The District will operate for a maximum term of twenty-seven (27) years from the date that the ordinance is passed establishing the District. Subject to the contractual rights of any third parties, the District may be terminated prior to the end of such maximum term if the Improvements have been completed and the costs thereof paid for or reimbursed in full with District Sales Tax revenue. The petition process must be repeated for the District to continue beyond such maximum term.

**Section 4
District Boundaries**

The legal description of the District is attached as Exhibit A to the Petition.

Section 5

Facilities to Be Provided

As explained above, during the first five years, the purpose of the District is to provide revenue sources in support of contracting with any private property owner to effectuate the Improvements.

**Section 6
Governing the Community Improvement District**

Board of Aldermen:

Following the submission of the Petition, the Board of Aldermen will conduct a public hearing and then consider an ordinance to create the District.

Board of Directors for District:

The District will be governed by a Board of Directors that will consist of five members appointed by the Mayor of Smithville with the consent of the Board of Aldermen pursuant to the terms of the Petition.

Annual Budget:

The District's budgets will be proposed and approved annually, within the limitations set forth in this Plan, by the District's Board of Directors. Budgets will be submitted annually to the Board of Aldermen of the City of Smithville for review and comment in accordance with the CID Act. The District will operate, at all times, in accordance with the District Rules and Regulations (Section 7) and the Bylaws of the District.

Section 7
District Rules and Regulations

1. The District shall operate, at all times, in accordance with Bylaws that may be adopted by the Board of Directors. The District shall, at all times, conduct its proceedings in accordance with Robert's Rules of Order, except as otherwise provided in any Bylaws.
2. The Board of Directors of the District will meet at least on an annual basis.

**EXHIBIT A TO FIVE YEAR PLAN OF
THE SHOPS AT SMITHVILLE COMMUNITY IMPROVEMENT DISTRICT**

ESTIMATED COSTS OF IMPROVEMENTS¹

	<u>Cost*</u>
Renovation, reconstruction, and rehabilitation of the existing building within the District, including, but not limited to, construction of interior and exterior improvements.	\$696,825

Subtotal: \$696,825

District Formation Costs: \$30,000
Annual Operating Costs (5 years) \$5,000 (per year)
Grand Total: \$751,825

*Excludes financing costs incurred to undertake such costs.

**Only items permitted by the CID Act shall be eligible to be financed with District Sales Tax.

CASH FLOW PROJECTION²

CID Year	CID Sales Tax Revenue
1	\$0
2	\$25,969
3	\$53,693
4	\$54,766
5	\$55,862

¹ These costs are estimates and may fluctuate based on actual costs incurred for purposes permitted under the CID Act. Costs to be funded by the District will be limited as set forth in a cooperative agreement among the City of Smithville, the District and the developer of the project.

² Any annual revenue generated will be utilized to pay any costs of the District as approved in the District annual budget.

Blight Study

for

The Shops at Smithville

1501 South 169 Highway

Smithville, Missouri

July 2025

Prepared by:

**Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112**

BLIGHT STUDY

The Shops at Smithville, Smithville, Missouri

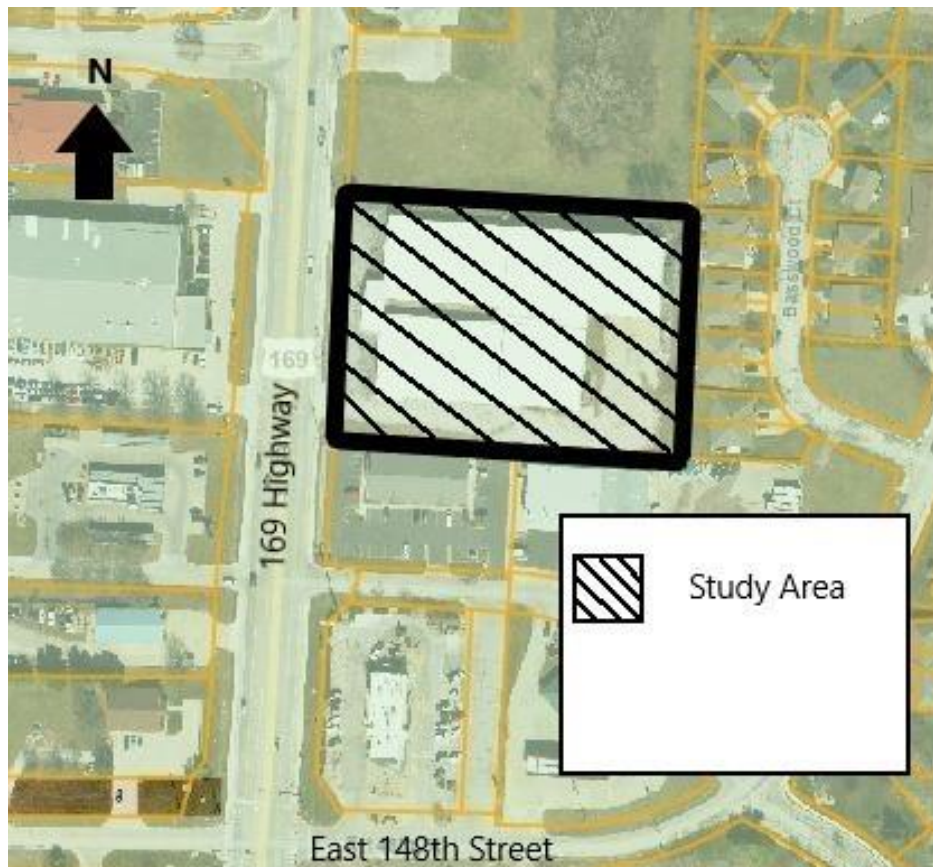
I. Introduction

Purpose

This analysis has been prepared to determine whether The Shops at Smithville in Smithville, Missouri is “blighted” according to § 353.020(2) of The Urban Redevelopment Corporations Law (“Chapter 353”) and § 67.1401.2(3) of the Missouri Community Improvement District Act (the “CID Act”). The property evaluated by this study is generally located in the northeast quadrant of the intersection of Highway 169 and East 148th Street, all located in the City of Smithville, Missouri (the “Study Area”).

Study Area

The Study Area is comprised of one (1) parcel of land located in the City of Smithville, Clay County, Missouri, and comprises approximately 3.04 +/- acres. A legal description and map of the Study Area are attached hereto as Exhibit A and Exhibit B, respectively, and the boundaries of the Study Area are generally shown as follows:



Statutory Analysis

Section 353.020(2) and Section 67.1401.2(3) of the Missouri Revised Statutes (by reference to Section 99.805) define a “Blighted Area” 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 and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use.”

An exploration of the presence of these factors within the Study Area is included below.

II. Study Area Data

The Study Area is generally located in the southern portion of the corporate limits of Smithville, Missouri, approximately two miles north of the corporate limits of Kansas City, Missouri and one-half (½) mile south of Highway 92. The general location of the Study Area is shown below:



Property Data

Land Area

According to Clay County, Missouri records, the Study Area is comprised of the following parcels:

Parcel Number	Acres
05913000102100	3.04

Ownership and Current Use

According to Clay County, Missouri land records, the Study Area is owned entirely by Smithville Holdings LLC and is an improved, commercial property.

Access

The Study Area currently has two (2) access points, both of which provide access to the Study Area from Highway 169.

III. Blight Analysis

Section 353.020(2) and Section 67.1401.2(3) of the Missouri Revised Statutes (by reference to Section 99.805) define a “Blighted Area” 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 and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use.”

We have prepared the following study pursuant to the statutory factors described above and accordingly determined whether the Study Area is blighted.

