

Springfield Land Clearance for Redevelopment Authority

1. Call To Order

2. Roll Call

3. Approval Of Minutes

3.I. LCRA Minutes - Oct 2 2018

Documents:

[LCRA MINUTES - OCT 2 2018.PDF](#)

4. New Business

4.I. Request For Real Property Tax Abatement For Redevelopment Project Located Inside The Kearney Street Corridor Redevelopment Area At 2431 North Glenstone Avenue; O'Reilly Hospitality Management, LLC, Applicant.

4.II. Blight Report & Redevelopment For East Cherry Street Pocket Neighborhood

Documents:

[EAST CHERRY POCKET NEIGHBORHOOD REDEVELOPMENT PLAN.PDF](#)
[BLIGHT REPORT - CHERRY POCKET NEIGHBORHOOD REDEVELOPMENT AREA.PDF](#)

4.III. Other Business

5. Adjourn

Springfield Land Clearance for Redevelopment Authority

**Tuesday, October 2018 at 4:00 PM
Conference Room 2-West, Busch Municipal Building**

Minutes

1. Call to Order

2. Roll Call

Present: Allen Grymes, Steve Jackson, Nancy Herchenroeder, and Dan Scott

Absent: Ryan Cosby

Others Present: None

Staff: Sarah Kerner, Matt Schaefer, Bill Weaver, Judy White, and Tom Rykowski

3. Approval of Minutes

a. Minutes – July 10, 2018

b. Minutes - August 7, 2018

Dan Scott made a motion to approve the minutes from July 10, 2018n and August 7, 2018. Nancy Herchenroeder seconded the motion. Motion was approved (4-0).

4. New Business

a. Request to declare the property at 616 South Market Avenue free of blight; City of Springfield, applicant

Allen Grymes made a motion to approve the request to declare the property at 616 South Market Avenue free of blight. Nancy Herchenroeder seconded the motion. Motion was approved (4-0).

b. Request to repeal the Redevelopment Plan for the Monroe Redevelopment Area;



City of Springfield, applicant

Nancy Herchenroeder made a motion to approve the request to repeal the Redevelopment Plan for the Monroe Redevelopment Area. Dan Scott seconded the motion. Motion was approved (4-0).

5. Other Business

Tentative addition to discuss Mr. Scott's proposed resolution subject to approval to amend the agenda

Dan Scott made a motion to add to this or future agendas topics related to the questions regarding certain points raised by Mr. Scott on the Workable Program. Motion was denied due to a lack of second.

6. Nancy Herchenroeder made a motion to adjourn. Allen Grymes seconded the motion. Meeting was adjourned at 5:01 p.m.



REDEVELOPMENT PLAN
FOR THE EAST CHERRY POCKET NEIGHBORHOOD REDEVELOPMENT AREA
SPRINGFIELD, MISSOURI

July __, 2018

Redevelopment Plan

I. Introduction:

Say You Can, LLC, a Missouri limited liability company (the "**Developer**"), has prepared the following plan (the "**Redevelopment Plan**") for the redevelopment of 0.5 acres in Springfield, Missouri. The Redevelopment Plan proposes to completely redevelop the Redevelopment Area (as defined below), eliminating an existing blighted area and replacing it with an attractive and well-constructed pocket neighborhood development consisting of a six (6) residential units (the "**Project**"). Each residential unit will include two (2) to three (3) bedrooms and up to two and a half (2.5) bathrooms and will have the appearance of single family structures through thoughtful design that considers the character of the existing neighborhood. The Project will provide housing for approximately six (6) to twelve (12) individuals. Real property tax abatement will be utilized to encourage such redevelopment. The Developer will be investing equity of 15% of the estimated \$1.4 million cost of this Project to redevelop the Project site. But-for the provision of tax abatement this Project and/or similar development project activity to revitalize this blighted area would not be financially feasible.

II. Background:

There are two (2) residential structures in the Redevelopment Area. One residential structure is commonly identified as 1361 E. Cherry Street (the "**1361 House**") and the other residential structure is commonly identified as 1365 E. Cherry Street (the "**1365 House**" and collectively with the 1361 Houses, the "**Houses**"). The Developer acquired both the 1361 House and the 1365 House in early 2016.

III. Description of the Project

A. Boundaries of the Redevelopment Area

The area being redeveloped contains approximately 0.5 acres and is situated north of E. Cherry St. between Kickapoo Avenue and Pickwick Avenue in the City of Springfield, Missouri (the "**Redevelopment Area**"). A map identifying the Redevelopment Area is attached hereto and incorporated herein as Exhibit "A," and the Redevelopment Area is legally described on Exhibit "B," which is attached hereto and incorporated herein.

B. Need for Redevelopment

1. Rountree Urban Conservation District; Growth Management and Land Use Plan

The Redevelopment Area is located in Area E of the Rountree Urban Conservation District (the "**UCD**"). The UCD was approved by Springfield City Council in 1985 to allow the neighborhood to identify and solve problems associated with trash, noise, and safety.⁰ The UCD

⁰ See Ordinance No. 3645 (adopted on July 22, 1985). In connection with the establishment of the UCD, the City adopted the Rountree Area Neighborhood Plan (dated July 1985) (such document, as amended by the

is a zoning district with special standards that may exceed that of the city, recognizing and protecting the unique nature of the area (the “**District Regulations**”).¹ Area E (also known as the Cherry Street Corridor Area) serves as home to many MSU students and contains a mixture of multi-family and single family housing stock.² The District Regulations governing Area E are intended to, among other things, “promote the mixed residential nature of the area to provide housing opportunities for students and to protect adjacent single-family areas from the adverse effects of higher intensity development.”³ Multi-family dwelling is a permitted use under the District Regulations.⁴ Commercial uses are not permitted under the District Regulations. In addition, the Rountree Neighborhood Plan Addendum stresses how “[d]ilapidated, vacant and abandoned houses and other structure affect not only their own viability but lend an air of neglect to adjacent properties” creating safety hazards and making them less valuable.⁵ As noted in the Blight Report, one of the properties in the Redevelopment Area has been vacant for some time, thus increasing the need for need for redevelopment. The City’s Growth Management and Land Use Plan (“**GMLUP**”), is a component of the Vision 20/20 Springfield-Greene County Comprehensive Plan.⁶ The GMLUP was adopted in November 2001 in order to provide broad guidance for private and public physical development of the region. Although the GMLUP seems to indicate the area is appropriate for Low-Density Housing, the GMLUP indicates areas directly to both the west and east of the Redevelopment Area are appropriate for Medium or High Density Housing.⁷ Given the close location of the Redevelopment Area to these adjacent areas, in addition to the location near the Missouri State University Activity Center,⁸ it follows that the Redevelopment Area is appropriate for Medium or High Density Housing.

2. Current Condition of Redevelopment Area.

Rountree Neighborhood Plan Addendum, dated May 14, 2001) is referred to as the “**UC Plan**”). According to Section 4-2302, the purpose of the UC Plan and the UCD, include but are not limited to the following:

B. To maintain neighborhood character and integrity by focusing special attention on the maintenance of the physical environment; the enhancement of physical, social and economic resources and the accommodation of desirable change; C. To prevent economic obsolescence and to promote reinvestment by fostering stable property values through a high level of economic activity, maintenance of essential urban services and by focusing financial assistance and other economic development programs; D. To promote the efficient use of urban lands, including the encouragement of compatible infill development on vacant and passed-over parcels; E. To encourage and to support rehabilitation of the physical environment and programs for the conservation and revitalization of urban areas; F. To foster harmonious, orderly and efficient growth, development and redevelopment; and G. To aid in the prevention or elimination of slums or blight.

¹ The UCD may impose regulations in addition to those of the underlying zoning district. See Section 4-2300 of the City of Springfield, Missouri zoning code.

² See Art. III, §8(A) of the District Regulations.

³ Id.

⁴ See Art. III, §8(B)(4) of the District Regulations.

⁵ See Page 9 (Objective 3) of the Rountree Neighborhood Plan Addendum.

⁶ See Figure 18-5 of the GMLUP.

⁷ See Figure 18-7 of the GMLUP.

⁸ See Figure 18-5 of the GMLUP.

As discussed in the preceding Blight Report, notwithstanding the Developer's commercially reasonable efforts to maintain the Redevelopment Area, the Redevelopment Area suffers from much physical deterioration, insanitary and unsafe conditions, and is afflicted by conditions which may endanger life or property. Specifically, the 1361 House has been vacant for some time and the 1365 House is vacant also. Substantial capital investment will be needed to fully rehabilitate and revitalize the Redevelopment Area, which further compounds the economic obsolescence of the Redevelopment Area. The Developer will be investing 15% equity of the estimated \$1.4 million Project cost.

Further, the Redevelopment Area is not capable of providing housing accommodations to its utmost potential. The buildings in the Redevelopment Area only contain a total of three (3) small rental units. This severely limits the number of individuals who can live in the Redevelopment Area. The configuration of the Redevelopment Area does not allow it to support its highest and best use, which is medium to high density housing. This underutilization prevents the Redevelopment Area from generating taxes to its utmost potential and from fully contributing to the potential vitality of the UCD and surrounding areas.

3. Conformance of Redevelopment Plan with the UCD and GMLUP.

The Redevelopment Plan provides for the construction of a pocket neighborhood consisting of six (6) residential units, which will be located in the vicinity of MSU's campus, within three (3) blocks of the Greater Downtown District and within a block of various commercial uses located around E. Cherry Street and S. Pickwick Ave. Each of the residences will contain two (2) to three (3) bedrooms and up to two and a half (2.5) bathrooms and possess the appearance of a single family residence. The pocket neighborhood will also have a six (6) unit detached garage with an assigned parking space for each residence. In total, the project will accommodate six (6) to twelve (12) individuals. The Project will include landscaping and architectural/design elements consistent with the UCD and surrounding properties as well as incorporate modern farm house design features such as a front porch and a picket fence garden. The new construction will remedy blight by creating a desirable living environment for residents, increasing the taxes generated by the Redevelopment Area, and encouraging further investment in the area. In particular, the redevelopment of a vacant property will cure the "air of neglect to adjacent properties" which creates safety hazards and makes nearby land less valuable.⁹ As reflected on the preliminary site plan in Exhibit "C" attached hereto and incorporated herein, the site will be redeveloped to utilize the Redevelopment Area to its full potential. Preliminary floor plans for the pocket neighborhood residential units are attached hereto as Exhibit "D" and incorporated herein. This will increase density by providing housing for approximately six (6) to twelve (12) individuals, which will in turn increase the area's pedestrian traffic and level of activity.

The Redevelopment Plan is consistent with the intent of the UCD, in that it will: (i) promote the efficient use of urban lands, (ii) encourage and support rehabilitation of the physical environment, and (iii) aid in the prevention or elimination of slums or blight.¹⁰ In particular, the Redevelopment Plan will remove two vacant homes from the Redevelopment Area. The

⁹ See Page 9 (Objective 3) of the Rountree Neighborhood Plan Addendum.

¹⁰ See Section 4-2302 of the City of Springfield, Missouri Zoning Ordinance.

Redevelopment Plan is harmonious with surrounding uses and the development will consist of landscaping and architectural/design elements consistent with the UCD – including those depicted on “Exhibit D” attached hereto and incorporated herein. Specifically, the Developer will incorporate features such as front porches, corbels, shutters, window boxes, landscaping, and the planting of saplings near sidewalks. In addition, the Developer has already incorporated suggestions of the neighborhood into the design, including the reduction in height of the residential units to two stories. Although the Redevelopment Area is zoned R-HD, the Redevelopment Plan acknowledges and respects the residential nature of certain portions of the surrounding area through the provision of off-street parking, limited building height, and density well below the applicable zoning limits and is consistent with the intent of the UCD.

Without the comprehensive renovation and rehabilitation of the Redevelopment Area, its physical condition will continue to deteriorate and detract from the area. Thus, implementation of the Redevelopment Plan is needed to remediate blight in the Redevelopment Area, to create a safe and desirable living environment that more fully utilizes the property, increase the taxable revenues to the City.

