



EXHIBIT 7B
 LCRA 2/22/22

For any project seeking assistance through the following agencies, a completed application form must be provided. Those agencies include: Tax Increment Financing Commission, Land Clearance for Redevelopment Authority, Port Authority, and Planned Industrial Expansion Authority, Chapter 353.

REDEVELOPMENT PROJECT APPLICATION

➤ Application must be submitted electronically.

If more space is required for response to any question, please attach additional sheet(s).

1. APPLICANT INFORMATION

Applicant/Organization Name: DAK Pacific LLC

Business Address: 7441A Broadway, Kansas City, MO 64114

Contact Person: Andrew Ganahl

E-Mail Address: andrew@andkc.com

Phone 1: (202) 841-4876 Phone 2: (816) 444-4414

Address (if different than business address) 1015 Pacific St

Kansas City, MO 64106

Attorney for Applicant: None

Attorney's Address: _____

Attorney's Phone: _____

2. LOCATION OF THE PROJECT

General Boundaries: _____

Southwest corner of Pacific Street and Troost Avenue in the Columbus Park neighborhood of KCMO

County: Jackson Council District: 4th District

Total Acreage: 0.68 acres

Is the project located in any incentive areas? Yes, Columbus Park LCRA

What is the current zoning of the project area? R-1.5

What is the proposed zoning for the project area? UR

If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

Rezoning case is CD-CPC-2021-00232, currently in staff review. Planning commission date tentatively scheduled for early February 2022.

Land Use Plan Greater Downtown Need for Modification No

3. THE PROJECT

Provide a detailed narrative description of the proposed project, including information as the size of the project, amount of land (property) to be purchased, whether the project is a rehabilitation of existing structure(s), expansion, or the construction of a new facility, residences, etc. Describe what products or services are to be manufactured or provided through this project.

➤ New Construction Rehab/Expansion Residential Commercial Industrial

➤ Single Family/Duplex Multifamily Retail Mixed Use Office

Land is currently vacant. Proposed project plan is ten townhomes along Pacific Street (in two 5-unit buildings) plus 5 two-apartment duplexes in the southern part of the site. At the corner of Pacific and Troost St will be a small commercial building (1,200 SF). The townhomes will be approximately 2,000 SF in size and include a 1- or 2-car garage depending on size. The duplexes will each hold 2 apartments approximately 700 SF in size. Duplexes will be surface parked with 10 parking spaces in the plan.

Square footage: 30,000 gross SF

No. of dwelling units 20 No. of hotel rooms _____ No. of parking spaces 24

Plan includes 6 1-car garages, 4 2-car garages, and 10 surface parking spaces.

List any nationally or locally historical properties and/or districts within the Project Area.

(Contact the City Landmarks Commission at (816) 513-2902 for information regarding local and national historical properties and/or districts)

None

NUMBER OF JOBS

<input checked="" type="checkbox"/> Created	<u>1</u>	Average Salary:	<u>\$36,500</u>
<input type="checkbox"/> Retained	<u> </u>	Average Salary:	<u>\$</u>
<input type="checkbox"/> Relocated	<u> </u>	Average Salary:	<u>\$</u>
<input checked="" type="checkbox"/> Construction jobs	<u>13</u>	Average Salary:	<u>\$38,890</u>

Construction jobs estimated based on NAHB working paper "Impact of Home Building and Remodeling on the U.S. Economy" (Paul Emrath, May 1, 2014). Average rental apartment creates 0.68 construction jobs (1.13 jobs in all industries).

Projected real property investment. \$5,340,000

Projected personal property investment. \$100,000

Will there be the use of federal or state incentives for this project? Which incentives and how much is being sought?

No

State the need for an incentive (i.e., competitive pressures of the location, need for remediation of blight in proximity to the Project, addition of jobs to a high unemployment area, etc.)

Site is currently vacant. Preliminary soils tests indicate a large amount (15+ feet deep) of unremediated fill dirt covers a large portion of the site. This is due to poor management practices of previous owners, who knocked down buildings and buried them rather than properly removing and disposing of building debris. Because of this uncontrolled fill, it is expensive to replace or augment the soil necessary to support the load of new structures on the site. Rough estimate is \$125,000 to remediate soils on site to make them suitable for construction.

