



Six At Park Redevelopment Corporation

soliciting bids and proposals from qualified minority and women-owned businesses be posted in their offices and communicated to their members through their newsletters, websites or other means.

### **PAYMENTS IN LIEU OF TAXES**

Chapter 353 redevelopment projects frequently make “payments in lieu of taxes” (called “PILOTs”) equal to the taxes on the improvements as they existed before the redevelopment. This prevents any decrease in taxing jurisdictions like the city, county, school district, etc.

In that regard, during the first 10 years of a Chapter 353 redevelopment project, the taxes are abated by setting the assessed value on improvements as zero. The taxes on the land are not abated; the land itself is not blighted. If there were improvements on the property before the redevelopment, the taxing jurisdictions would have been receiving taxes on these improvements. With the assessed value on improvements going to zero upon redevelopment under the statutory formula, taxing jurisdictions no longer would be receiving taxes on the old improvements. To prevent this loss, redevelopment corporations often pay PILOTs equal to the taxes on the old improvements to all the taxing jurisdictions so no jurisdiction suffers a loss during the first 10 years of abatement. PILOTs specifically are permitted by the statute, at RSMo. Sec. 353.110.4.

Due to the decrease in the number of years requested for property tax abatement, the Redeveloper will not make payments in lieu of taxes.

### **BLIGHTED CONDITION**

The purpose of the Chapter 353 Redevelopment law is to rehabilitate “blighted areas.” RSMo. Sec. 353.030(12), “Blighted area” is a defined term in the statute and does not mean “blight” as commonly used, for example, a slum or other “run down” area. Instead, a “blighted area” focuses more on its economic realities, as follows:

That portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

RSMo. Sec. 353.020(2).

The courts have made it clear that the statutory definition is not the same as a dictionary definition. As stated, in order to be declared blighted under the statute, it is not necessary that the area be what commonly would be called a slum. *Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corporation*, 518 S.W.2d 11, 15 (Mo. 1974). In addition, economic underutilization is a valid basis upon which to declare a property blighted under Chapter 353. *Crestwood Commons Redevelopment Corporation v. 66 Drive-In, Inc.*, 812 S.W.2d 903, 910 (Mo.App.E.D. 1991).

Finally, an area may be declared blighted even though it may be vacant or not contain individual structures within the definitional ambit of blight. Sec. 353.020(1), RSMo, and *Maryland Plaza*



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*Redevelopment Corporation v. Greenberg*, 594 S.W.2d 284, 288 (Mo.App.E.D. 1979). According to the statute:

Any such area may include buildings or improvements not in themselves blighted, and any real property, whether improved or unimproved, the inclusion of which is deemed necessary for the effective clearance, replanning, reconstruction or rehabilitation of the area of which such buildings, improvements or real property form a part.

RSMo. Sec. 353.020(1).

Therefore, the statute sets up a three-part question for blight determinations:

*Step One:* Has the area considered as whole by reason of:

- Age,
- Obsolescence,
- Inadequate or Outmoded Design; *or*
- Physical Deterioration,

*Step Two:* Become:

- An economic and social liability

*Step Three:* With such conditions conducive to:

- Ill Health,
- Transmission of Disease,
- Crime; *or*
- Inability to Pay Reasonable Taxes?

Applying the “blight” factors in the statute, the Six At Park Redevelopment Area is a “blighted area” as a whole, thereby qualifying for redevelopment incentives.

### **Objective Factors**

**Age.** The existing Private Parking Lot is over 15 years old and needs to be updated. The Building Lot has not been developed.

**Obsolescence.** The current Private Parking Lot layout is obsolete and can be redesigned to allow for better traffic flow and parking. The currently vacant Building Lot is not being used and can be developed into a useful purpose.

**Inadequate or Outmoded Design.** The design and layout of the current Private Parking Lot can be repaved and restriped to allow for better traffic flow and parking. The currently vacant Building Lot is not being used and can be developed into a useful purpose.



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**Physical Deterioration.** All of the lots are in need of clean up, repair and development to provide for a more useful purpose.

**By Reason of Objective Factors Have Become Liabilities**

**Economic and Social Liability.** The preceding factors retard the attractiveness of the property for any use in its current condition, whether as a parking lot or otherwise.

**Objective Factors Conducive to Community Problems**

**Ill Health.** There are no perceived health issues.

**Transmission of Disease.** Same as preceding point.

**Crime.** Not a noteworthy problem.

**Inability to Pay Reasonable Taxes.** Because of these conditions, what should be a busy area is instead essentially a parking lot and vacant undeveloped lots that contributes nothing of consequence to the local economy generally and nothing to Parkville in particular.

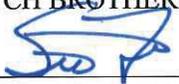
**REDEVELOPMENT AGREEMENT**

The Redeveloper is agreeable to entering into a redevelopment agreement with the City setting forth the City's and its respective rights, responsibilities, duties, obligations and remedies under this plan and the City's redevelopment ordinance. A form of redevelopment agreement for the City's convenience and consideration is attached at Tab 6

**APPROVAL ORDINANCE**

A form of redevelopment plan and agreement approval ordinance for the City's convenience and consideration is attached at Tab 7.

Respectfully submitted,  
FOUTCH BROTHERS, LLC

By  \_\_\_\_\_  
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ON BEHALF OF SIX AT PARK REDEVELOPMENT  
CORPORATION