C. Redevelopment Plan Objectives and Strategies

The primary objective of the Redevelopment Plan is to remove blight and to redevelop the area for use as higher density housing. The Project involves the construction of a pocket neighborhood consisting of six (6) residential units. Each of the units will contain two (2) to three (3) bedrooms and up to two and a half (2.5) bathrooms and will be limited to two (2) stories in height. Each unit will possess the appearance of a single family structure through thoughtful design. In total, the project will accommodate up to approximately six (6) to twelve (12) individuals. The Project will also provide on-site parking (in the form of a six (6) unit detached garage with dedicated spaces) and will utilize outdoor lighting as needed with the intent to create a safe living environment for the residents. The Project will include landscaping and architectural/design elements consistent with the UCD and surrounding properties as well as incorporate modern farm house design features such as a front porch and a picket fence garden. The Project is anticipated to be built using certain “green” building standards to maximize energy savings.

IV. Land Use Plan:

A. Former and Existing Land Use

The Redevelopment Area currently consists of two (2) houses. The 1365 House is currently divided into three (3) multi-family dwelling units, is vacant. The 1361 House, a single-family residential structure, is vacant. The Developer recently acquired the Houses in early 2016.

B. Proposed Land Use

The proposed land use for the Redevelopment Area is as a pocket neighborhood consisting of six (6) residential units. Each residence is intended to contain two (2) to three (3) bedrooms and serve as a residence for one (1) to two (2) individuals. All the units in the pocket neighborhood will be limited to two (2) stories in height and each unit will be designed with the

character of a modern farm house to include a front porch and picket fence garden, thereby possessing the appearance of a single family structure. All of the living space will be on the ground floor except for one (1) to two (2) bedrooms and one (1) bathroom on the second floor. A preliminary site plan reflecting the proposed land use in Redevelopment Area is attached as Exhibit “C” and incorporated herein.¹¹

C. *Existing and Proposed Zoning*

The existing zoning for the Redevelopment Area is High-Density Multi-Family Residential District (R-HD). Moreover, the Redevelopment Area is located in the Rountree Urban Conservation District. There is no new zoning proposed for the Redevelopment Area. The Project is consistent with zoning requirements.

D. *Regulations and Controls*

Redevelopment of the Redevelopment Area shall be subject to all applicable Springfield, Missouri Codes and Ordinances, including the District Regulations.

V. Execution of the Project:

A. *Execution*

The Developer or its successors in interest shall be responsible for executing the redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan.

B. *Land Acquisition*

There will be no land acquisition required to implement the Redevelopment Plan, as the Developer owns the land within the Redevelopment Area.¹²

C. *Financing*

The Developer is utilizing conventional financing to finance the Project. Developer will contribute 15% of the estimated \$1.4 million cost of development.

D. *Disposition of Property*

No land is proposed to be disposed of within the Redevelopment Area.

E. *Plan for Relocation Assistance*

Both the 1361 House and 1365 House are vacant.

F. *Redevelopment Schedule and Estimated Dates of Completion*

¹¹ Note, the preliminary site plan includes the residential units and associated garage structure.

¹² Note, 1365 E. Cherry is currently owned by an affiliate of the Developer, 311 S. Hampton, LLC.

The Developer estimates that each stage of the Project will be completed in accordance with the following schedule:

- Pre-Construction (Inspections/Permits): Completed by September 2018
- Site Work (Demolition): Completed by October 2018
- Construction of Building: Completed by June 2019

G. *Taxation*

The Developer or its successors in interest may apply to the Land Clearance for Redevelopment Authority for tax relief pursuant to Sections 99.700 to 99.715 of the Missouri Revised Statutes, 2000.

H. *Covenants*

The Redevelopment Plan shall run with the land and require the Developer and any successors in interest to redevelop the real property within the Redevelopment Area in accordance with the specified uses in the Redevelopment Plan if they wish to benefit from tax relief available under Sections 99.700 to 99.715 of the Missouri Revised Statutes, 2000.

VI. **Other Provisions:**

A. *Compliance with General Plans*

As discussed in Article III, Section B above, the Redevelopment Plan for the Redevelopment Area conforms to the Rountree Neighborhood Plan and the District Regulations.

B. *Compliance with Workable Program*

Pursuant to Section 40-13(a)(1) of Article II of Chapter 40 of the Springfield City Code (the “Code”) the Project described in this Redevelopment Plan would not be financially feasible “But-for” the allowance of tax abatement. An estimated Project budget evidencing the funding sources and supporting this conclusion is attached as Exhibit E. Exhibit E also includes pro forma financial statements which additionally support the conclusion that “But-for” the tax abatement provided to the Project that the development of this high quality and attractive pocket neighborhood providing housing for six (6) to twelve (12) individuals that eliminates existing blight would not be feasible.

The Base Pro-Forma estimates rents per unit of \$2,000/month with a 5% vacancy allowance. The Base Pro-Forma also estimates total expenses are estimated to be approximately 25% of gross income and includes an estimated tax abatement figure of 65%. Total Net Operating Income after debt-service would be approximately \$18,000/year. This Base Pro-Forma establishes an estimate of financial ratios (including a 74.55% Loan-to-Value and 1.21 Debt-Service) that are traditionally acceptable ratios in the financing of development projects.¹³

¹³ Previous traditional financing sources have required Loan-to-Value ratios not to exceed 75% and Debt-Service ratios not less than 1.20.

If no tax abatement were provided and rents were reduced by \$150/month, everything else remaining equal, the Loan-to-Value ratio would increase to 89.19% and the Debt-Service ratio would drop to 1.01. These figures would make it impossible to develop this project through traditional financing methods. Even if rents were maintained at \$2,000/month and no abatement was provided, Loan-to-Value would be 80.61% and Debt-Service 1.12. It is evident that this Project could not be developed but-for the allowance of tax abatement.

The Project will be subject to the property taxes due to the Greene County Assessor based upon their assessed valuation of the completed Project.

C. *Compliance with State and Local Law*

The Redevelopment Plan shall be implemented in conformance with the requirements of state and local law.

D. *Compliance with Redevelopment Agreement*

Prior to application for Certificate of Qualification for Tax Abatement (the “Certificate”) issued in connection with this Project, a redevelopment Agreement must be executed between the applicant for the Certificate and the City. The provisions of the Redevelopment Agreement between the City and the applicant are essential provisions of the Redevelopment Plan and violations of the Redevelopment Agreement shall also constitute violations of the Redevelopment Plan. The Redevelopment Agreement shall at a minimum address the requirements specified in Section 4-14 of the Code.

E. *Population Density*

The Project will provide six (6) housing units on a 0.5 acre site (12 du/acre). Each residence will include two (2) bedrooms and two (2) bathrooms. In total, the Project will provide housing for twelve (12) to eighteen (18) individuals.

F. *Public Facilities*

It is not anticipated at this time that the Project will require any additional public facilities or utilities.

VII. Procedure for Changes or Modification of Plan

Upon application by the Developer or its successors in interest, the Redevelopment Plan may be amended or modified by the Land Clearance for Redevelopment Authority with the consent of the Planning and Zoning Commission. When the proposed amendment or modification substantially changes the Redevelopment Plan, the City Council must also approve the amendment or modification.

VIII. Chapter 99 Scorecard

A. *Development in Financially Distressed Areas*

The Project is being constructed in the UCD. According to data from the 2009-2013 American Community Survey provided for the U.S. Census Bureau related to the City of Springfield, the average median income for the area was \$23,321-\$31,146.¹⁴ Data sources indicate that the poverty rate in the Redevelopment Area is 35.7% and households maintain a median income of \$11,250.¹⁵ However, the Project will serve populations in the vicinity of Missouri State University that indicates an 81.4% poverty rate with a median household income of \$7,467.¹⁶ The poverty rate is unsurprising as much of the available housing in the vicinity of the Redevelopment Area supports housing for a student population due to the proximity of Missouri State University. Based on the existing poverty rate, the Chapter 99 Scorecard will allow an additional 5% -7% abatement.

B. Community Benefit

The Redevelopment Plan provides for the construction of a pocket neighborhood consisting of six (6) residential units with a single family structure appearance. The Redevelopment Plan does not provide for the construction of any retail projects resulting in the creation of full-time employment or tax generation. It is not anticipated that additional tax abatement under this category will be applicable although the approximately six (6) to twelve (12) individuals tenants of the units will certainly contribute to the local retail economy.

C. Community Image/Design

The Project design calls for the units in the pocket neighborhood to share similar height, bulk plane, set back, and proportion. The design also calls for articulated building facades and has landscape features such as a front porch, picket fence gardens, trees, planters, and a courtyard that will cumulatively exceed any landscaping requirements required of the Project under any landscaping plan required by the Municipal Ordinance Code of Springfield, MO for review and approval by the director of building development services.¹⁷ Accordingly, the Chapter 99 Scorecard credits these design features of the Project with an additional 6% abatement.

D. Enhanced Public Safety

The Project intends to install wireless security cameras that monitor activity in the more open areas of the Project, such as alleyways, courtyard, and garage areas. This will add enhanced safety to the residents of the pocket neighborhood and to the public generally. These cameras will be registered with the Springfield Police Department to assist with crime prevention. Accordingly, the Chapter 99 Scorecard credits these design features of the Project with an additional 3% abatement.

E. Environmental Stewardship

¹⁴ <https://www.springfieldmo.gov/DocumentCenter/View/17058/Median-Household-Income-Map-2009-2013>

¹⁵ <http://www.city-data.com/poverty/poverty-Springfield-Missouri.html>

¹⁶ Id.

¹⁷ See Sec. 36-482 - Landscaping and bufferyards, of the City of Springfield, Missouri Zoning Ordinance.

The Project being constructed is not subject to Brownfield remediation. The Project will be constructed with high quality materials and comply with all required building and design requirements established by the City of Springfield, MO. Where possible and feasible, green materials and materials that add to the efficiency of energy savings will be utilized. The Project does not anticipate utilizing construction materials containing PAH (coal tar). Accordingly, the Chapter 99 Scorecard credits this commitment not to utilize these types of construction materials with an additional 2% abatement.

F. Total Abatement

“The minimum level of authorized Tax Abatement for projects with an approved Redevelopment Plan shall be 50%.”¹⁸ The Tax Abatement level can be increased up to 75% utilizing the approved Tax Abatement Scorecard.¹⁹ Based upon the Project description as set forth herein, the Redevelopment Plan would qualify for an additional Tax Abatement of 16-18%.

¹⁸ See Article II, Sec. 40-15(a)(1) of the City of Springfield, Missouri Municipal Code.

¹⁹ See General Ordinance 6437, City of Springfield, Missouri, March 27, 2018, Exhibit A - Chapter 99 Scorecard.

Exhibit A

Map of Redevelopment Area



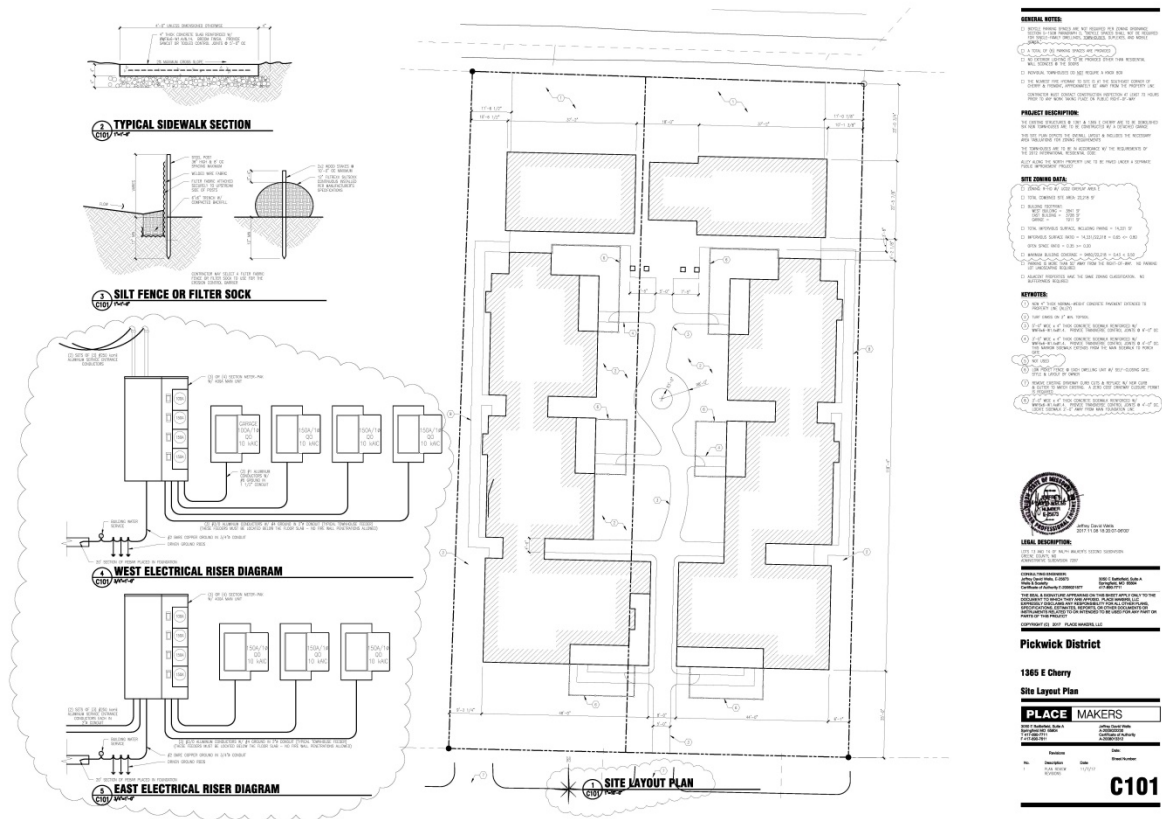
Exhibit B

Legal Description of Redevelopment Area

ALL OF LOTS THIRTEEN (13) AND FOURTEEN (14), AMENDED PLAT OF RALPH WALKER'S SECOND SUBDIVISION, IN THE CITY OF SPRINGFIELD, GREENE COUNTY, MISSOURI.