In addition, the need for incentives relates to the high cost of new construction in Kansas City. Construction prices have increased by more than 38% in the past four years in Kansas City while overall rents have increased at a much slower level due to increased competition. With revenues flat and costs increasing, tax incentives are the only way to make new construction development financially feasible. The current site has been largely vacant for more than twenty years, and it would likely remain vacant for the foreseeable future without incentives to redevelop as housing.

4. PROJECT COSTS

Identify the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

Fair Market Value of Land: \$425,000

Fair Market Value of Improvement \$2,800,000

Projected Assessed Value of the Land & Improvements Upon Completion: \$612,750

5. CONTROL OF PROPERTY

If the Applicant owns the project site, indicate:

Date of Purchase 6/30/2021

Sales Price \$380,000

If the Applicant has a contract or option to purchase the project site, indicate:

Sales Price _____

Date purchase/option contract signed _____

Closing/expiration date _____

If the Applicant will lease the project site, indicate:

Legal Name of Owner _____

Owner's Address _____

Owner of land upon completion of the Project _____

6. LAND ACQUISITION

For each Project Area, please provide the following:

- A map showing all parcels to be acquired
- Addresses and parcel numbers of all parcels to be acquired
- Current owners of all parcels to be acquired

Please see Attachment A.

Is the use of Eminent Domain anticipated? No

7. SOURCES OF FUNDS:

State amount and sources of financing for each Project costs listed above. Please provide commitment letters for any sources received listing terms and conditions.

<u>SOURCE</u>	<u>AMOUNT</u>
<u>Construction Loan</u>	<u>\$4,960,000</u>
<u>Owners' Equity</u>	<u>\$1,650,000</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>

8. DEVELOPMENT TEAM

Identify members of the development team and provide evidence of experience with other development projects.

DAK Pacific LLC is managed by Andrew Ganahl, Diane Botwin and Kevin Klinkenberg.

Andrew Ganahl is a principal with AND Real Estate/Vitae Development LLC. Prior to founding AND Real Estate with Diane Botwin, Andrew was a co-founder of Linden Street Partners, a real estate development company specializing in infill urban development. In this role, Andrew led the development and construction efforts for several transit-oriented mixed-use projects in Kansas City, MO and Milwaukee, WI. These projects include the 1914 Main, Terrace on Walnut and 222 Waldo Flats mixed-use developments in Kansas City's Crossroads and Waldo neighborhoods. Prior to founding Linden Street, Andrew was a senior executive with the U.S. Department of the Treasury, where he helped start and execute both the Troubled Asset Relief Program (TARP) and the Small Business Lending Fund, each with a focus on stabilizing and improving the condition of the nation's financial industry and its ability to extend credit to small businesses and entrepreneurs.

Diane Botwin founded Botwin Commercial Development in 1986 as a property management business. Thirty years later, it has expanded its services to include development and leasing and still operates as a family business. Diane's focus is in providing neighborhood-sensitive commercial development. She is dedicated to sustainable, environmentally-friendly design, often incorporating native prairie grasses, lots of natural light, and planted roofs into her properties. Diane has developed and owns several neighborhood commercial buildings in Waldo, in addition to redeveloping older and historic buildings in the Crossroads and Columbus Park. With a concentration on thoughtful design and tenant mix, many of Diane's original tenants are still occupying her properties.

Kevin Klinkenberg has worked as an urban designer, planner and architect for over 25 years. He is currently the Executive Director of Midtown KC Now, an economic development agency providing support to the residents and business owners of the Midtown neighborhood of Kansas City, MO. He founded K2 Urban Design in 2010 to provide services to public and private agencies with visionary master plans and incremental steps towards creating successful walkable and socialable places. He also led the Savannah Development and Renewal Authority, where he led the first new, comprehensive master plan for the city of Savannah, GA. Prior to his work at K2, he was a co-founder of 180 Urban Design & Architecture in Kansas City, where he worked on hundreds of urban design projects across 27 states.

9. FINANCIAL INFORMATION

- A. Budget – include a detailed breakdown of all hard and soft costs
- B. Complete list of sources and uses of funds (indicate if you have received tax credits and secured other financing)

- C. 10 year operating pro forma
 - One that shows the project without any incentive assistance
 - One that shows the project with requested incentive

The Pro forma should also include assumptions such as estimated lease rates, revenue assumptions, and expense assumptions.

- D. If seeking TIF assistance, provide projections for PILOTS and EATS.

Please see Attachment D.

10. BOND FINANCING

Bond Financing is handled on a case-by-case basis.

