

# EXCLUSIVE MULTI-FAMILY OFFERING

1013 BENTON BLVD | KC, MO 64127 | 13 UNITS | VACANT FIRE BUILDING | REDEVELOPMENT OPPORTUNITY



## TUSCAWARA

OFFERING MEMORANDUM

MARKETED BY : BRICE BRADSHAW

PROPERTY DETAILS : 13 UNITS - 3-STORY COMPLEX

UNIT MIX : 1-BEDROOM & 2-BEDROOM UNITS

STATUS : VACANT BUILDING DUE TO FIRE (AUGUST 2019)

PRICE : \$200,000

ZONING : R-1.5 ; OPPORTUNITY ZONE (29095001800)





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## PROPERTY DESCRIPTION

The Tusawara is a VACANT 13-unit low-rise apartment complex located in the Historic Northeast section of Kansas City, Missouri. Built in 1902, the building features large balconies and rear porches, a brick exterior and secured entrances. The property has a unit mix of 7 two-bedroom / one-bathroom units and 6 one-bedroom / one-bathroom units. The two-bedroom units have an approximate unit size of 900 sf (+/-) and the one-bedrooms have an approximate unit size of 700 sf (+/-). The common area hallways highlight the building's original woodwork, staircases, landings and doors. The Tusawara is individually metered for electric and has a central boiler system for heat and central hot water. The basement offers a designated laundry room and can be accessed at the rear of the building.

In August of 2019, the property experienced a fire putting all units out of service. 5 total units were directly impacted by the fire, 3 of which had severe fire/smoke damage and an additional unit experienced water damage. The remaining 7 units were taken out of service due to the fire but were not directly impacted by fire or water damages. Currently the property is 100% vacant and is fenced off/boarded up. The non-damaged units are in need of full make readies to be put back into service, while the fire/water impacted units are in need of major rehab. The property presents a unique redevelopment opportunity to investors providing an open canvas to start rehab work as desired.

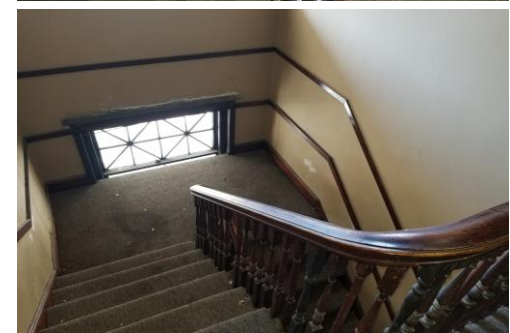
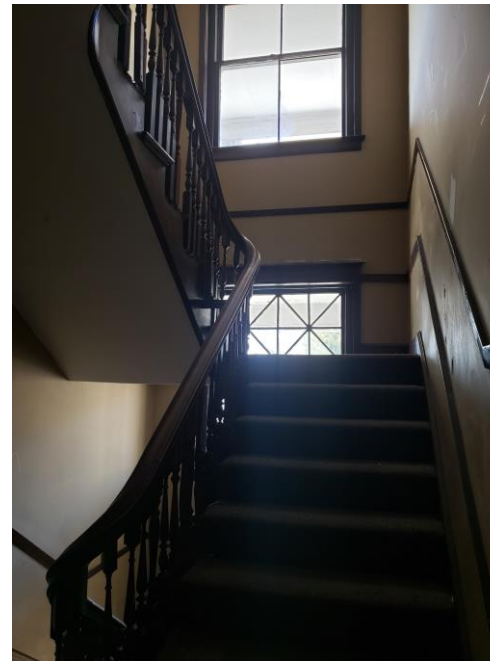
## NEIGHBORHOOD DESCRIPTION

The complex sits one block west of Whittier Elementary School within a designated Opportunity Zone on a major street, Benton Boulevard. The Opportunity Zone program provides tax incentives for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones. The property is located just east of Downtown KC with easy access to I-70 and I-35, and is within several blocks of St. John Park & Fountain, the John F. Kennedy Memorial, the Kansas City University of Medicine and Biosciences and the Kansas City Museum. Attractions in the immediate area include the Negro Leagues Baseball Museum, the American Jazz Museum and the historic Gates & Arthur Bryant's barbecue. The Northeast section of Kansas City, Missouri has seen a great deal of rehabilitation and revitalization over the last 10 years and many very large turn of the century homes are located in this section of the city. The Kansas City University of Medicine has undergone a \$60 million expansion plan highlighted by a new 56,000 sf medical simulation building. The new expansion building is set to open in 2020 and KCU maintains one of the largest medical schools in the nation by enrollment.