Exhibit C

Site Plan



14



Pickwick District

1365 E Cherry

Second Floor Plan

PLACE MAKERS

Architect: PLACE MAKERS
 Project: 1365 E Cherry
 Date: 10/1/2018

Rev. Description Date
 1 Initial 10/1/2018

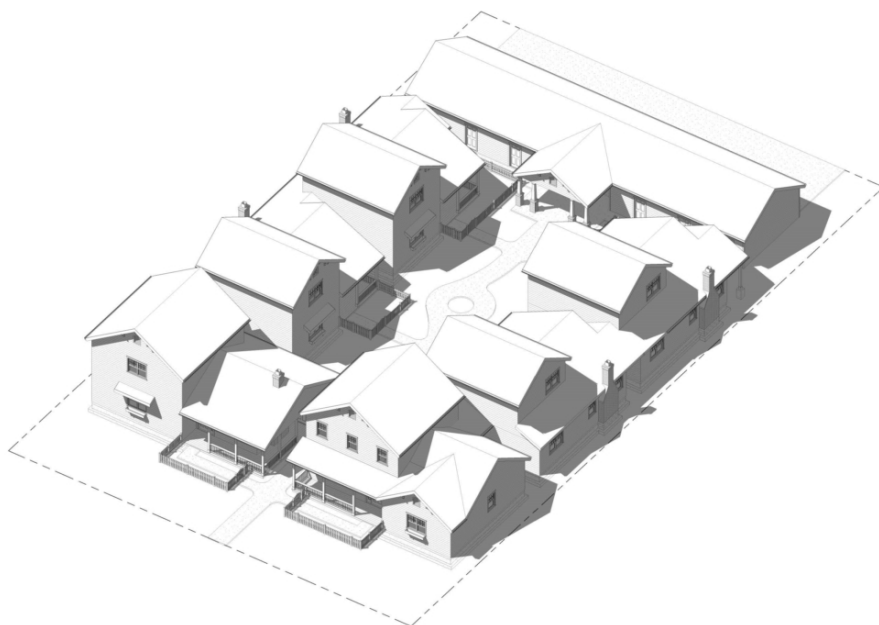
A102



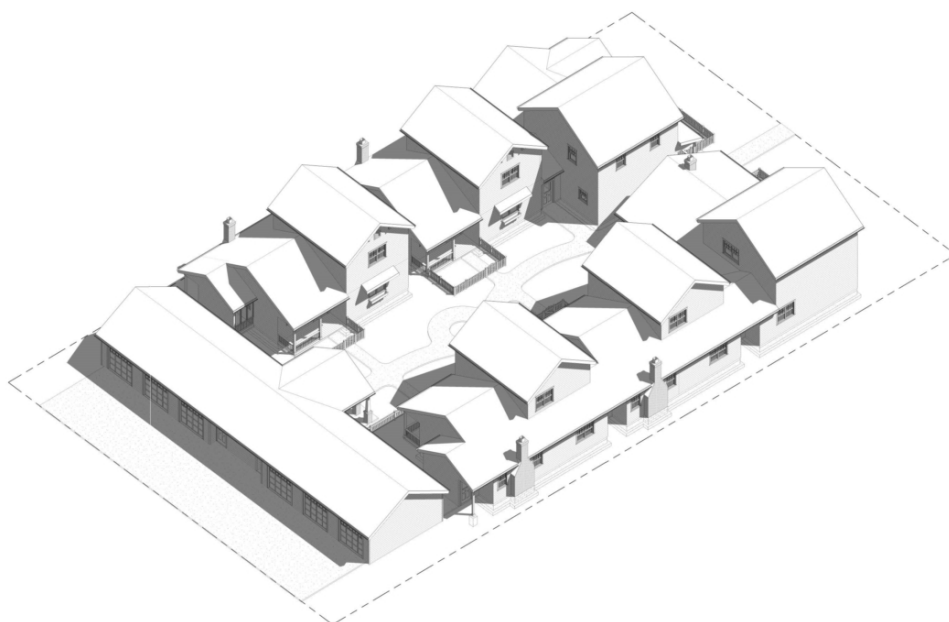
Pickwick District 1385 E Cherry Perimeter Elevations PLACE MAKERS 1000 S. 10th St., Suite 100 Portland, OR 97214 Tel: 503.228.1111 Fax: 503.228.1112 Email: info@placemakers.com Website: www.placemakers.com	
No. Revision Date By Checked	A201



Pickwick District 1385 E Cherry Courtyard Elevations PLACE MAKERS 1000 S. 10th St., Suite 100 Portland, OR 97214 Tel: 503.228.1111 Fax: 503.228.1112 Email: info@placemakers.com Website: www.placemakers.com	
No. Revision Date By Checked	A202

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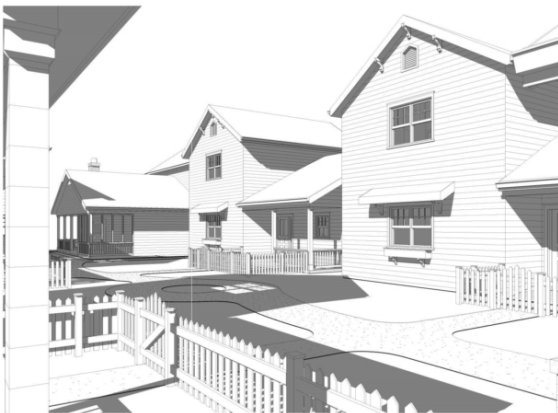
PROJECT: 1365 E Cherry DATE: 10/15/2023 DRAWN BY: J. [Name] CHECKED BY: [Name]	SHEET: 10105 TOTAL SHEETS: 10105
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Pickwick District

1365 E Cherry
Cherry St. Views

PLACE MAKERS	
1365 E Cherry 10105	10105 10105

X105



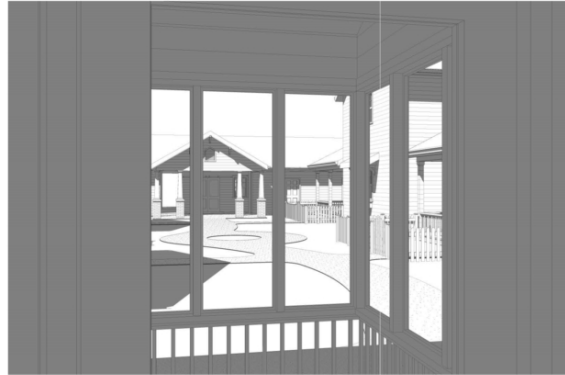
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Pickwick District

1365 E Cherry
Courtyard Views

PLACE MAKERS	
1365 E Cherry 10106	10106 10105

X106



1365 E Cherry Courtyard Views	
PLACE MAKERS 1365 E Cherry Courtyard Views	
No. _____ Date _____	Date _____ Page _____
X107	

Exhibit E

1361-1365 E Cherry	sq ft			
	7900.00			
Project Budget			Funding Source	
Line Item	Cost		Source	Amount
Land with abatement	\$215,000.00		Owner Equity	\$210,000.00
Appraisal	\$5,500.00		Traditional Loan	\$1,190,000.00
Closing Costs	\$7,500.00			
Architects	\$30,000.00			
Interior Design	\$5,000.00			
PI for Alley	\$15,000.00			
Site Work	\$5,000.00			
Demo	\$20,000.00			
Buyout for Sewer	\$6,000.00			
Taxes	\$2,000.00			
Construction Costs	\$862,000.00			
garage/commons	\$70,000.00			
Signage	\$1,500.00			
F, F&E	\$5,000.00			
Legal and Professional Fees	\$17,500.00			
Accounting	\$1,000.00			
Insurance	\$3,000.00			
Supervision	\$0.00			
Landscaping	\$15,000.00			
Marketing	\$1,500.00			
Development Fee	\$50,000.00			
Pre Development Holding	\$25,000.00			
Construction Interest	\$17,500.00			
Lease Up Carry	\$20,000.00			
Total Cost	\$1,400,000.00			
Cost/Sq. Ft.	\$177.22			
Cost/Unit	\$233,333.33			

Rountree's Pocket Neighborhood Annual Estimate (First 3-5 years)											
	Beds	Rate	Monthly	Annual	Units		Beds	Rate	Monthly	Annual	Units
					6						6
Income:	BASE ESTIMATE						LOW ESTIMATE				
Beds											
A unit (2 bed 2 bath)	6	\$ 2,000.00	\$ 12,000.00	\$ 144,000.00			6	\$ 1,850.00	\$ 11,100.00	\$ 133,200.00	
Gross Revenue			\$ 12,000.00	\$ 144,000.00					\$ 11,100.00	\$ 133,200.00	
Vacancy		5%	\$ 600.00	\$ 7,200.00				5%	\$ 555.00	\$ 6,660.00	
other revenue				\$ 2,000.00						\$ 2,000.00	
Effective Gross Income			\$ 11,400.00	\$ 138,800.00					\$ 10,545.00	\$ 128,540.00	
Expenses:											
Utilities			\$ 100.00	\$ 1,200.00					\$ 100.00	\$ 1,200.00	
RE Taxes			\$ 350.00	\$ 4,200.00	65% Abatement				\$ 1,000.00	\$ 12,000.00	No Abatement
Trash			\$ 70.00	\$ 840.00					\$ 70.00	\$ 840.00	
Administrative			\$ 60.00	\$ 720.00					\$ 60.00	\$ 720.00	
Insurance			\$ 250.00	\$ 3,000.00					\$ 250.00	\$ 3,000.00	
Operational, Lawncare, Snow, Maintenance			\$ 500.00	\$ 6,000.00					\$ 500.00	\$ 6,000.00	
Property Management			\$ 1,140.00	\$ 13,680.00					\$ 1,054.50	\$ 12,654.00	
Leasing			\$ 75.00	\$ 900.00					\$ 75.00	\$ 900.00	
Accounting			\$ 83.33	\$ 1,000.00					\$ 83.33	\$ 1,000.00	
Advertisements			\$ 41.67	\$ 500.00					\$ 41.67	\$ 500.00	
Capital Reserves			\$ 250.00	\$ 3,000.00					\$ 250.00	\$ 3,000.00	
Total Expenses			\$ 2,920.00	\$ 35,040.00	25%				\$ 3,484.50	\$ 41,814.00	33%
Net Operating Income				\$ 103,760.00						\$ 86,726.00	
Cash	15%		\$ 210,000.00				15%		\$ 210,000.00		
Loan			\$1,190,000.00						\$1,190,000.00		
Term			25.00						25.00		
Rate			5.25%						5.25%		
Debt Service			\$7,131.05	\$ 85,572.57					\$7,131.05	\$ 85,572.57	
Cash Flow Before Tax				\$ 18,187.43						\$ 1,153.43	
CCR				8.66%						0.55%	
Loan to Value				74.55%						89.19%	
Debt Coverage Ratio				1.21						1.01	
Market Value	6.50%			\$1,596,307.69			6.50%			\$ 1,334,246.15	
Cost				\$1,400,000.00						\$ 1,400,000.00	
Cost to Value				87.70%						104.93%	

BLIGHT REPORT
FOR THE EAST CHERRY POCKET NEIGHBORHOOD REDEVELOPMENT AREA
SPRINGFIELD, MISSOURI

June 26, 2018

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ADDENDA

Map of Redevelopment Area.....	Exhibit A
Legal Description of Redevelopment Area.....	Exhibit B
Property Inspection Reports.....	Exhibit C

Blight Report
East Cherry Pocket Neighborhood Redevelopment Area

I. General:

The Land Clearance for Redevelopment Authority Law (the “**LCRA Law**”) is set forth in Sections 99.300 through 99.660 of the Missouri Revised Statutes and was enacted in 1951 to help local municipalities eradicate “blighted areas” in the community and to encourage rehabilitation and redevelopment of those areas by private enterprise. Through the LCRA Law, municipalities and private citizens are able to work together to achieve the goal of fostering economic opportunities and improving property values in cities throughout Missouri.

