

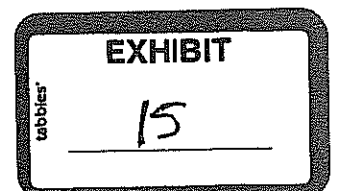
Analysis of Galaxy West Redevelopment Area and Response to Blight Study

This analysis has been prepared in response to the Blight Study
for the Galaxy West Redevelopment Area, Sedalia
dated July 1, 2015, prepared by Polsinelli PC.

October 16, 2015

Prepared at the request of:
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Credentials of John Plumb:

Graduate of the University of Kansas, with a bachelor's degree in civil engineering.

I am a Professional Engineer and Land Surveyor registered with the State of Missouri. I have 20 years of experience in construction layout and inspection with the Missouri State Highway Department. I have 13 years of experience in construction layout and field engineering with various road construction contractors, including 9 years with Viebrock Construction. While with Viebrock Construction, I designed several city street, storm sewer line, sanitary sewer line, and water line projects.

In my analysis of the subject site and the Blight Study filed by Star Acquisitions, I specifically address each of the four factors of alleged blight set out in Section III of said Blight Study with regard to the following subject sites:

The two tracts of land include a West site (hereinafter referred to as the "Theater site") located immediately East of the intersection of Highway 50 and Oak Grove Lane, with West Main Street on its northern boundary; and an East site (hereinafter referred to as the "Site adjacent to Walmart") located on Highway 50, immediately adjacent to Walmart, and bounded by Westwood Avenue and Winchester Road in the City of Sedalia, Missouri.

Chapter 99, Section 99.805, of the Missouri Revised Statutes defines blight as:

"An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, 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."

CHAPTER 99 FACTOR #1: Defective or inadequate street layout

Both sites are strategically located on State Highway 50 at the West edge of Sedalia. This highway is the main thoroughfare for traffic through town. The two sites are approximately 2,100 feet apart and are connected (gerrymandered) for the proposed TIF district by that portion of Highway 50 that generates the highest traffic counts for the City of Sedalia. (See the most recent traffic count available from the Missouri Department of Transportation http://modot.org/safety/documents/2013_Traffic_KC.pdf.)

The Site adjacent to Walmart has frontage on Highway 50 with access from Highway 50 via Westwood Avenue on the West and Winchester Drive on the East. The two lots can easily create cross easements for access, similar to the lots occupied by Panera Bread and Freddy's Steakhouses located to the East of this site. A cross easement could also be shared with the current property owner to the South, who has common ownership of the Econo Lodge located there.

The Site adjacent to Walmart lacks sidewalks, as does 97% of the commercial property in the area. Of the approximately 5,950 feet of frontage along the South right-of-way line of Highway

50, between this site and the intersection of Highways 50 and 65, there is only one property that has a sidewalk. The property occupied by Creative Audio Solutions has approximately 190 feet of sidewalk and is located 4,900 feet from the Site adjacent to Walmart. Less than 3% of all the highway frontage between the intersection of Highways 50 and 65 and the subject sites have a sidewalk.

The Theater site is easily accessible from the traffic signal at the intersection of Highway 50 and Oak Grove Lane. The site, as presently surveyed, does not have curb cuts, but this is not uncommon for recently surveyed parcels of undeveloped land in the City of Sedalia. The survey for this property was filed on 11/25/2014, less than one year ago. The site does lack sidewalks, but then again, 97% of the frontage along Highway 50 lacks sidewalks. A review of the properties located along the North right-of-way line of Highway 50, running West from the intersection with Highway 65, to the East property line of this site, reveals that there are only 280 feet of sidewalk located within the 7,650 feet of highway right-of-way. This sidewalk is on property recently renovated by McCarthy Toyota and is more than 2,750 feet from the East property line of the Theater site.

The Blight Study states that a car would be forced to travel a significant distance to reach the Northern boundary of the Theater site. This “significant distance” is approximately 510 feet from the highway right-of-way. This distance is less than the length of the entire Theater site, and is less than cars would have to travel to from Highway 50 in order to access Hobby Lobby (650 feet), Colton’s (695 feet), Holiday Inn (920 feet), Tractor Supply (1300 feet) or Lowe’s (1680 feet), from the same intersection.

Access to each of the subject sites is comparable in condition to the majority of all properties located West of the intersection of Highways 50 and 65, and therefore, these sites do not have “severely defective and inadequate street layout.”

CHAPTER 99 FACTOR #2. Unsanitary or unsafe conditions

There are no unsanitary or unsafe conditions affecting either of the subject sites. The Site adjacent to Walmart does have a 16” pipe that drains to the East bisecting the property, but it does not create a hazard to pedestrians. The property occupied by the Thompson Hills Shopping Center, just East of both of these sites, has a “long, open ditch” bisecting it, approximately 30 feet wide, with no barriers “to prevent a pedestrian from falling into the ditch”. There have been no incidents of injury to pedestrians due to the presence of said ditch or the lack of barriers, since the development of the site dating back to 1964. This ditch originally crossed the property now occupied by Panera Bread and Freddy’s Steakburgers. In fact, I personally designed and engineered the work that was completed to move the ditch, along with the sanitary sewer also located there, prior to the occupancy by Panera and Freddy’s. This work was necessary in order for the tract to be developed, but did not constitute an unreasonable economic hardship for the property owner.