FACTOR #1: INSANITARY OR UNSAFE CONDITIONS

A substantial amount of trash and debris, including remnants of what appeared to be food, are present within the Study Area. Moreover, a large swath of the Study Area contains overgrown vegetation, which, when combined with the previously described food remnants, serves as a healthy habitat for rodent activity. Clearly, the presence of trash, debris, and a healthy habitat for rodents are indicators of insanitary conditions.

See Figures 1 and 2 below for photographed examples of the trash, debris, and the overgrown vegetation present within the Study Area.

Figure 1: Trash and Debris Within the Study Area



Figure 2: Vegetative Overgrowth Within the Study Area



FACTOR #2: DETERIORATION OF SITE IMPROVEMENTS

Certain site improvements within the Study Area are in a deteriorated state.

Particularly, both the parking improvements and the approximately 65,000 square foot building located within the Study Area (the “Building”) exhibit widespread deterioration.

See Figures 3 – 8 below for photographed examples of said deterioration that persists across the Study Area.

Figure 3: Degradation of Building Exterior



Figure 4: Degradation of Building Exterior

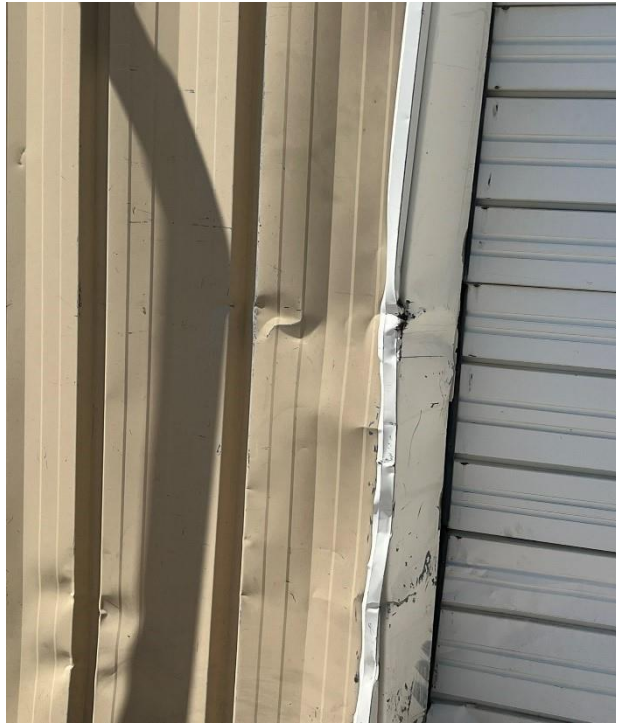


Figure 5: Degradation of Building Exterior



Figure 6: Degradation of Building Interior



Figure 7: Deteriorated Parking Improvements



Figure 8: Deteriorated Parking Improvements



***FACTOR #3: EXISTENCE OF CONDITIONS WHICH ENDANGER
LIFE OR PROPERTY BY FIRE AND OTHER CAUSES***

This factor is not present within the Study Area.

IV. Conclusion

The above analysis indicates that two of the three defined conditions of blight are predominant within the Study Area. These components include:

1. Insanitary or Unsafe Conditions
2. Deterioration of site improvements

As a result of the preponderance of the factors above, the Study Area constitutes an economic and social liability in its present condition and use.

The concept of an economic liability and the economic underutilization of property as a basis for blight has been addressed by the Missouri Supreme Court. The Court has determined that “the concept of urban redevelopment has gone far beyond ‘slum clearance’ and the concept of economic underutilization is a valid one.” *Tierney v. Planned Industrial Expansion Authority of Kansas City*, 742 S.W.2d 146, 151 (Mo. banc 1987). Blight may be found if the redevelopment of an area “could promote a higher level of economic activity, increased employment, and greater services to the public.” *Tierney*, 742 S.W.2d at 151. Further, the Court determined that an otherwise viable use of a property may be considered blighted if it is an economic underutilization of the property. *Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc.*, 812 S.W. 2d 903, 910 (MO. App. E.D.1991). The Court determined that blight exists to the extent an area is being utilized for less than its potential from an economic standpoint.