OFFERING & PROPERTY SUMMARY	
ASKING PRICE	\$200,000
TERMS	Free & Clear
ADDRESS	1013-1019 Benton Boulevard Kansas City, Missouri 64127
COUNTY	Jackson County
NEIGHBORHOOD	Lykins
YEAR BUILT	1902
FIRE	August 2019 (VACANT BUILDING)
STORIES	3
CONSTRUCTION/EXTERIOR	Low-Rise Building with Brick Exterior, Stone Foundation and Flat Roof
GROSS BUILDING AREA	15,477 sq. ft. (previous appraisal)
SITE AREA	0.15 acres or 6,617 sq. ft. (previous appraisal)
NET RENTABLE AREA	10,500 sq. ft. (previous appraisal)
ZONING	R-1.5 / Opportunity Zone (29095001800)
OCCUPANCY	0% - VACANT due to Fire
# OF UNITS	13
2-BEDROOM 1-BATHROOM	7
AVERAGE UNIT SIZE	900 sq. ft +/- (previous appraisal)
1-BEDROOM 1-BATHROOM	6
AVERAGE UNIT SIZE	700 sq. ft. +/- (previous appraisal)

UTILITIES & AMENITIES SUMMARY	
METERING	Separate Electric
HEAT	Central Boiler
HVAC	NO
HOT WATER	Central Boiler
ENTRY	Secured
LAUNDRY	Dedicated basement laundry
PARKING	Street Parking





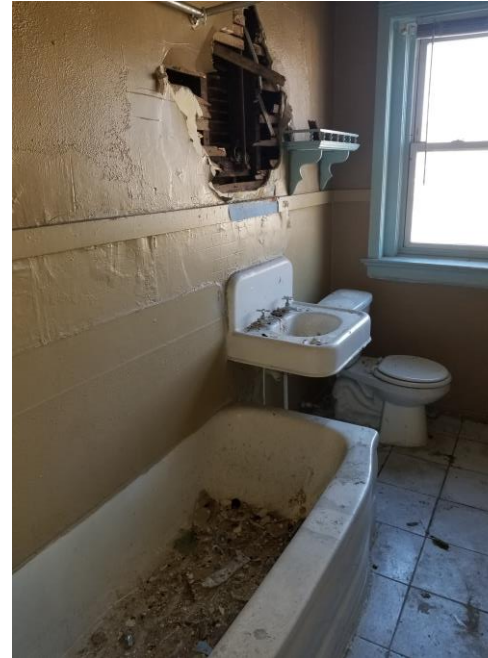
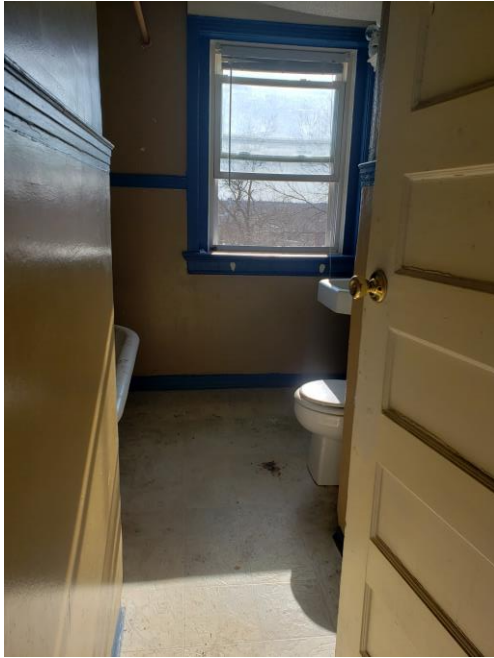