The LCRA Law defines “blighted area” as an area which, by reason of the predominance of (1) defective or inadequate street layout, (2) insanitary or unsafe conditions, (3) deterioration of site improvements, (4) improper subdivision or obsolete platting, or (5) the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, (a) hinders the provision of housing accommodations, (b) constitutes an economic or social liability, or (c) constitutes a menace to the public health, safety, morals, or welfare in its present condition and use.¹ Missouri courts have determined that a finding of blight is proper where, when considering an area in its present condition and use, the first five factors listed in the first half of Section 99.320(3) above, whether individually or in combination, produce one of the circumstances named in the second half of this Section.²

A. Introduction:

This Blight Report for the East Cherry Pocket Neighborhood Redevelopment Area (this “**Blight Report**”) is being submitted by Say You Can, LLC, a Missouri limited liability company (such entity, or its successors and assigns, is referred to as the “**Developer**”), for the purpose of demonstrating that the Redevelopment Area (as defined below) should be declared blighted pursuant to the LCRA Law. This Blight Report will demonstrate (i) that the Redevelopment Area is a “blighted area” under the LCRA Law due to the predominance of (1) deterioration of site improvements, (2) insanitary and unsafe conditions, (3) obsolete platting, and (4) the existence of conditions which endanger life and property by fire and other causes, and (ii) because of the aforementioned conditions, the Redevelopment Area hinders the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public health, safety, morals, and welfare in its present condition and use. Importantly, the determination of blight focuses on whether the Redevelopment Area, as a whole (and not individual lots), suffers from a predominance of the aforementioned conditions.

B. Background:

¹See MO. REV. STAT. § 99.320(3).

²See *Land Clearance for Redevelopment Auth. of City of St. Louis v. Inserra*, 284 S.W.3d 641, 647-48 (Mo. Ct. App. 2009).

The Developer shall remediate blight and redevelop the area in accordance with the Redevelopment Plan following this Blight Report.

There are two (2) residential structures in the Redevelopment Area, all of which were built on two (2) long and narrow parcels of land which are located on the north side of East Cherry Street. One structure is commonly known as 1361 E. Cherry Street (“**1361 House**”) and the other is commonly known as 1365 E. Cherry Street (“**1365 House**” and collectively with the 1361 House, the “**Houses**”). The Developer acquired both Houses in early 2016. The 1365 House³ which has been divided into three (3) multifamily dwelling units is now vacant and the 1361 House has been vacant for some time.

II. Redevelopment Area Description:

The Redevelopment Area includes approximately 0.5 acres of real property located on the North Side of East Cherry Street between South Kickapoo Ave. and Pickwick Avenue in the City of Springfield, Missouri (the “**Redevelopment Area**”). A map identifying the Redevelopment Area is attached hereto and incorporated herein as Exhibit “A” and the Redevelopment Area is legally described on Exhibit “B” attached hereto and incorporated herein.

III. Evidence In Support of Blight:

The LCRA Law provides municipalities with a tool to encourage the redevelopment of areas within a city by private developers, which facilitates the renewal of downtrodden portions of a city without necessitating excessive expenditures of public funds. The City of Springfield (the “**City**”) has utilized this tool over the past few decades in blighting large tracts of property to the west of the Redevelopment Area.

The property within the Redevelopment Area, which is quickly nearing the end of its economic life, is of comparable age and in substantially similar condition to many of the blighted properties within these adjacent areas.

The key factors evidencing the Redevelopment Area as a “blighted area” under section 99.320(3) of the Missouri Revised Statutes are discussed in detail below. Photographs demonstrating some of these factors are included in the Property Inspection Reports (defined below).

A. Deterioration of Site Improvements.

In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing floor tiles or ceiling panels, or holes and cracks over limited areas. Deterioration which is not easily curable and which cannot be accomplished in the course of normal maintenance includes defects in primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roof, wiring, etc. Secondary building components include

³ Note, the 1365 House is currently owned by an affiliate of the Developer, 311 S. Hampton, LLC.

doors, windows, frames, fascia materials, etc. Deterioration of sidewalks, parking areas, and other similar site improvements is evidenced by settled areas, gravel sections, cracks, overgrowth, or depressed curb areas.

As reflected by the Property Inspection Reports dated August 18, 2016 and prepared by A-1 Home Inspection (the “**Property Inspection Reports**”),⁴ the Redevelopment Area as a whole suffers from deterioration, which is exhibited by defects in both primary and secondary building components.

1. The 1361 House.

The 1361 House is a residential structure with frontage on East Cherry Street. The sidewalk serving the 1361 House is uneven, resulting in a tripping hazard and needs significant repair or replacement.⁵ The exterior stairs to the structure exhibit cracks and deterioration and either lack or need repaired a handrail for safety.⁶ In addition, the exterior walls of the 1361 House show flaking paint and deterioration on trim, which requires repair and/or repainting.⁷ Moreover, holes in asphalt paper can be observed on gables and the 1361 House’s guttering rusted through, damaged, and requires replacement.⁸ Also, many of the exterior windows of the structure are missing or need replacement. In fact, the 1361 Report notes that four broken windows are notes on the main level of the home, requiring replacement, and the dining room and three basement windows are missing and will need to be replaced.⁹ Broken window glass is a hazard.

The foundation of the structure also exhibits evidence of past/present water damage and needs to be fully evaluated.¹⁰ Other evidence of deterioration of site improvements in the 1361 House include the location of a large hole in the concrete floor and a poorly supported basement stairway – which will need to be replaced.¹¹ In addition, the stairway covering is damaged and is leaning, posing a danger to occupants of the property.¹²

The front door of the 1361 House is missing glass and is in other disrepair which will require replacement.¹³ In addition, the floors are sloped and uneven.¹⁴ The kitchen is in disarray and the plumbing has been disconnected.¹⁵ The ceilings are sagging and damaged, exhibit moisture stains and cracks, and have missing plaster.¹⁶ As discussed below, no smoke detectors

⁴The Property Inspection Reports are attached hereto and incorporated herein as Exhibit “D.” The Property Inspection Report for the 1361 House is attached to Exhibit D as Figure 1 (the “**1361 Report**”) and the Property Inspection Report for the 1365 House is attached to Exhibit D as Figure 2 (the “**1365 Report**”). Note: When used in the Property Inspection Reports, the word “common” is meant to indicate that a condition is widespread or frequently occurring (i.e., common cracks).

⁵See page 4 of the 1361 Report.

⁶See page 5 of the 1361 Report.

⁷ See page 7 of the 1361 Report.

⁸See page 7-8 of the 1361 Report.

⁹ See page 22 of the 1361 Report.

¹⁰ See page 9 of the 1361 Report.

¹¹See page 9-10 of the 1361 Report.

¹² See page 11 of the 1361 Report.

¹³ See page 21 of the 1361 Report.

¹⁴ See page 25 of the 1361 Report.

¹⁵See page 28 of the 1361 Report.

are located on the main level and gas logs lack modern features, which all of which is a safety hazard.¹⁷ On top of all of the factors noted above, the 1361 House's furnace has been removed, utilities been inactivated¹⁸, and lacks air conditioning units.¹⁹

2. The 1365 House.

Although to a much lesser extent than the 1361 House, the 1365 House also exhibits a deterioration of improvements.

The 1365 House is a small residential structure located east of the 1361 House. The sidewalk has common cracks and a deteriorating surface and requires repairs. The foundation of the 1365 House exhibits cracks, deterioration and displacement and requires further evaluation.²⁰ Moreover, signs a settlement and loose footing can be observed in the exterior stairs, which may require evaluation and repair by a qualified contractor.²¹ In addition, some spotty mold growth and damaged sub-floor was located in a portion of the basement.²²

When looked at as a whole, the Redevelopment Area contains a preponderance of a deterioration of site improvements, under LCRA Law's definition of a "blighted area".

B. *Insanitary/ Unsafe Conditions.*

In addition to the general physical deterioration discussed above, the Redevelopment Area is also afflicted with a variety of insanitary and unsafe conditions. There is evidence of water damage in all of the Houses, particularly the 1361 House. The dampness and moisture evidenced by the stains inside the Houses have likely facilitated the growth of mold. All sources of water should be identified and addressed. In additionally, gutters should be cleaned, repaired and replaced, as applicable. Thereafter, mold remediation will be required at the locations that show signs of water damage.

As noted above and in the Inspection Reports, many of the sidewalks and exterior and interior stairs in the Redevelopment Area either lack railings or have insufficient railings, which create a trip and fall hazard. To remedy this issue, appropriate railings should be added as applicable. Moreover, uneven surfaces on the interior and exterior of the Houses should be repaired. Smoke detectors are missing in the 1361 House and need to be added to improve fire safety and gas logs lack modern safety features and need to be replaced. To become habitable, among other things, the 1361 House will need to be repaired to include a furnace, air conditioning, connection of plumbing, and kitchen appliances.

The wiring of the Houses also exhibit unsafe conditions. In particular, in the 1361 House, improper wiring is noted²³ and in the 1365 House, trees touch wires²⁴ – both of which are

¹⁶ See page 24-25 of the 1361 Report.

¹⁷ See page 26 of the 1361 Report.

¹⁸ See page 16 of the 1361 Report.

¹⁹ See page 17 of the 1361 Report.

²⁰ See page 8 of the 1365 Report.

²¹ See page 4 of the 1365 Report.

²² See page 10 of the 1365 Report.

fire hazards. The 1361 House has holes, cracks other defects in the exterior walls, including several missing windows. Dirt, insects, and vermin can enter the Houses through such openings, creating insanitary conditions.

C. *Conditions that Endanger Life or Property by Fire or other Causes.*

Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, property maintenance, fire, environmental or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy and necessary fire and similar hazard protection or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

The Redevelopment Area exhibits several conditions that may endanger life or property. Since the Houses were both constructed long before 1978 when the use of lead based paint was banned in the United States, it is likely that layers of lead based paint are present. Lead is a highly toxic metal that may cause a range of health problems, especially in young children. When lead is absorbed into the body, it can cause damage to the brain and other vital organs, like the kidneys, nerves and blood. All painted surfaces should be tested for the presence of lead paint. Applicable areas should be remediated by a licensed professional.

In addition, the 1361 House lacks fire detectors, which in the case of a fire will significantly endanger life or property. As discussed below, this threat is even more significant given that the 1361 House is vacant. Moreover, exposed wiring²⁵ and uncapped gas lines are noted in the 1361 House²⁶, both of which are fire hazards. Moreover, the gas logs in the 1361 House lack modern safety features and will require replacement.

As noted above, the 1361 House is vacant. As a vacant property, this creates a number of conditions which endanger life or property.²⁷ Specifically, small hazards, such as an exposed wire or a slow water leak, can go undetected and leader to much larger problems.²⁸ As an example, a minor water leak or other moisture issues can result in the accumulation of mold.²⁹ In addition, “[v]acant properties may attract trespassers, arsonists, thieves or other criminals.”³⁰ The prospect of these individuals entering the 1361 House may result in significant risks to not only the Redevelopment Area as a whole, but also the surrounding neighborhood.

D. *Obsolete Platting*

²³ See page 29 of the 1361 Report.

²⁴ See page 21 of the 1365 Report.

²⁵ See page 17 of the 1361 Report.

²⁶ See page 14 of the 1361 Report.