11. REQUIRED ATTACHMENTS

- **Attachment A** A map showing the boundaries of the project.
- **Attachment B** A development schedule for the project, including the phasing of development and the locations and improvements to be accomplished in each phase.
- **Attachment C** Design plans for the project (including site plans & elevations), if available.

12. CERTIFICATION OF APPLICANT:

The undersigned hereby represents and certifies that to the best knowledge and belief of the undersigned, this project application contains no information or data, contained herein or in the attachments, that is false or incorrect, and that it is truly descriptive of the property for which this application is being made.

NAME: Andrew Ganahl

SIGNATURE: 

TITLE: Manager

RETURN COMPLETED APPLICATION AND NON-REFUNDABLE APPLICATION FEE TO:

**Economic Development Corporation
300 Wyandotte, Suite 400
Kansas City, Missouri 64105**



ECONOMIC DEVELOPMENT CORPORATION

FOR INTERNAL USE ONLY

Assistance Project will be evaluated for with financial analysis:

- TIF
- LCRA
- PIEA/Chapter 353
- Chapter 100

Comments:

Advance KC Project Inquiry Meeting

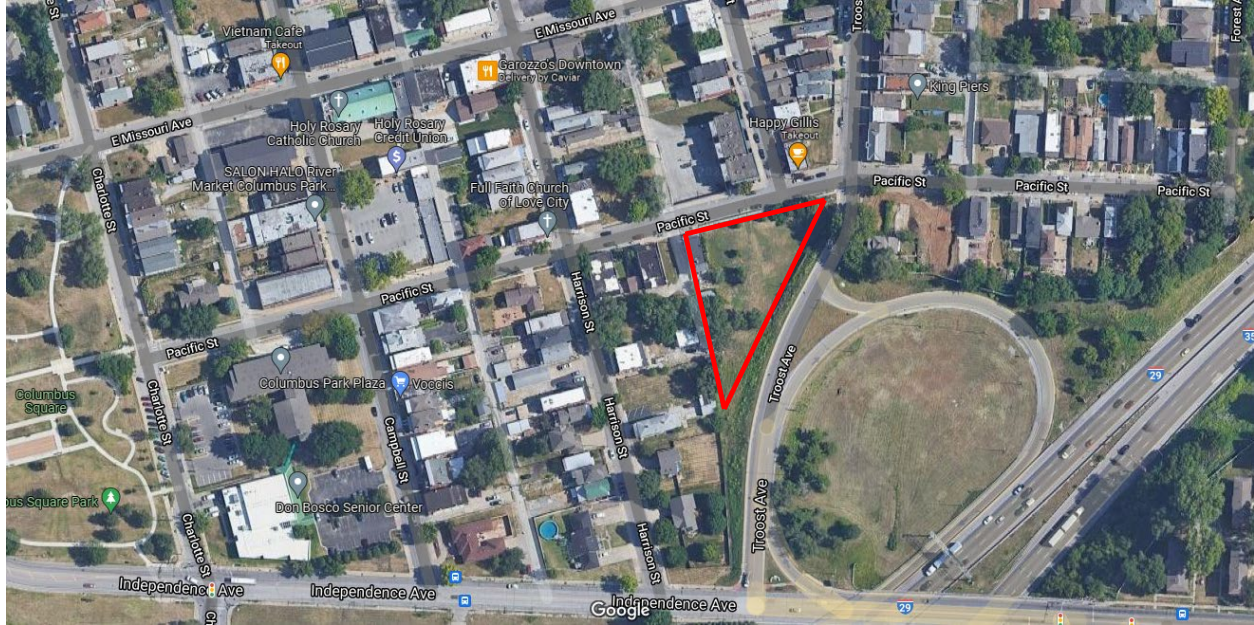
Date:

Score Card No.

Financial Analysis Review Committee:

Attachment A

Site in Columbus Park



1011 Pacific Street, Kansas City, MO 64106

KANSAS CITY MO

Search/Tools Results Print Map Download

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Parcel Data

City PIN:	39435 Code Cases (0) Permits (0) Plans (1) Holds (0)
Jackson County APN:	JA12840460601000000 12-840-46-06-01-0-00-000
Plat:	
Lot:	
Block:	
Tract:	
Owner:	Dak Pacific LLC 7441 A Broadway Kansas City, MO 64114
Address:	1011 Pacific St View all addresses (1)
Zip code:	64106

[311 Cases OLD](#) [311 Cases](#)