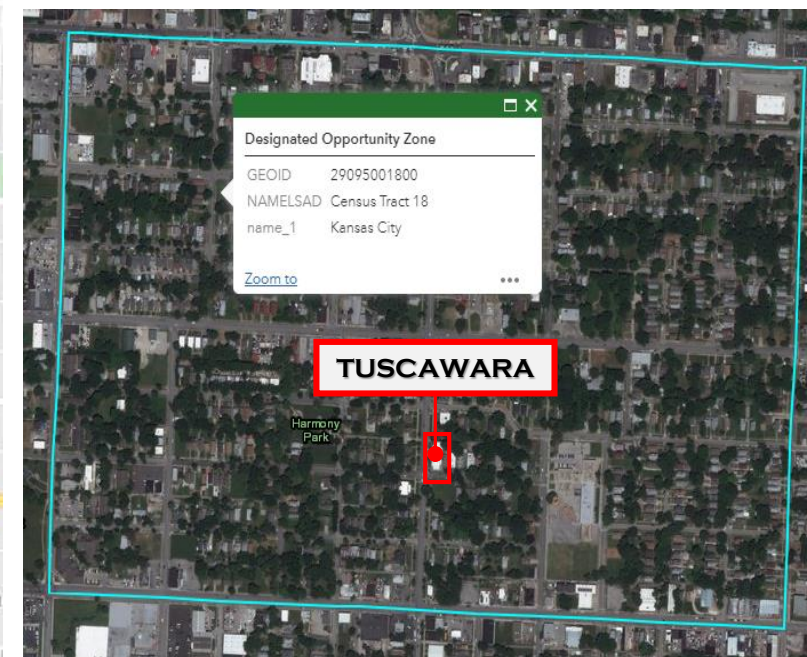
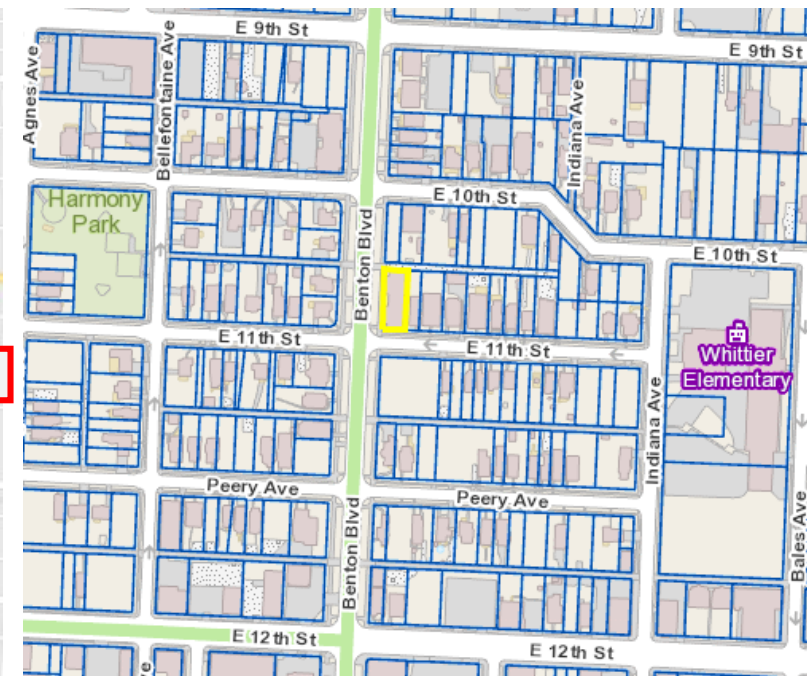