²⁷ See, e.g., Timothy Ehrhart, *Vacant Property Presents Unique Hazards*, Property Casualty 360 (May 11, 2009), available at <http://www.propertycasualty360.com/2009/05/11/vacant-property-presents-unique-hazards>.

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

An area is generally deemed to suffer from obsolete platting when the parcels are 1) of a limited or narrow size and configuration or 2) of irregular size or shape that would be difficult to develop on a planned basis and in a manner comparable with contemporary standards.

There are two (2) residential structures in the Redevelopment Area. The lots on which the 1361 House and 1365 House are situated are long and narrow. As a result of the deep and narrow configuration of the lots, it would be very difficult to redevelop the lots in a manner consistent with applicable zoning codes and contemporary standards.

The deep and narrow configuration of the lots coupled with the location of the houses hinders efficient use of the land in that it causes large portions of the Redevelopment Area to be underutilized. The nature of the single-family houses compounds this problem due to the limited number of individuals who may reside within the Redevelopment Area. This underutilization conflicts with the intent of the area's zoning. The Redevelopment Area is zoned High-Density Multi-Family Residential District (R-HD), which is designed for multi-family dwelling units and other more intense developments.³¹ Importantly, the construction of new single family dwellings is not permitted in R-HD to ensure that development of the property in this zoning district is not preempted by less intense development.³²

Moreover, The Redevelopment Area is located in Area E of the Rountree Urban Conservation District (the "**UCD**"). The UCD was approved by Springfield City Council in 1985 to allow the neighborhood to identify and solve problems associated with trash, noise, and safety.³³ The UCD is a zoning district with special standards that may exceed that of the city, recognizing and protecting the unique nature of the area (the "**District Regulations**").³⁴ Area E (also known as the Cherry Street Corridor Area) serves as home to many MSU students and contains a mixture of multi-family and single family housing stock.³⁵ The District Regulations governing Area E are intended to, among other things, "promote the mixed residential nature of

³¹See Section 4-1400 of the City of Springfield, Missouri Zoning Ordinance. Commercial uses are limited in the R-HD District.

³²See Section 4-1404 of the City of Springfield, Missouri Zoning Ordinance.

³³ See Ordinance No. 3645 (adopted on July 22, 1985). In connection with the establishment of the UCD, the City adopted the Rountree Area Neighborhood Plan (dated July 1985) (such document, as amended by the Rountree Neighborhood Plan Addendum, dated May 14, 2001) is referred to as the "**UC Plan**"). According to Section 4-2302, the purpose of the UC Plan and the UCD, include but are not limited to the following:

B. To maintain neighborhood character and integrity by focusing special attention on the maintenance of the physical environment; the enhancement of physical, social and economic resources and the accommodation of desirable change; C. To prevent economic obsolescence and to promote reinvestment by fostering stable property values through a high level of economic activity, maintenance of essential urban services and by focusing financial assistance and other economic development programs; D. To promote the efficient use of urban lands, including the encouragement of compatible infill development on vacant and passed-over parcels; E. To encourage and to support rehabilitation of the physical environment and programs for the conservation and revitalization of urban areas; F. To foster harmonious, orderly and efficient growth, development and redevelopment; and G. To aid in the prevention or elimination of slums or blight.

³⁴ The UCD may impose regulations in addition to those of the underlying zoning district. See Section 4-2300 of the City of Springfield, Missouri zoning code.

³⁵ See Art. III, §8(A) of the District Regulations.

the area to provide housing opportunities for students and to protect adjacent single-family areas from the adverse effects of higher intensity development.”³⁶ Multi-family dwelling is a permitted use under the District Regulations and, as discussed in the Redevelopment Plan below, consistent with surrounding uses.³⁷ Commercial uses are not permitted under the District Regulations. In addition, the UC Plan stresses how “[d]ilapidated, vacant and abandoned houses and other structure affect not only their own viability but lend an air of neglect to adjacent properties” creating safety hazards and making them less valuable.³⁸ The current configuration of the Redevelopment Area is incompatible with the intent of the UCD, in that it does not: (i) promote the efficient use of urban lands, (ii) encourage and support rehabilitation of the physical environment, and (iii) aid in the prevention or elimination of slums or blight.³⁹

The narrow size of the lots in the Redevelopment Area in conjunction with the configuration of the Houses prevent the Redevelopment Area from being used for this purpose to its full potential. Thus, due to its size and the difficulty in fully developing it in its current configuration, the Redevelopment Area suffers from obsolete platting.

IV. Impact of the Redevelopment Area’s Blighted Conditions:

Missouri law only requires that the current condition of a redevelopment area produce one (1) of the three (3) following circumstances for a finding of blight: 1) it hinders the provision of housing accommodations, 2) it constitutes an economic or social liability, or 3) it is a menace to public health, safety, morals, and welfare. However, the combination of blighting factors plaguing the Redevelopment Area creates all three (3) of these circumstances.

The Redevelopment Area’s obsolete platting causes it to be significantly underutilized, which prevents the area from being used to increase the number of residents who may live in the area. Because of the single-family and triplex houses located within the Redevelopment Area, it is incapable of supporting its highest and best use, which due to its proximity to MSU and the City’s downtown, is higher density housing. This hinders the provision of the housing accommodations that the area is capable of supporting, which in turn creates an economic liability for the City in that the Redevelopment Area is not generating the amount of taxes that it could otherwise produce. It also drastically limits the number of residents who could otherwise live within the area and contribute to the area’s level of activity and growth.

Because of its age, the Redevelopment Area is afflicted by deteriorating site conditions and is nearing the end of its economic life. As a result, the buildings in the Redevelopment Area are collectively appraised at approximately \$189,500.00.⁴⁰ In 2016, this valuation resulted in a tax liability of approximately \$2,329, which is nominal when compared to the taxes generated by other property in the immediate area that is being more fully utilized by newer structures for higher density residential housing.

³⁶ Id.

³⁷ See Art. III, §8(B)(4) of the District Regulations.

³⁸ See Page 9 (Objective 3) of the UC Plan.

³⁹ See Section 4-2302 of the City of Springfield, Missouri Zoning Ordinance.

⁴⁰ Based on 2016 data from the Greene County Assessor’s website.

The insanitary/unsafe site conditions present in the Redevelopment Area, pose a serious menace to public safety and health – especially considering the fact that the 1361 House is vacant. Each of these factors contribute to the economic and social liability created by the area in that they cause a risk of physical injury to the City’s citizens and damage to surrounding property. Furthermore, the downtrodden and deteriorated site conditions and underutilization of the Redevelopment Area diminish the public morale and welfare with respect to the perception of this portion of the City.

Comprehensive redevelopment of the Redevelopment Area is necessary to foster additional economic activity and contribute to the growth of the City. Remediating all of the issues discussed above is economically infeasible, particularly in the 1361 House, since the likely costs of the repairs far exceed the value of the Houses. Further, even if such repairs were made, due to the age of the Houses they are becoming functionally obsolete.

Due to the condition and layout of the Redevelopment Area, substantial capital investment will be necessary to remove the Houses and redevelop the area. Without such an investment, the Redevelopment Area will further deteriorate, and the 1361 House will continue to be vacant, and its economic efficiency will continue to decline and become an even greater liability to the economic independence of the City. This underutilization combined with the unsafe conditions in the Redevelopment Area hampers the economic vitality of the City by failing to generate property tax revenues for the City to its full potential and significantly limiting the number of people who can reside in the Redevelopment Area.

V. Conclusion:

Due to the predominance of insanitary and unsafe conditions, deterioration of site improvements, obsolete platting, and the existence of conditions that endanger life and property by fire and other causes, the Redevelopment Area hinders the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public health, safety, morals, and welfare in its present condition and use. The Redevelopment Area qualifies as a “blighted area” as defined in section 99.320(3) of the Missouri Revised Statutes. Accordingly, the City of Springfield should utilize the tools granted under the LCRA Law to declare the Redevelopment Area a blighted area which will in turn help to facilitate rehabilitating and renewing this portion of the City.

Exhibit A

Map of Redevelopment Area



Exhibit B

Legal Description of Redevelopment Area

ALL OF LOTS THIRTEEN (13) AND FOURTEEN (14), AMENDED PLAT OF RALPH WALKER'S SECOND SUBDIVISION, IN THE CITY OF SPRINGFIELD, GREENE COUNTY, MISSOURI.

Exhibit C

Property Inspection Reports

A1 Home Inspection Property Inspection Report



1361 E Cherry St, Springfield, MO 65802
Inspection prepared for: Elm House LLC
Date of Inspection: 8/18/2016 Time: 2:00 p.m.
Age of Home: 1920 Size: 1,408 sf. +/- (Several additions noted)
Weather: Partly cloudy and 75 degrees

Inspector: Jason Cardoza
Termite license #N6903
2857 S Chantilly, Springfield, MO 65804
Phone: 417-844-7094
Email: jcardoza@jcardoza.com
<http://facebook.com/A-1Inspection>

Report Summary of Defects

Exterior

Page 7 Item: 2	Trim	- Observed flaking paint/deterioration on trim, eaves and fascia; needs repair/repainting. - Damaged asphalt/tar paper noted at gables.
Page 8 Item: 3	Gutters and Downspouts	Guttering is damaged and at the end of it's normal life; needs replacement.

Foundation

Page 9 Item: 3	Floor Construction	Floor and interior basement stairway poorly supported; needs evaluation/repair by qualified contractor.
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Basement Stairs

Page 11 Item: 1	Basement Stairs	- Basement exterior stairway walls and roof are damaged and leaning; need replacement by qualified contractor. - Exterior basement door has been damaged and does not close; needs repair.
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Roof

Page 12 Item: 7	Exposed Flashings	Sealant needed around kitchen plumbing vent flashing.
Page 12 Item: 8	Chimney	Mortar missing; needs to be repaired/tuckpointed by a professional. Recommend coating brick with a waterproofing sealer.
Page 13 Item: 9	Other Roof	Garage roof is loose and near/past the end of its lifespan; needs replacement.

Plumbing

Page 13 Item: 1	Hose Faucets	Utilities off, unable to test.
Page 14 Item: 3	Waste Lines	Utilities off, unable to test.
Page 14 Item: 4	Fuel System	- Pipes lack proper support and large quantity of abandoned gas line is connected to system; needs full evaluation and repair by qualified plumber. - Gas line for stove is open; needs to be capped for safety.
Page 15 Item: 9	Water Heater Size and Brand	- Utilities off, unable to test. - TPR pipe is missing from valve; needs correction.
Page 16 Item: 10	Supply Lines	Utilities off, unable to test.

Heating

Page 16 Item: 1	Condition	Furnace has been removed; no heat source installed.
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A/C

Page 17 Item: 1	Condition	No air conditioning system installed.
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Exterior Electrical

Page 17 Item: 1	Observations	- Utilities off, unable to test. - Exposed wire noted near back porch; needs to be removed or properly terminated.
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Electrical

Page 18 Item: 1	Service	Trees touch wires; recommend contacting utility company.
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Page 19 Item: 5	Panel Notes	• Panel covers have been removed; need replacement. • Double tapped fuses observed - Need repair by qualified electrician. • Several 20 amp fuses appear to have been replaced with 30 amp; needs evaluation/repair by qualified electrician.
Page 19 Item: 6	Wiring Notes	• Utilities off, unable to test. • Exposed splices in attic need to be put in proper junction boxes • Exposed splices in basement need to be put in proper junction boxes.
Interior		
Page 21 Item: 1	Doors (Entry)	• Glass missing; needs repair.
Page 21 Item: 2	Interior doors	• Broken glass observed in living room doors; need repair or replacement.
Page 22 Item: 4	Windows	• Dining room and three basement windows were missing; need replacement. • Four broken windows noted on main level of home; need replacement.
Page 26 Item: 9	Smoke Detectors	• None found on main level, need detectors added for fire safety.
Fireplace		
Page 26 Item: 3	Observations	• Gas logs lack pilot and modern safety features; need to be replaced.
Page 27 Item: 4	Gas Operational	• No accessible shut off valve is provided; it is located in the basement.
Page 27 Item: 5	Damper	• Damper spacer needed
Kitchen		
Page 28 Item: 2	Sink	• Plumbing disconnected below sink.
Page 29 Item: 3	Disposal	• Improper wiring noted; splice needs to be put in junction box.
Attic		
Page 31 Item: 4	Insulation	• Attic is poorly insulated; all joists are visible. Recommend adding insulation for energy efficiency.
Garage		
Page 32 Item: 4	Electrical	• Garage electrical is connected to a damaged power cord; needs to be removed or properly wired by a licensed electrician.
Hall Bath		
Page 33 Item: 2	Sink	• Drain disconnected
Page 33 Item: 3	Toilet	• None installed

Inspection Details

1. House faces:

Direction: South

2. Notes

Materials:

- Red Items need evaluation/repair by a qualified contractor.
- Black items warrant your review and some of these items may need repair/attention. Recommend evaluation/repair/correction by a qualified professional.
- Additional information/details are provided in picture captions as well.
- Mold or air quality testing is not a part of this inspection.
- Pictures may be representative and may not show all effected locations or defects.
- Termite inspection not included with this report, can be supplied if requested.
- **All utilities were off today, unable to test plumbing, electrical or gas. **

3. Home Type

- Single Family

4. Occupancy

- Vacant

5. Additions

Addition:

- Older house appears to have had multiple additions and renovations over it's lifespan.