The “trash and debris” that is referenced by the Blight Study is not due to the collapse of or damage to a building, but rather contains small pieces of trash that is carried by the wind to all

properties along the highway. The sticks and brush evidenced on the Theater site were placed there purposely and is a common conservation practice known as a “ditch check” to help prevent soil erosion. The “jagged concrete” mentioned in the Blight Study was intentionally placed on the Site adjacent to Walmart by the property owner to deter traffic from using the private roadway when he decided to close it.

The “stagnant pools of water” referred to in the Blight Study on the Theater site are possibly a part of the retention basin located there. The Study does not specify what date that the site was observed to have standing water. We did have a spring and early summer season with an abundance of precipitation, and standing pools of water were not uncommon. There are no cattails present, which indicates that these are no standing pools of stagnant water. If these pools of water were long lasting or stagnant in nature, there would be cattails growing just as you see across the highway to the South in the highway right-of-way in front of Tractor Supply.

CHAPTER 99 FACTOR #3. Deterioration of site improvements

There are no buildings or site improvements on either site. There are no deteriorating, abandoned, crumbling structures that create a public nuisance. The abandoned “roads” referenced as being on both sites were never platted as City streets and were intentionally not maintained. The lack of maintenance does not constitute a hazard to the public.

The referenced “open drainage ditch” on each site is not a site improvement and therefore cannot be factored into a review of the condition of site improvements.

There is an abandoned pole sign on the Site adjacent to Walmart, which is not a hazard to the public and the removal of the same would not be an economic hardship for the property owner.

Both properties have owners who are not good stewards and have purposely failed to maintain the same.

CHAPTER 99 FACTOR #4. Improper subdivision or obsolete platting

The survey for the Theater site is not obsolete as it was filed on 11/25/2014, less than one year ago. The irregularity of the tract is a result of condemnation proceedings initiated years ago by the State of Missouri to enable Highway 50 to be improved. All that portion of the land along Highway 50 that makes the tract irregular in shape constitutes highway right-of-way, and the owners of the property at the time of the condemnation were compensated for the taking of the land.

The site has easy access from Highway 50 at an existing traffic signal at the intersection with Oak Grove Lane. The Blight Study states that a driver “would travel a distance” from the intersection to the northern border of the site, inferring that that distance is quite far, when in fact, that distance is 510 feet more or less from the North highway right-of-way, and, as

previously pointed out, significantly less than travelling to other commercial properties in the area.

The Site adjacent to Walmart was platted in 2006, and is not obsolete as it contains all the information a developer needs in order to make informed decisions for future development. Access is available from Highway 50 from Westwood Avenue on the West and Winchester Drive on the East. As previously stated in this report, the two lots can easily create cross easements for access. Cross easements are used throughout the City in multiple locations and are not unknown to vehicular traffic and do not create a hazard or burden to the public.

Response to ECONOMIC LIABILITY

The Theater site was surveyed on November 25, 2014, less than one year ago. It has not been widely marketed as commercial property available for development. The absence of development does not create an economic liability; in fact, with the separate platting of the property this year, the same will be separately assessed and will produce more income to the taxing authorities than it did in prior years.

The Site adjacent to Walmart was platted by HSB Hospitality Group, LLC in early 2006. This company has common ownership with the current owner of the site. The site produced \$12,576.53 in real estate taxes in 2014, and will continue to increase in value because it is located immediately adjacent to Walmart, in the highest traffic area in Sedalia.

Both sites produce income to the taxing districts. There is no tax delinquency, and therefore, there is no economic liability to the community. There is no question that development of the sites will produce more real estate taxes; however, the lack of current development does not create an economic liability.

The argument that the sites are blighted because they are “underutilized” could be made for every undeveloped tract of land in the City of Sedalia, the County of Pettis, and the entire State of Missouri. However, in an economy devoted to the free enterprise system, a more plausible explanation for lack of development is a lack of current demand or a lack of demand at the price the property owner is currently demanding.

Response to SOCIAL LIABILITY

There are no disadvantages to the welfare of the community or to the interaction of the members of the community that can be directly related to the existence of the subject sites in their present states. Multiple opportunities exist throughout the community for economic development, job opportunities and community services. The City, and in fact, the entire County of Pettis has been designated an Enterprise Zone, creating opportunities for economic development and job opportunities on many levels.

There has been significant growth and development in the community, as evidenced by the expansion of several businesses located on Highway 50 West of the intersection with Highway 65. The addition of Kohl's and Rue 21 in this area also indicates that the community is seeing growth in the retail area. Hobby Lobby is under construction less than a quarter of a mile from the Theater site and the store opening will be in early 2016.

The social welfare of the community is being met and is not impacted by the present condition of the subject sites.

Response to MENACE TO PUBLIC HEALTH AND SAFETY

There are no hazardous conditions in existence on either site that constitute a menace to the public health and safety of the public. The present condition of the subject sites does not directly affect or compromise the safety and welfare of the public.

CONCLUSION

It is my professional opinion that the definition of blight, as set out in Section 99.805 of the Missouri Revised Statutes, has not been met with regard to the current condition of the subject sites. The property is not a detriment to the community as contemplated by a fair reading of the statute. The community is benefitting from real estate taxes being paid by the present property owners and there are multiple opportunities existing within the community for economic development, job opportunities and community services.

Respectfully submitted,



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