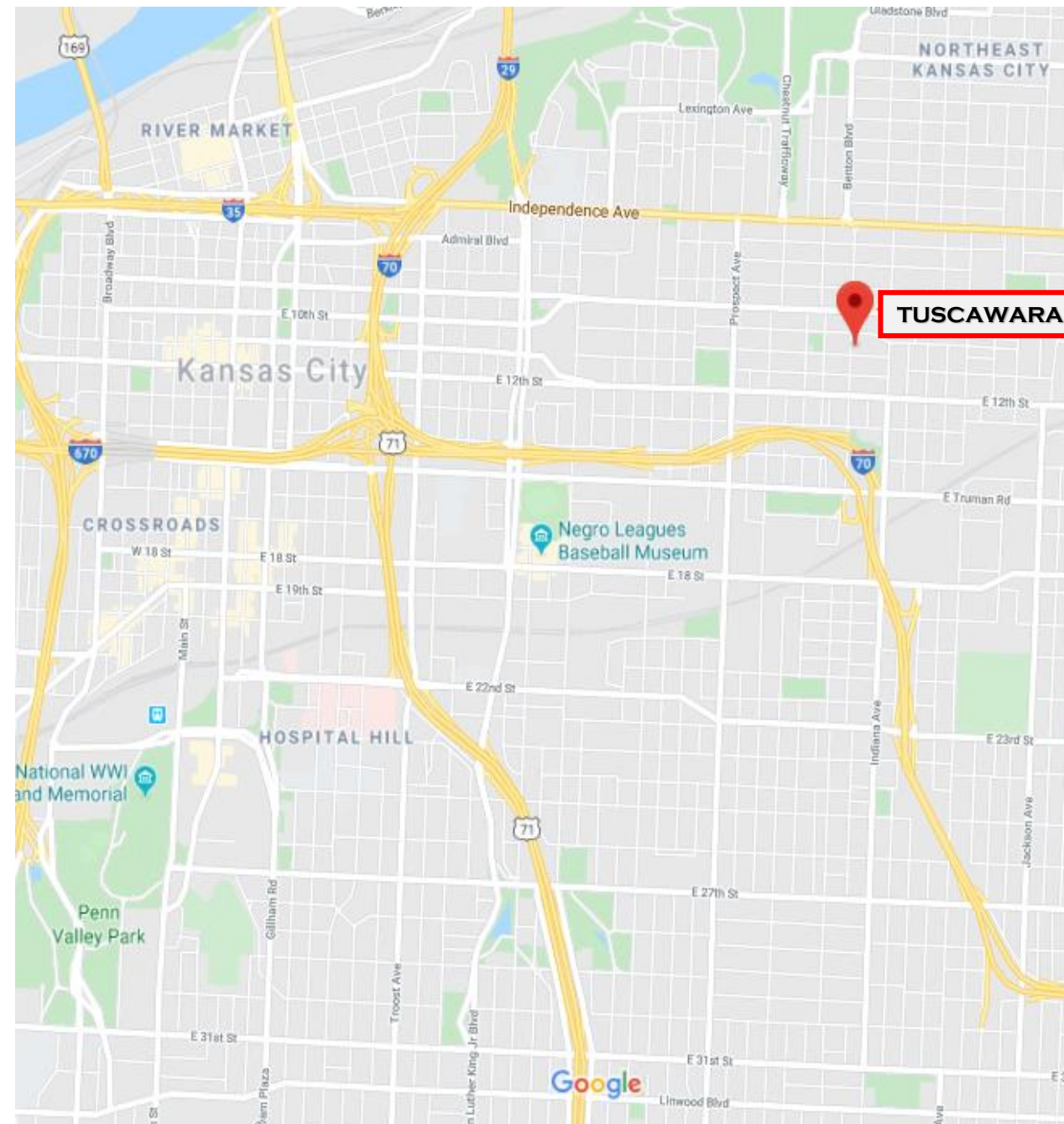