6. Attendance

In Attendance:

- None

Grounds

1. Drive Observations:

Materials:

- Concrete

Observations:

- Major cracks and displacement noted with potential trip hazard; needs repair/replacement.
- Drive is near end of its lifespan.



Drive deteriorated

2. Sidewalk Observations

Materials:

- Concrete

Observations: Major cracks and displacement noted with potential trip hazard; needs repair/replacement.



Sidewalk damaged

3. Porch

Location:

- Front Porch

Materials:

- Floor construction: Wood

Observations:

- Concrete walls at front steps are damaged and deteriorating; need full evaluation and repair.
- Not fully visible
- Railing too low at porch (relative to home's age).
- Porch is due to be sealed/painted.
- Footings not visible.
- Porch is not bolted to house (Nailed/screwed); Recommend correction.



Damaged walls

Flaking paint on porches

4. Exterior Stairs Condition

Location/Materials:

- Back porch
- Front porch
- Concrete

Observations:

- Handrail needed at front sidewalk and back steps for safety.
- Cracks and deterioration noted



Handrail needed at back steps

5. Fences and Gates

- Wood

Observations:

- Noted a couple of cracked/damaged fence pickets.
- Some weathering of wood fence observed.
- Back gate will not close/latch. Needs adjustment/repair.
- Loose/rotted posts observed.
- Nearing end of lifespan
- Not fully visible due to plants.
- Sections of the fence are leaning.



Sagging back gate

6. Deck

Materials:

- Floor construction: Wood

7. Sunroom/Enclosed Porch

Location:

- Rear

Materials:

- Floor construction: Wood

Observations:

- Floor is sloped away from home, appears to have settled.
- Unheated/Cooled
- Exterior door is missing
- Wood to earth contact noted, not recommended as this may provide direct access for termites.



Missing shutter noted



Wood to earth contact

Exterior

1. Exterior Walls

Construction:

- Wood frame

Type:

- Wood

Observations:

- Deteriorated and flaking paint observed, needs maintenance.

2. Trim

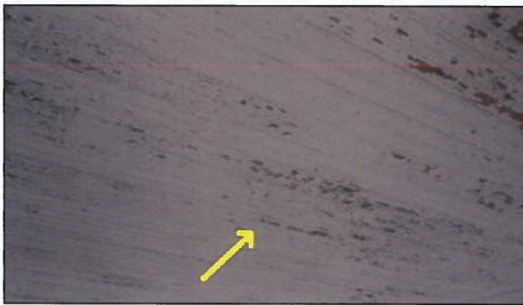
Materials:

- Wood

- Asphalt paper at gables

Observations:

- Observed flaking paint/deterioration on trim, eaves and fascia; needs repair/repainting.
- Damaged asphalt/tar paper noted at gables.



Flaking paint at ceiling of front porch



Holes in asphalt paper on West gable



Worn paint

3. Gutters and Downspouts

Installed:

- Partial

Observations:

- Guttering is damaged and at the end of it's normal life; needs replacement.



Gutters rusted through

Foundation

1. Grading/Drainage

Grading:

- Slope minor

Observations:

- Appears to drain fairly well.
- Overgrown landscaping noted; recommend trimming.
- Some erosion noted from water running over the guttering.
- Poor drainage noted below front porch; needs soil added.



Poor drainage below front porch

2. Foundation

Type:

- Basement
- Crawlspace

Materials:

- Poured Concrete
- Wood Columns

Observations:

- Common shrinkage cracks observed in foundation stem walls.
- Observed past repair in NE corner.
- Hole in floor needs repair.
- Evidence of past/present water in basement; recommend full evaluation/repair by qualified foundation contractor.



Large hole in concrete floor

Area of past repair

3. Floor Construction

Type:

- Joists
- 2x8
- Conventional wood framing

Observations:

- Anchor bolts were not found.
- Added support noted.
- Moisture stains noted on floor structure below bathroom and utility areas.
- Floor and interior basement stairway poorly supported; needs evaluation/repair by qualified contractor.



Floor and interior basement stairway poorly supported

Signs of termite damage near exterior stairway.
(Full termite report available if requested.)

4. Crawlspace/Basement

Observations:

- Crawl space was dry today.
- Observed signs of past moisture along foundation walls.
- Recommend installing a plastic vapor barrier on the ground to prevent moisture from causing abnormal conditions in the future.
- Better control of roof water should help prevent problems in the future.
- Some scrap wood and construction debris needs to be removed from the crawl space.



Construction debris in crawlspace

Basement Stairs

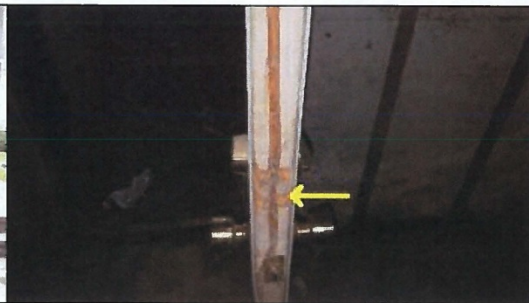
1. Basement Stairs

Observations:

- Basement exterior stairway walls and roof are damaged and leaning; need replacement by qualified contractor.
- Exterior basement door has been damaged and does not close; needs repair.



Stairway covering damaged and leaning



Basement door has been damaged

Roof

1. Layers:

Layers:

- 1
- Approximate Age:
- Unknown

2. Roof Style

Type:

- Hip and Gable

3. Covering

- Metal

4. How Inspected

- Walked valleys and ridge
- Not fully visible

5. Main Roof

- Appears to be in good condition.
- Observations:
- Trees need to be trimmed away from roof to prevent damage.
- Regular maintenance and inspection advised.
- Observed weathering and moss.



Moss

Trees need trimming

6. Porch Roof

- Location: Detached carport
- Metal roofing

7. Exposed Flashings

Observations:

- Heavy sealant/repair observed at chimney flashing, around all roof vents, and flue pipes.
- Signs of past hail noted at metal flue cap(s).
- Sealant needed around kitchen plumbing vent flashing.



Kitchen plumbing vent

8. Chimney

- Brick

Observations:

- Rain cap/spark screen installed.
- Mortar missing; needs to be repaired/tuckpointed by a professional. Recommend coating brick with a waterproofing sealer.



Missing mortar

9. Other Roof

- Location: Detached carport
- Metal roofing

Observations:

- Garage roof is loose and near/past the end of its lifespan; needs replacement.



Garage roof in poor condition and covered with branches/debris

Plumbing

1. Hose Faucets

Observations:

- Frost free type
- Utilities off, unable to test.

2. Pressure (PSI):

Approximate PSI:

- Water off; unable to test.

3. Waste Lines

Materials:

- Plastic (PVC)
- Cast iron
- Galvanized
- Not fully visible

Observations:

- Notice: City sewer service and all underground pipes are not a part of this inspection. Future drainage performance cannot be determined.
- Utilities off, unable to test.

4. Fuel System

Shut off Valve Location:

- At Meter
- East Side

Observations:

- Not fully visible
- Moderate rust/corrosion
- Near end of lifespan
- Pipes lack proper support and large quantity of abandoned gas line is connected to system; needs full evaluation and repair by qualified plumber.
- Gas line for stove is open; needs to be capped for safety.



Open gas line behind stove

5. Shutoff Location

Observations:

- NE corner of basement
- Meter



Main water shut off

6. Shutoff Condition

Observations:

- Appears serviceable
- Valve was not tested
- Note: Main water line has been disconnected at the meter.

7. Water Heater Location:

- Basement
- Type:
- Natural gas

8. Age of Water Heater

- Age:
- 1997

9. Water Heater Size and Brand

Gallons:

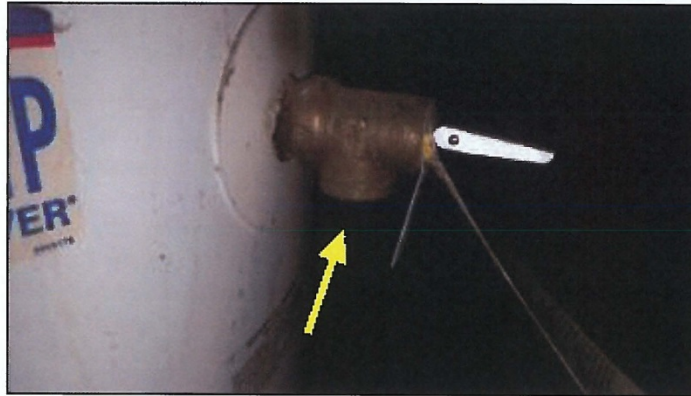
- 40

Brand:

- US/Craftmaster

Observations:

- Combustion air is available
- Vent flue piping is not fully visible
- Shut off valve is missing on the cold water supply above the heater; recommended.
- Heater is at/near the end of its normal life; may need replacing at any time.
- Stains noted around water heater.
- Utilities off, unable to test.
- TPR pipe is missing from valve; needs correction.



TPR pipe is missing from valve.

10. Supply Lines

Materials:

- Galvanized
- Not fully visible

Observations:

- Not fully visible
- Minor corrosion observed
- Near end of lifespan
- Utilities off, unable to test.

11. Material:

Materials:

- Plastic
- Notice: Underground pipes or pipes in walls/foundations cannot be judged for sizing, leaks or corrosion.
- Not fully visible
- FYI: Line has been replaced since original

Observations:

- 3/4" Pipe

Heating

1. Condition

Observations:

- Furnace has been removed; no hear source installed.



Furnace and majority of ductwork has been removed.

A/C

1. Condition

Observations:

- No air conditioning system installed.

Exterior Electrical

1. Observations

- No exterior receptacles were found • Utilities off, unable to test.
- Exposed wire noted near back porch; needs to be removed or properly terminated.



Broken switch at back porch

Exposed wire near back porch

Electrical

1. Service

Description:

- 240V/120V
- Overhead

Size appears to be:

- 100 AMPS
- Not fully visible

Observations:

- Ground clamp/system not visible
- **Trees touch wires; recommend contacting utility company.**



Trees touch wires

2. Main Disconnect

- At the main panel

3. Main Panel 1

Location:

- Basement

Panel Rating:

- 100 AMPS

Observations:

- Defects; see panel notes. Electrical needs evaluation/repair by qualified electrician.
- Near end of lifespan

4. Conductors

Service Conductors:

- Copper

Branch Wire material:

- Copper
- Knob and Tube

Branch wire type:

- Knob and tube wiring observed in several areas - Recommend evaluation/removal by qualified electrician.

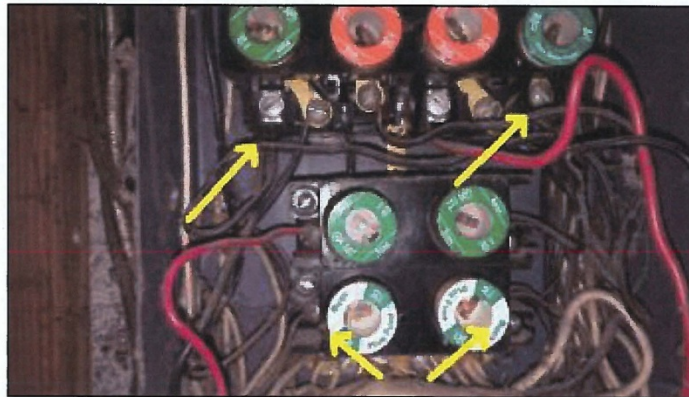
5. Panel Notes

Overcurrent Protection:

- Overcurrent Protection Devices Inspected
- Fuses

Observations:

- Electrical system appears outdated by today's standards
- Labels missing
- No space remains in panel for additional circuits.
- Panel covers have been removed; need replacement.
- Double tapped fuses observed - Need repair by qualified electrician.
- Several 20 amp fuses appear to have been replaced with 30 amp; needs evaluation/repair by qualified electrician.