Council District: [4th](#)
Trash Day: [Monday \(Central\)](#)

[Neighborhood & Homes Associations](#)

Patrol Division: [Central](#)
[Show Special Assessments](#)

Census Neighborhood:	Columbus Park
School District:	KANSAS CITY MISSOURI 110
Park District:	Central
PW Maint District:	D2
Impact Fee Zone:	EXEMPT
Water Inspector Route:	2
MFS Servicer Route:	6
EDC Territory:	West
Zoning:	R-1.5
Assessment Effective Date:	7/1/2021
Assessed Land:	1.045
Assessed	0

1013 Pacific Street, Kansas City, MO 64106

KANSAS CITY MO

Search/Tools Results Print Map Download

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Parcel Data	
City PIN:	39434 Code Cases (0) Permits (1) Plans (0) Holds (0)
Jackson County APN:	JA12840460602000000 12-840-46-06-02-0-00-000
Plat:	
Lot:	
Block:	
Tract:	
Owner:	Dak Pacific LLC 7441 A Broadway Kansas City, MO 64114
Address:	1013 Pacific St View all addresses (1)
Zip code:	64106
311 Cases OLD 311 Cases	
Council District:	4th
Trash Day:	Monday (Central)
Neighborhood & Homes Associations	
Patrol Division:	Central
Show Special Assessments	
Census Neighborhood:	Columbus Park
School District:	KANSAS CITY MISSOURI 110
Park District:	Central
PW Maint District:	D2
Impact Fee Zone:	EXEMPT
Water Inspector Route:	2
MFS Servicer Route:	6
EDC Territory:	West
Zoning:	R-1.5
Assessment Effective Date:	7/1/2021
Assessed Land:	1,140
Assessed:	0

1015 Pacific Street, Kansas City, MO 64106

KANSAS CITY MO

Search/Tools Results Print Map Download

[Back to search tools](#)

Parcel Data

City PIN:	39446 Code Cases (2) Permits (10) Plans (2) Holds (0)
Jackson County APN:	JA12840461900000000 12-840-46-19-00-0-00-000
Plat:	
Lot:	
Block:	
Tract:	
Owner:	Dak Pacific LLC 7441 A Broadway Kansas City, MO 64114
Address:	1015 Pacific St View all addresses (1)
Zip code:	64106

[311 Cases OLD](#) [311 Cases](#)

Council District: [4th](#)
Trash Day: Monday (Central)

[Neighborhood & Homes Associations](#)

Patrol Division: [Central](#)
[Show Special Assessments](#)

Census Neighborhood: Columbus Park
School District: KANSAS CITY MISSOURI 110
Park District: Central
PW Maint District: D2
Impact Fee Zone: EXEMPT
Water Inspector Route: 2
MFS Servicer Route: 6
EDC Territory: West
Zoning: [R-1.5](#)
Assessment Effective Date: 7/1/2021

Map showing 1015 Pacific St highlighted in yellow. Other streets visible include Pacific St, Harrison St, Troost Ave, and Gillie St. A scale bar indicates 50 and 100 feet.

1025 Pacific Street, Kansas City, MO 64106

KANSAS CITY MO Enter Street Address

Search/Tools Results Print Map Download

< Back to search tools

Parcel Data

City PIN:	39445	Code Cases (0)
		Permits (0)
		Plans (2)
		Holds (1)
Jackson County APN:	JA1284046180000000	
	12-840-46-18-00-0-00-000	
Plat:		
Lot:		
Block:		
Tract:		
Owner:	Dak Pacific LLC 7441 A Broadway Kansas City, MO 64114	
Address:	1025 Pacific St	
	View all addresses (1)	
Zip code:	64106	
	311 Cases OLD	311 Cases
Council District:	4th	
Trash Day:	Monday (Central)	
	Neighborhood & Homes Associations	
Patrol Division:	Central	
	Show Special Assessments	
Census Neighborhood:	Columbus Park	
School District:	KANSAS CITY MISSOURI 110	
Park District:	Central	
PW Maint District:	D2	
Impact Fee Zone:	EXEMPT	
Water Inspector Route:	2	
MFS Servicer Route:	6	
EDC Territory:	West	
Zoning:	R-1.5	
Assessment Effective Date:	7/1/2021	
Assessed Land:	2,470	

Map showing streets: Pacific St, Harrison St, Troost Ave, On Ramp, Gillis St, Campbell St. Parcel 1025 Pacific St is highlighted in yellow. A green box highlights a parcel to the west.