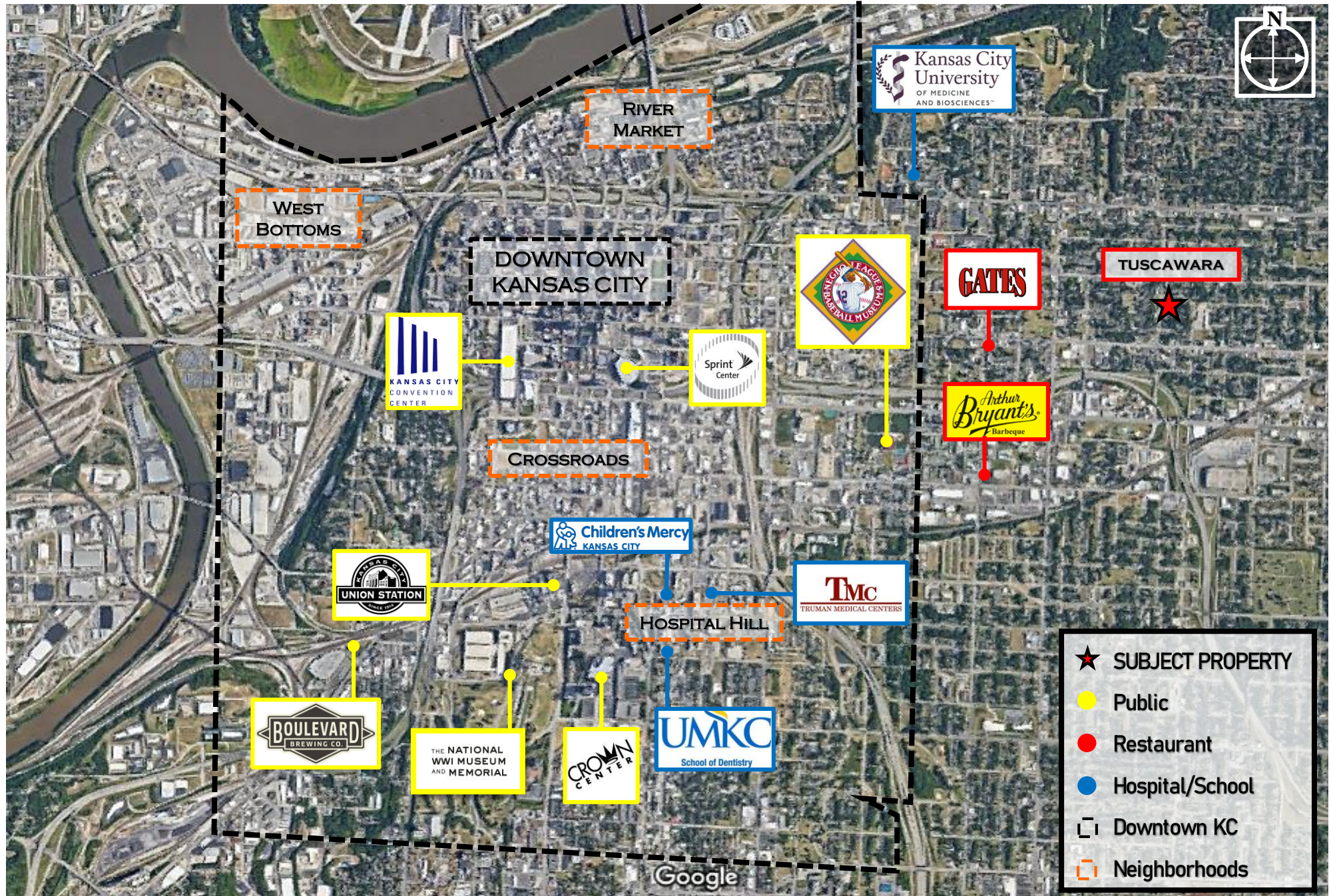
















ARTHUR BRYANT'S



KANSAS CITY UNIVERSITY-MEDICINE



GATES BBQ



DOWNTOWN KANSAS CITY



NEGRO LEAGUES BASEBALL MUSEUM



The Kansas City Metropolitan Area is home to 2.1 million people and is dissected North to South by the Kansas and Missouri State Line. U.S. News recently analyzed 100 cities in the United States to try and find the best places to live based on quality of life and the job market in each city, as well as the value of living there and people's desire to live there. Kansas City ranked #49 on the list and continues to gain attraction throughout the country. The Huffington Post recently named Kansas City as the "Coolest" City in America and, for the fifth year in a row, named Kansas City the #1 affordable getaway. In Travel + Leisure's "America's Favorite Places" survey, readers voted Kansas City #24 while the Culture Trip voted Kansas City as one of the "12 Best U.S. cities for culture." Kansas City is famous for its musical heritage and has been a great jazz city since the 1930's. The history of the city's music and art heritage can be explored at the American Jazz Museum, the Kauffman Center, the Kemper Museum of Contemporary Art and the Nelson-Atkins Museum of Art. The Nelson-Atkins Museum of Art was named the #1 best museum in the U.S. by both *USA Today* and Yelp. Additionally, Yelp's #5 best museum in the country went to the National WWII Museum & Memorial, the only WWII museum in the country.

ZipRecruiter, an online job platform, concluded that Kansas City is the 4th best metro area in the country to find a job in 2017. The Kansas City area is home to such companies as: Hallmark, H&R Block, Black & Veatch, Seaboard, DST Systems, Russell Stovers, Garmin and Sprint. Kansas City is also home to an expanding Biotechnology Industry including the Stowers Institute for Medical Research, the Kansas Life Sciences Innovation Center, the Biotechnology Development Center, XenoTech and Proteon Therapeutics. Forbes ranked Kansas City as the 3<sup>rd</sup> best city for renters out of 46 cities because they have the most investor interest, while also declaring Kansas City to have the best "rental affordability" among the 46 city list. WalletHub reaffirmed Forbes lofty ranking by putting Kansas City in its Top 50 for "Best Real-Estate Markets" for large cities. The General Motors Fairfax facility in Kansas City, Kansas is ranked as the most productive auto assembly plant in North America (HARGOUR CONSULTING REPORT). The recently expanded Ford Motor assembly plant in Kansas City builds the popular F-150 pickup truck and the Hybrid, Ford Escape. Kansas City also has a large Harley Davidson assembly plant near the airport. Kansas City is the second largest U.S. railroad hub in terms of volume (measured in units) and the biggest in terms of tonnage. The area is also home to YRC Worldwide, the largest trucking company in the nation.