Double tapped fuses

6. Wiring Notes

Observations:

- Doorbell button damaged; needs repair.
- GFCI protection recommended for kitchen and bathrooms
- Missing globes noted and cover plates noted.
- Utilities off, unable to test.
- Exposed splices in attic need to be put in proper junction boxes
- Exposed splices in basement need to be put in proper junction boxes.



Exposed splice near access

Knob and tube wiring noted



Exposed splice in center of attic

Improper and exposed splice above entry



Outlets and switches missing plates l'm various locations.

Interior

1. Doors (Entry)

Observations:

- Hardware is loose
- Weather stripping is missing
- Glass missing; needs repair.



Missing glass at front door

2. Interior doors

Observations:

- Several doors do not close properly and have loose hardware; need repair.
- Broken glass observed in living room doors; need repair or replacement.



Broken glass in main living area doors.

3. Doors (exterior)

Observations:

- Appears serviceable
- Back door is in poor condition.



Lower dining room window is missing

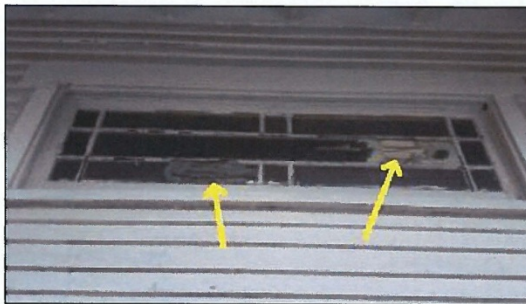
4. Windows

Type of Windows:

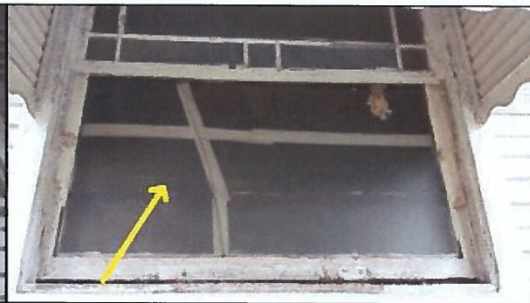
- Wood
- Single Pane
- Single Hung

Observations:

- Several windows appear to be painted shut and would not open.
- Several windows had broken ropes and will not stay open without assistance.
- Several screens were missing/not installed.
- Missing latch hardware noted in various locations.
- Dining room and three basement windows were missing; need replacement.
- Four broken windows noted on mail level of home; need replacement.



Broken window on West side



Broken window on West side



Missing window on back wall of basement

North window on East side is broken



Missing basement window bear back porch.

5. Walls

Materials:

- Plaster

Observations:

- Walls are in poor condition; need full evaluation, touch up and repair.



Moisture stains and cracks

Missing plaster

6. Ceilings

Materials:

- Plaster

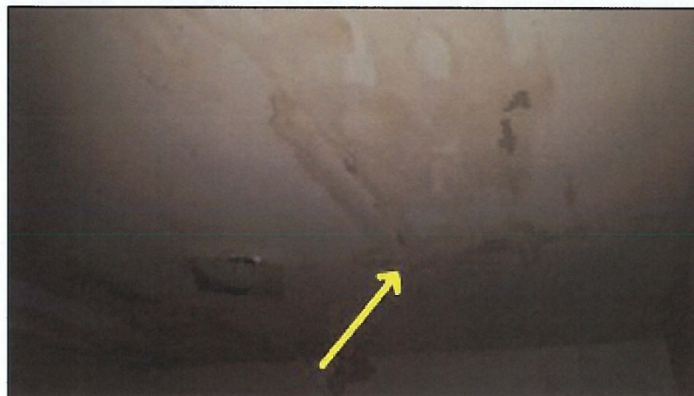
Observations:

- Common cracks
- Some sagging and damaged areas noted; needs full evaluation and repair by qualified contractor.



Dining room ceiling

North bedroom



South bedroom

7. Floors

Materials:

- Wood
- Vinyl

Observations:

- Uneven areas in the floor noted.
- Stained/damaged flooring observed in various areas.
- Wood flooring is due to be refinished.



Dining room floor

Kitchen



NE bedroom hardwood

Living room

8. Additional Interior Features

Observations:

- Ceiling fans not tested
- The security system is beyond the scope of the inspection (not inspected)

9. Smoke Detectors

Observations:

- None found on main level, need detectors added for fire safety.

Fireplace

1. Location

- Living Room

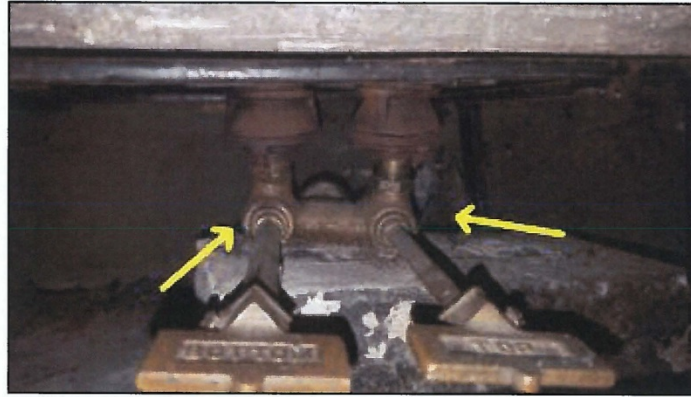
2. Type

- Masonry
- Vented gas logs installed

3. Observations

Observations:

- Gas logs lack pilot and modern safety features; need to be replaced.



Direct gas valves without pilot or automatic shut off.

4. Gas Operational

Observations:

- No accessible shut off valve is provided; it is located in the basement.

5. Damper

Observations:

- Damper spacer needed

6. Fans

Observations:

- N/A - None installed

Fireplace #2

1. Location

- Dining room

2. Type

- Wood stove has been removed

3. Observations

Observations:

- Hearth and woodstove flue pipe noted in dining room; recommend removal.



Stone/concrete hearth in dining room

Kitchen

1. Kitchen (general)

Observations:

- General condition is poor.

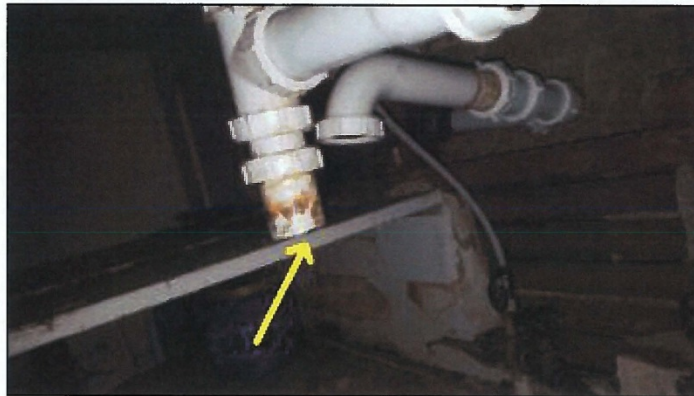


Kitchen is in poor condition overall.

2. Sink

Sink Condition:

- Moisture stains/damage below sink
- Plumbing disconnected below sink.



Trap has been removed

3. Disposal

Observations:

- Near end of lifespan
- Improper wiring noted; splice needs to be put in junction box.



Exposed splice

4. Dishwasher

Observations:

- N/A - None installed

5. Range/Cooktop

Type:

- 240V outlet provided
- Gas shutoff valve is visible

Oven/Cook top Observations:

- N/A None installed

6. Special Features

Observations:

- No exhaust fan provided above the stove.

7. Microwave

Microwave Condition:

- Microwave was not tested.

Attic

1. Access Location

Access Location:

- North bedroom closet

Type:

- Full
- Access restricted, not fully visible.

2. Rafter Frame:

- Rafter framing
- 2x4
- Joist framing
- 2x4
- 2x6
- Not fully visible

3. Observations

- Entered
- Vents provided
- Roof structure has solid 1x decking.
- Moisture stains observed on roof structure in various locations indicating past leaks (Dry today).
- Access too small, needs correction.



Bucket indicating past leak

View of attic looking North from above living room.

4. Insulation

Type:

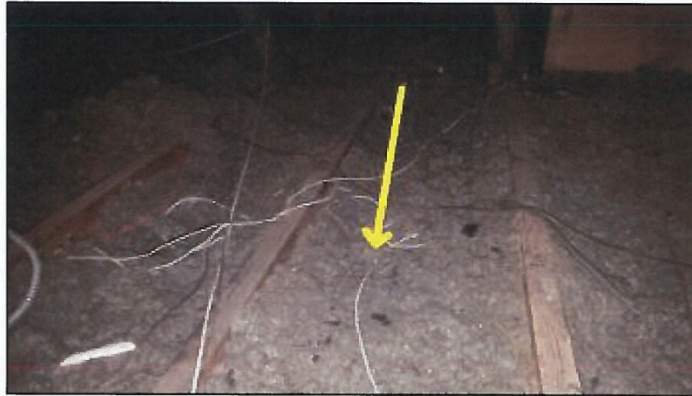
- Cellulose

Approximate depth:

- 4-6"

Observations:

- Attic is poorly insulated; all joists are visible. Recommend adding insulation for energy efficiency.



Attic poorly insulated

Garage

1. Type

- Detached carport

2. Floor

Observations:

- Dirt floor

3. Walls/Ceiling

Observations:

- Not fully visible
- Moisture damage noted; Minor repair needed in various areas.
- Wood to earth contact observed; may provided direct access for termites.



Worn paint on exterior

4. Electrical

Observations:

- GFCI protection recommended for garage circuit
- Improper wiring
- Garage electrical is connected to a damaged power cord; needs to be removed or properly wired by a licensed electrician.



Cord with exposed splice powers garage

5. Comments

- Belongings noted/not fully visible.

Laundry

1. Laundry Plumbing

Observations:

- Dryer vent is not provided (Hole on metal panel installed in basement window).
- Plumbing was not tested
- 240 volt outlet for the dryer provided

Hall Bath

1. Vent/Heat

Observations:

- Exhaust fan installed. (Not tested)
- Window operates.

2. Sink

Observations:

- No shutoff valves installed below sink, consider correction.
- **Drain disconnected**

3. Toilet

Observations:

- **None installed**

4. Bathtub

Observations:

- Tub stopper is missing; needs replacement.
- Tub is damaged/chipped; needs repair.

5. Shower

Observations:

- Caulking needed at corners.

A1 Home Inspection
Property Inspection Report



1365 E Cherry St, Springfield, MO 65802
Inspection prepared for: Elm House LLC
Date of Inspection: 8/18/2016 Time: 9:30 a.m.
Age of Home: 1920 Size: 1,614 +/- (Multiple additions)
Weather: Partly cloudy and 74 degrees

Inspector: Jason Cardoza
Termite license #N6903
2857 S Chantilly, Springfield, MO 65804
Phone: 417-844-7094
Email: jcardoza@jcardoza.com
<http://facebook.com/A-1Inspection>

Report Summary of Defects

Grounds

Page 4 Item: 4	Exterior Stairs Condition	• Signs of settlement and loose footing observed; steps/deck to unit 3 need full evaluation and repair by qualified contractor. • Glass at level of steps up to unit 3; needs to be protected by rail and spindles for safety.
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Foundation

Page 8 Item: 2	Foundation	• Cracks, deterioration and minor displacement noted on the foundation walls; recommend evaluation, sealing and parging by a qualified foundation contractor.
Page 10 Item: 3	Floor Construction	• Some spotty mold growth was observed on the floor structure in a few areas particularly in the Western portion; needs full evaluation and cleaning/removal by a qualified mold contractor.

Basement Stairs

Page 10 Item: 1	Basement Stairs	• Stairway is not full width, does not reach handrail and step rise is higher than recommended. Stairway needs full evaluation and repair by qualified contractor.
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Roof

Page 12 Item: 7	Exposed Flashings	• Counter flashings at the chimney flashings are improper and loose; needs securing/repair.
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Plumbing

Page 13 Item: 1	Hose Faucets	• Both hose faucets leak from the handles under pressure; need repair/replacement.
Page 14 Item: 3	Waste Lines	• Several leaks noted on waste lines south of the furnace in the basement; needs full evaluation and repair by qualified plumber.
Page 14 Item: 4	Fuel System	• Heavy rust/corrosion noted at gas main; needs evaluation/repair.