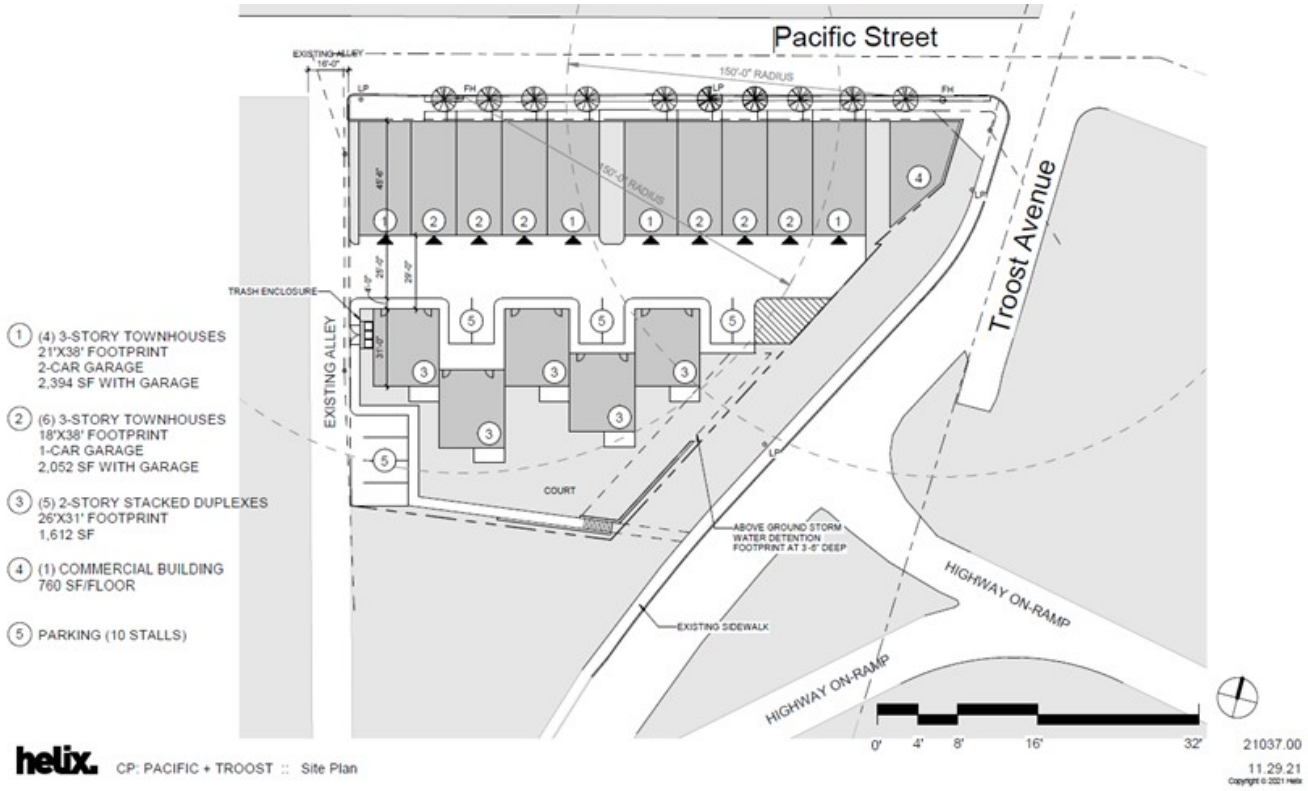
Attachment B

Project Schedule

June 2021	Acquisition of property (see Attachment A)
December 2021	Submit plans for rezoning
February 2022	City Planning Commission
March 2022	City Council Approvals
July 2022	Start of construction
December 2023	Completion of construction

Attachment C

Preliminary site plans and elevations





Attachment D

Project Budget and 10 Year Operating Pro Forma

LCRA Development Project

Columbus Park Apartments
1015 Pacific St., KCMO 64106

Proposed Budget / "Uses"

Items	Total Costs
Existing Property (Land Value)	\$425,000
Construction Costs (including Demo)	\$5,087,000
Construction Loan Fees and Interest	\$248,000
Furniture, Fixtures & Equipment	\$25,000
Tenant Improvement Allowance	\$0
Permits and Fees	\$44,000
Soils & Environmental Engineering	\$30,000
Architectural/Engineering	\$286,000
Legal/Accounting/Marketing/Etc.	\$58,000
Taxes/Assessments (during const.)	\$5,000
Miscellaneous	\$150,000
Development Contingency	\$255,000
TOTAL	\$6,613,000