Presently, the Building is vacant and generates no local sales revenues. Further, there can be no reasonable expectation that the Building will be occupied as the costs required to remediate the existing blight and attract new tenants to the Building are substantial. Unfortunately, this reality deprives residents of having a variety of retail offerings to explore. However, if the blight is remediated and the Building is occupied, the Study Area is anticipated to produce more than \$5,000,000 per year in local sales revenues and, correspondingly, sales tax revenues. Those sales tax revenues may be utilized by the applicable taxing jurisdictions to enhance the life of its constituents and provide better quality services.

The Study Area’s diminished sales and the presence of blighting factors together are a clear indication that the Study Area is not being utilized for its highest and best use. The result is less sales tax revenue for the taxing jurisdictions to provide services to the public, a clear economic liability to taxpayers. Clearly, the Study Area “could promote a higher level of economic activity, increased employment and greater services to the public”, thus falling within the definition of a blighted area.

To achieve the Study Area’s highest, best, and most productive use, significant financial investment by a developer will be required.

Additionally, as described and evidenced above, the rodents, trash, and overgrown vegetation found within the Study Area constitute a social liability as all are menaces to public health and welfare of the community.

As a result of the factors detailed in this report, as of July 11, 2025, the Study Area constitutes an economic and social liability in its present condition and use, thus being a “blighted area” according to the definition provided in Section 353.020(2) and Section 67.1401.2(3) of the Missouri Revised Statutes.

EXHIBIT A

LEGAL DESCRIPTION OF STUDY AREA

All that part of the Northwest Quarter of Section 35, Township 53, Range 33, in the City of Smithville, Clay County, Missouri, more particularly described by Phillip James Schnitz PLS2014020715, on April 19, 2022, as follows (Basis of Bearings: South 03°08'49" West as determined by global positioning system observations to the Missouri State Plane Coordinate System, West Zone along the East line of the surveyed tract, being the West line of SEA PORT ONE, a subdivision of land file for record on February 11, 1992, in Cabinet B, in sleeve 189 in the Clay County Recorder of Deeds office):

Commencing at the intersection of the South line of said Northwest Quarter with the previous Easterly Right of Way line of Missouri State Highway No. 169; Thence North 3° 19 32 East (Deed: North 2° 23 00 East) along said previous Easterly Right of Way line, a distance of 479.42 feet; Thence South 86° 53 17 East, 16.3 feet, to the currently established Easterly Right of Way line of said 169 Highway and the True Point of Beginning of the tract of land herein described; Thence North 3° 19 32 East (Deed: North 2 ° 23 00 East), 300.44 feet (Deed: 300.0 feet), along said current Easterly Right of Way line; Thence South 86° 47 42 East (Deed: South 87° 37 00 East), 437.86 feet (Deed: 455.0 feet) to the West line of the Plat of SEA PORT ONE, a subdivision of land recorded February 11, 1992, in the Office of the Clay County Recorder of Deeds, in Cabinet B, in Sleeve 189; Thence South 3° 08 49 West, (Deed: South 2° 28 00 West), 299.73 feet (Deed: 300.0 feet) on said West line to the Southwest corner of said plat of SEA PORT ONE, being a point on the North line of B.R.A.A.G. DEVELOPMENT, a subdivision of land recorded May 10, 1999, in the Office of the Clay County Recorder of Deeds, in Cabinet E, in Sleeve 104; Thence North 86° 53 17 West (Deed: North 87° 37 00 West), 438.80 feet (Deed: 455.0 feet), on said North line and the westerly extension thereof to the True Point of Beginning. The above written description excludes, however, that part of the tract of land dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48.

The foregoing described property is intended to be the same as the legal description contained in vesting deed to Kays Furniture Co., Inc. recorded in 1974 in Book 1165 at Page 676, Clay County Recorder of Deeds, excluding, however, that part of the tract of land subsequently dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48, Clay County Recorder of Deeds.

EXHIBIT B
MAP OF STUDY AREA