Heating

Page 16 Item: 1	Air Filters	• Filters are the wrong size; too short; needs replacement.
Page 17 Item: 6	Condition	• Furnace is the original unit and well beyond its normal life, may need replacement. Recommend full evaluation by qualified HVAC technician.

A/C

Page 19 Item: 1	Condition	• AC unit at front of unit three is not functional; needs to be removed or replaced.
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Exterior Electrical

Page 20 Item: 1	Observations	• Indoor type switch installed on NW corner; needs replacement with water proof type.
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Electrical

Page 21 Item: 1	Service	• Trees touch wires; recommend contacting utility company. • Wires: Exposed connections noted; recommend correction by utility company.
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Page 21 Item: 3	Main Panel 1	• Main service line between roof and meter appears too small for 200 amp panel; needs evaluation by licensed electrician.
Page 22 Item: 4	Conductors	• Deteriorated knob and tube wiring observed in several areas - Recommend evaluation/removal by qualified electrician.
Page 22 Item: 5	Panel Notes	• Seven breakers must be turned off to disconnect power, no more than six are allowed; needs correction. • Missing bushing/clamp on wires; needs correction.
Page 23 Item: 6	Wiring Notes	• An extension cord has been permanently installed at kitchen counter on unit 2; needs replacement with proper outlet.
Interior		
Page 24 Item: 3	Windows	• Observed cracked glass at SE basement window and above kitchen sink in Unit 2; need replacement.
Page 26 Item: 7	Additional Interior Features	• Ceiling fan in front bedroom of unit 3 did not operate; needs repair/replacement.
Kitchen		
Page 27 Item: 2	Sink	• Faucet drips; needs repair. Unit 2 • Drain pipe is missing a fitting below sink. Unit 3
Page 27 Item: 4	Range/Cooktop	• Front left burner would not light in; needs repair. Unit 2
Unit 2 Bath		
Page 29 Item: 2	Sink	• Slow draining; needs to be serviced by a plumber. Unit 2
Page 29 Item: 3	Toilet	• Toilet tank is loose and cover is improper size; needs repair. Unit 2
Unit 3 Bath		
Page 30 Item: 3	Toilet	• Toilet is a little loose at the floor; needs repair by qualified plumber. Unit 3

Inspection Details

1. House faces:

Direction: South

2. Notes

Materials: Red Items need evaluation/repair by a qualified contractor., Black items warrant your review and some of these items may need repair/attention. Recommend evaluation/repair/correction by a qualified professional., Additional information/details are provided in picture captions as well., Mold or air quality testing is not a part of this inspection., Pictures may be representative and may not show all effected locations or defects., Unit 1 was in poor condition overall , Unit 2 was in the best condition, Unit 3 was in moderate condition

3. Home Type

- Multi Family

4. Occupancy

- Unit 1 Occupied - Furnished: Heavy volume of furnishings and household items observed.
- Unit 2 Vacant
- Unit 3 Occupied with partial furnishing
- Access to some items such as: electrical outlets, windows, doors, cabinet interiors, floor, walls may be restricted due to personal belongings or furniture. Any such items are excluded from the inspection.

5. Additions

Addition:

- Older house appears to have had multiple additions and renovations over it's lifespan.

6. Attendance

In Attendance:

- Tenants

Grounds

1. Drive Observations:

Materials:

- Concrete
- Gravel

Observations:

- Appears serviceable
- Deterioration noted at concrete section near street.

2. Sidewalk Observations

Materials:

- Concrete

Observations: Common cracks , Deteriorating surface (spalling), Near the end of its lifespan (section near street).

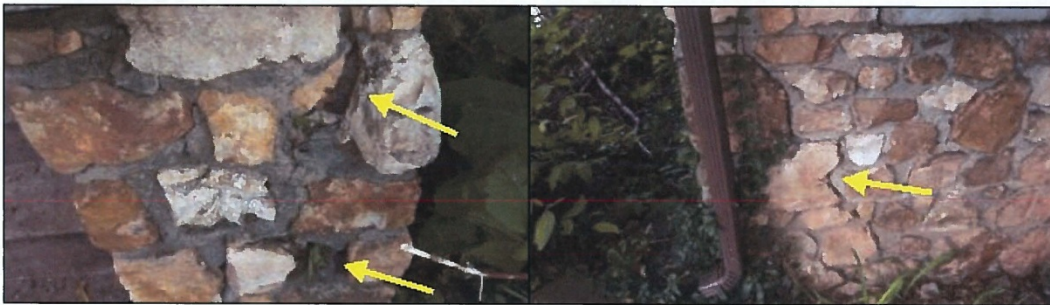
3. Porch

Location:

- Front Porch

Observations:

- Stone and mortar missing in various locations; needs full evaluation and repair by qualified mason.
- Common cracks
- Railing too low at porch (relative to home's age).
- Areas of spalling/deterioration observed.
- Flaking paint noted on concrete and wood surfaces.



Stone missing at front steps

Cracked mortar on East side

4. Exterior Stairs Condition

Location/Materials:

- Back Deck
- Front porch
- Side
- Wood
- Concrete

Observations:

- Steps and handrail are in poor condition; need replacement.
- Handrail recommended at front and NW steps for safety.
- Footings are improper/temporary - Recommend correction with proper poured footing.
- Signs of settlement and loose footing observed; steps/deck to unit 3 need full evaluation and repair by qualified contractor.
- Glass at level of steps up to unit 3; needs to be protected by rail and spindles for safety.



Missing footing below stairway - Unit 3

Improper/temporary footing



Landing has settled - Unit 3

Handrail missing at back steps



Glass level with steps

5. Deck

Location:

- Rear
- Side

Observations:

- The decks due to be sealed/painted and routine maintenance needed.



Back porch needs maintenance

Exterior

1. Exterior Walls

Construction:

- Wood frame

Type:

- Wood siding

Observations:

- Appears serviceable



Fire escape ladder noted on East side

2. Trim

Materials:

- Wood

Observations:

- Observed flaking/worn paint on wood trim; needs to be sealed/painted to prevent further deterioration.
- Eave damage noted, partially above door to unit three.



Deterioration above door to unit three

Deteriorated paint and trim below air conditioners.

3. Gutters and Downspouts

Installed:

- Partial

Observations:

- Sections of gutter guards are missing, gutters are filled with debris and need cleaning for proper drainage.
- Downspout are nearing the end of normal life, consider replacement.
- Damaged/missing downspout elbow noted at NE corner.



Missing downspout elbow

Missing gutter guard at SE corner

Foundation

1. Grading/Drainage

Grading:

- Slope minor

Observations:

- Extend downspouts for improved drainage and control of roof water.
- Recommend adding soil around foundation to improve drainage.
- Some erosion noted from water running over the guttering.



Erosion from overflowing gutter at back of home

2. Foundation

Type:

- Basement

Materials:

- Poured Concrete
- Wood Columns
- Metal Column(s)

Observations:

- Trees planted close to structure, not recommended as roots may cause damage to foundation.
- Evidence of past/present water in basement; recommend full evaluation/repair by qualified foundation contractor.
- Typical cracks in basement floor slab.
- Cracks, deterioration and minor displacement noted on the foundation walls; recommend evaluation, sealing and parging by a qualified foundation contractor.



Crack at SE corner (1/2" displacement)

Deterioration on foundation walls, west side pictured.



Small crack in SW corner of basement/crawlspace

Stains/fungal growth on SE stem wall.



Signs of moisture penetration at NE corner (below downspout)

3. Floor Construction

Type:

- Joists
- 2x10
- Not fully visible
- Conventional wood framing

Observations:

- Anchor bolts were not found.
- Wood to earth contact noted near electrical panel; recommend correction. (Prone to deterioration and may attract termites.)
- Moisture stains/damage noted on floor structure in various locations.
- **Some spotty mold growth was observed on the floor structure in a few areas particularly in the Western portion; needs full evaluation and cleaning/removal by a qualified mold contractor.**



Fungal growth and damaged subfloor in NW portion of basement

Fungal growth below SW window

Basement Stairs

1. Basement Stairs

Observations:

- Lock is broken on door to basement stairway.
- Ceiling height is too low on steps to the basement.
- **Stairway is not full width, does not reach handrail and step rise is higher than recommended. Stairway needs full evaluation and repair by qualified contractor.**



Interior stairway has been removed and door locked with deadbolt

Basement stairway handrail is improper

Roof

1. Layers:

Layers:

- 1

Approximate Age:

- Unknown
- 10-15 years

2. Roof Style

Type:

- Gable

3. Covering

- Composition Shingles
- Laminated (30 year type)

4. How Inspected

- Walked valleys and ridge
- Not fully visible

5. Main Roof

- General condition favorable, with signs of weathering and aging; regular maintenance and inspection advised.

Observations:

- Waves noted in roof structure
- Trees need to be trimmed away from roof to prevent damage.
- General condition favorable, with signs of weathering and aging; regular maintenance and inspection advised.
- Observed blistering/granular loss.
- Observed weathering and moss on north side and in shaded areas.
- Observed slight signs of past hail.



Moss below trees

Trees touch roof



Granular loss and wear

Waves in roof structure at front porch

6. Porch Roof

Observations:

- Appears serviceable

7. Exposed Flashings

Observations:

- plumbing flashings appear serviceable
- Not fully visible
- Caulk noted at electrical mast
- Heavy patching/repair observed at chimney flashing.
- Counter flashings at the chimney flashings are improper and loose; needs securing/repair.



Improper and loose flashing at front chimney

8. Roof Notes

- Roof appears to be near the halfway point of its normal life.

9. Chimney

- Brick
- Stone (Front Chimney)
- X 2

Observations:

- Appears serviceable
- Rain cap/spark screen installed.
- Not fully visible due to height; recommend full evaluation by qualified chimney sweep.

Plumbing

1. Hose Faucets

Observations:

- Both hose faucets leak from the handles under pressure; need repair/replacement.



Front faucet leaks under pressure



Rear faucet leaks

2. Pressure (PSI):

Time of pressure test(Approx.):

- 10:00 AM

Approximate PSI:

- 75

3. Waste Lines

Materials:

- Plastic (PVC)
- Cast iron
- Not fully visible

Observations:

- Not fully visible
- Notice: City sewer service and all underground pipes are not a part of this inspection. Future drainage performance cannot be determined.
- Main sewer clean out located at back of home
- Several leaks noted on waste lines south of the furnace in the basement; needs full evaluation and repair by qualified plumber.



Several unions leak in basement.

Moisture on floor and pipe below toilet south of furnace.

4. Fuel System

Shut off Valve Location:

- At Meter
- West Side

Observations:

- Near end of lifespan
- Heavy rust/corrosion noted at gas main; needs evaluation/repair.



Heavily deteriorated main gas line

5. Shutoff Location

Observations:

- East side of basement



Main water shut off

6. Shutoff Condition

Observations:

- Appears serviceable
- Valve was not tested

7. Water Heater Location:

- Basement
- Type:
- Natural gas

8. Age of Water Heater

Age:

- 1989

9. Water Heater Size and Brand

Gallons:

- 50

Brand:

- State

Observations:

- Unit operated normally today
- Combustion air is available
- TPR valve installed on tank
- Vent flue piping is serviceable
- Shut off valve is missing on the cold water supply above the heater; recommended.
- Heater is at/near the end of its normal life; may need replacing at any time.
- Stains noted around water heater (Dry today) - Recommend monitoring

10. Supply Lines

Materials:

- PEX (Small section)
- Galvanized
- Not fully visible

Observations:

- Minor flow restriction when using more than one fixture.
- Evidence of prior repairs
- Minor corrosion observed
- Near end of lifespan

11. Material:

Materials:

- Galvanized
- Notice: Underground pipes or pipes in walls/foundations cannot be judged for sizing, leaks or corrosion.
- Not fully visible
- Main water line is at/near the end of its normal lifespan.

Observations:

- 3/4" Pipe

Heating

1. Air Filters

Observations:

- Filters are in the blower compartment.
- Filters are dirty and in need of replacement.
- Filters are the wrong size; too short; needs replacement.