"Sources"

Items	Total
Construction Loan	\$4,960,000
Owner's Equity	\$1,653,000
TOTAL	\$6,613,000

Columbus Park Apartments Development (1015 Pacific Street KCMO)

Real Estate Development Cash Flow Analysis Without Abatement

	<u>Symbols</u>	<u>Annual Increase</u>	<u>YR1</u>	<u>YR2</u>	<u>YR3</u>	<u>YR4</u>	<u>YR5</u>	<u>YR6</u>	<u>YR7</u>	<u>YR8</u>	<u>YR9</u>	<u>YR10</u>	<u>YR11</u>
REVENUES													
+ Gross Rent	+ G. RENT	2%	\$186,600	\$190,332	\$194,139	\$198,021	\$201,982	\$206,021	\$210,142	\$214,345	\$218,632	\$223,004	\$227,464
+ Miscellaneous Income	+ MISC	2%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Gross Income or Gross Rent	= G. INCOME		\$186,600	\$190,332	\$194,139	\$198,021	\$201,982	\$206,021	\$210,142	\$214,345	\$218,632	\$223,004	\$227,464
- Vacancy Contingency	- VAC	10%	\$55,980	\$19,033	\$19,414	\$19,802	\$20,198	\$20,602	\$21,014	\$21,434	\$21,863	\$22,300	\$22,746
= Effective Gross Rent	= EGR		\$130,620	\$171,299	\$174,725	\$178,219	\$181,784	\$185,419	\$189,128	\$192,910	\$196,768	\$200,704	\$204,718
Operating Expenses		2%	\$32,792	\$33,448	\$34,117	\$34,799	\$35,495	\$36,205	\$36,929	\$37,668	\$38,421	\$39,189	\$39,973
Property tax w/o abatement		2%	\$22,587	\$23,039	\$23,500	\$23,970	\$24,449	\$24,938	\$25,437	\$25,946	\$26,465	\$26,994	\$27,534
Reserves		3%	\$5,598	\$5,710	\$5,824	\$5,941	\$6,059	\$6,181	\$6,304	\$6,430	\$6,559	\$6,690	\$6,824
- Total Operating Expenses	= OPR. EXP.		\$60,977	\$62,197	\$63,441	\$64,710	\$66,004	\$67,324	\$68,670	\$70,044	\$71,445	\$72,874	\$74,331
= Net Operating Income	= NOI		\$69,643	\$109,102	\$111,284	\$113,510	\$115,780	\$118,095	\$120,457	\$122,866	\$125,324	\$127,830	\$130,387
- Debt Service (Annual Principal & Interest)	= D/S		\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285	\$109,285
= Cash Flow Available for Distribution	= CF		-\$39,642	-\$183	\$1,999	\$4,225	\$6,495	\$8,810	\$11,172	\$13,581	\$16,039	\$18,545	\$21,102
CASH-ON-CASH ROI													
Cash Flow	\$ (39,642)	ROI	-7.30%	-0.03%	0.37%	0.78%	1.20%	1.62%	2.06%	2.50%	2.95%	3.42%	3.89%
Original Equity Investment	\$ 543,000												

Calculating Projected Annual Taxes

Acquisition Cost	\$240,000
add 60% of project costs	\$1,158,600
equals Projected Market Value	\$1,398,600
times 19% (residential rate)	0.19
equals Projected Assessed Value	\$265,734
times 8.5% (approximate total levy r	0.085
equals Projected Property Taxes	\$22,587

Developer's Assumptions

\$240,000	Acquisition Cost
\$1,660,000	New Construction Hard Costs
8,550 sq. ft. buildings (6 buildings)	
to occupy _____ sq. ft..	
\$2.00 per square foot lease rate (residential)	
\$2.08 per square foot lease rate (commercial)	
\$2,780/unit operating costs (excluding property taxes)	
2% annual increase in operating costs	
30% vacancy for first year	
Yr. 11 taxes calculated based on 2% annual increases in taxes over 10 years.	