For the sports fan, the Kansas City area has it all including the NFL's Chiefs, MLB's Royals, MLS's Sporting Kansas City, the T-Bones a minor league baseball team, several of the finest golf courses in the United States, the Kansas Speedway one of NASCAR's newest tracks, the College Basketball Hall of Fame and much more. Kansas City is home to Schlitterbahn Waterpark near the Kansas Speedway and is home to Worlds of Fun, Oceans of Fun and the Great Wolf Lodge, which are all large entertainment parks and destinations. Education is also an integral piece of the Kansas City metropolitan area. The area has a number of major colleges and universities such as the University of Kansas, Kansas University Medical Center, the University of Missouri Kansas City and Rockhurst University along with many others. The area is proud to have 3 of the top 10 Public School Districts in the United States.



**SAMPLE PRO-FORMA RENT ROLL**

UNIT TYPE	UNIT SF	PRO-FORMA MARKET RENT	ANNUAL RENT	RENT PER SF
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
2x1	900 +/-	\$650	\$7,800	\$0.72
1x1	700 +/-	\$525	\$6,300	\$0.75
1x1	700 +/-	\$525	\$6,300	\$0.75
1x1	700 +/-	\$525	\$6,300	\$0.75
1x1	700 +/-	\$525	\$6,300	\$0.75
1x1	700 +/-	\$525	\$6,300	\$0.75
1x1	700 +/-	\$525	\$6,300	\$0.75
13	10,500 +/-	\$7,700	\$92,400	\$0.74

**SAMPLE PRO-FORMA FINANCIAL BREAKDOWN**

<b>GROSS SCHEDULED INCOME - Pro-Forma Rents</b>	<b>\$92,400</b>	<b>% GSI</b>	<b>PER UNIT</b>
VACANCY & CREDIT LOSSES	\$6,930	7.50%	\$533
OTHER INCOME	\$1,300	1.41%	\$100
<b>ADJUSTED GROSS INCOME</b>	<b>\$86,770</b>	<b>% AGI</b>	<b>PER UNIT</b>
ACCOUNTING & LEGAL	\$650	0.75%	\$50
ADVERTISING	\$350	0.40%	\$27
REPAIR & MAINTENANCE	\$11,895	13.71%	\$915
CLEANING, LAWN, PEST & SNOW REMOVAL	\$2,400	2.77%	\$185
MANAGEMENT	\$7,809	9.00%	\$601
UTILITIES	\$14,300	16.48%	\$1,100
INSURANCE	\$3,900	4.49%	\$300
PROPERTY TAX	\$5,210	6.00%	\$401
REPLACEMENT RESERVES	\$2,600	3.00%	\$200
<b>TOTAL EXPENSES</b>	<b>\$49,114</b>	<b>56.60%</b>	<b>\$3,778</b>
<b>NET OPERATING INCOME</b>	<b>\$37,656</b>		<b>\$2,897</b>

This sample property pro-forma assumes the completion of a rehab with all units back in service and full occupancy at the stated projected rental rates. Our pro-forma assumes static vacancy (7.5%) and management (9.0%) charges. For our CAP rate calculations, we added replacement reserves of \$200 per unit to account for expenditures.



## SOURCES OF INFORMATION

This offering memorandum was prepared by the Broker solely for the use of perspective purchasers of the property. Neither the Owner nor Broker makes any representation or warranty as to the completeness or the accuracy of the material contained in this offering memorandum. All information is based on surveys, public records and old appraisals. The financial summary includes assumptions, which represent a projection of future events and assumptions which may or may not occur. Absolutely no tax or legal advice is being implied or given. These projections may not and should not be relied upon to indicate results, which might be obtained. Income collected and expenses incurred will vary depending upon the type of management employed. Therefore, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in this purchase, and Reece Commercial/KCCommercial.net makes no warranty as to the accuracy of such information. Interested persons are expected to acquaint themselves with the property and arrive at their own conclusions as to physical condition, number and occupancy of revenue producing units, estimates of operating costs, tax matters, and any factor having to do with the valuation of property. All information outlined in this offering memorandum was obtained from a number of sources, including but not limited to the following:

- ❖ The Jackson County Assessor's Office and online databases
- ❖ The City of Kansas City, Missouri
- ❖ Loopnet, CoStar, and Multiple Listing Services (MLS)
- ❖ Market participants and property managers familiar with the market area
- ❖ Public records, surveys, and appraisals

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