Construction Costs

\$ 1,931,000	Projected Construction Costs
0.6 "Discount to" Factor	
\$ 1,158,600	New Added Value

Staff Calculation of Reversion Value

\$1,629,835	using Yr. 11 NOI and 8.0% cap rate
\$1,533,963	using Yr. 11 NOI and 8.5% cap rate
\$1,448,742	using Yr. 11 NOI and 9% cap rate
\$1,372,493	using Yr. 11 NOI and 9.5% cap rate
\$1,303,868	using Yr. 11 NOI and 10% cap rate

Cumulative Cash Flow

Years 1 - 10	\$41,041
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Columbus Park Apartments Development (1015 Pacific Street KCMO)

Please insert your numbers into the yellow highlighted cells.

Real Estate Development Cash Flow Analysis With Abatement

	<u>Symbols</u>	<u>Annual Increase</u>	<u>YR1</u>	<u>YR2</u>	<u>YR3</u>	<u>YR4</u>	<u>YR5</u>	<u>YR6</u>	<u>YR7</u>	<u>YR8</u>	<u>YR9</u>	<u>YR10</u>	<u>YR11</u>
REVENUES													
+ Gross Rent	+ G. RENT	2%	\$186,600	190,332	194,139	198,021	201,982	206,021	210,142	214,345	218,632	223,004	227,464
+ Miscellaneous Income	+ MISC	2%	\$0	0	0	0	0	0	0	0	0	0	0
= Gross Income or Gross Rent	= G. INCOME		186,600	190,332	194,139	198,021	201,982	206,021	210,142	214,345	218,632	223,004	227,464
- Vacancy Contingency	- VAC	10%	55,980	19,033	19,414	19,802	20,198	20,602	21,014	21,434	21,863	22,300	22,746
= Effective Gross Rent	= EGR		130,620	171,299	174,725	178,219	181,784	185,419	189,128	192,910	196,768	200,704	204,718
Operating Expenses		2%	32,792	33,448	34,117	34,799	35,495	36,205	36,929	37,668	38,421	39,189	39,973
Property tax w/ abatement		0%	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	27,534
Reserves (3% of Gross Rent)		3%	5,598	5,710	5,824	5,941	6,059	6,181	6,304	6,430	6,559	6,690	6,891
- Total Operating Expenses	= OPR. EXP.		40,750	41,517	42,301	43,099	43,914	44,745	45,593	46,458	47,340	48,239	74,398
= Net Operating Income	= NOI		89,870	129,781	132,424	135,120	137,869	140,674	143,535	146,453	149,429	152,465	130,320
- Debt Service (Annual Principal & Interest)	= D/S		109,285	109,285	109,285	109,285	109,285	109,285	109,285	109,285	109,285	109,285	109,285
= Cash Flow Available for Distribution	= CF		-19,415	20,496	23,139	25,835	28,584	31,389	34,250	37,168	40,144	43,180	21,035
CASH-ON-CASH ROI													
Cash Flow		-19,415	ROI	-3.58%	3.77%	4.26%	4.76%	5.26%	5.78%	6.31%	6.84%	7.39%	7.95%
Original Equity Investment		543,000											3.87%

Calculating Projected Annual Taxes

Acquisition Cost	\$240,000
add 60% of project costs	\$1,158,600
equals Projected Market Value	\$1,398,600
times 19% (residential rate)	0.19
equals Projected Assessed Value	\$265,734
times 8.5% (approximate total levy r	0.085
equals Projected Property Taxes	\$22,587
minus current property taxes	\$ 2,360
equals Projected Annual Abatement	\$ 20,228

Developer's Assumptions

\$240,000	Acquisition Cost
\$1,660,000	New Construction Hard Costs
8,550 sq. ft. building	
	to occupy _____ sq. ft..
\$2.00 per square foot lease rate (residential)	
\$2.08 per square foot lease rate (commercial)	
\$2,780/unit operating costs (excluding property taxes)	
2% annual increase in operating costs	
30% vacancy for first year	
Yr. 11 taxes calculated based on 2% annual increases in taxes over 10 years.	

Construction Costs

\$ 1,931,000	Projected Rehab Costs
0.6	"Discount to" Factor
\$ 1,158,600	New Added Value

Staff Calculation of Reversion Value

\$1,628,999	using Yr. 11 NOI and 8.0% cap rate
\$1,533,176	using Yr. 11 NOI and 8.5% cap rate
\$1,447,999	using Yr. 11 NOI and 9% cap rate
\$1,371,789	using Yr. 11 NOI and 9.5% cap rate
\$1,303,199	using Yr. 11 NOI and 10% cap rate

Cumulative Cash Flow

Years 1 - 10	\$264,770
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