

Cargo Largo Project Overview for City of Independence

RMC/Cargo Largo is once again pursuing the development of a new, consolidated operations facility and corporate headquarters in Independence, Missouri. While the project is similar to that approved immediately prior to the recession, it has been revised to accommodate operating needs driven in large part by the explosive growth of the e-commerce and its impact on shipping. Ownership is concurrently speaking with the State of Missouri and City of Independence regarding economic incentives necessary to complete this project. RMC is pursuing an aggressive timetable as part of its business needs with the intent to begin construction in early summer, 2021.

Cargo Largo provides management and disposition of undelivered and excess inventory originating from the transportation, distribution and retail supply industry. RMC re-distributes goods in three primary ways: redirecting undeliverable/unidentifiable shipments to their intended destination, distributing to commercial, industrial and wholesale buyers, and selling at retail prices to the public. Each of these efforts requires similar initial steps analogous to light manufacturing: receipt, inventory, evaluation, sortation, assembly or other processes which enhance the value of products as they progress through the operation.

RMC intends to build a 524,672 +/-SF facility on ~30 acres north of the proposed 33rd St and current Cargo Largo retail store. The proposed facility will house a new retail store (~75,000 SF) as well as corporate headquarters offices (~10,000 SF) and processing/warehousing/distribution (~446,000 SF). In addition, the facility is intended to have ~60,000 SF of mezzanine processing to maximize cube efficiencies. The state-of-the-art facility has 36' clearance for high cube warehouse and distribution, insulated tilt concrete walls with glass not only on the retail store but also around the perimeter to provide interior daylight. The building will have gray coloring with dark gray and blue accent panels as well as raised cornices and multiple relief on the south and east elevations to help break up the façade.

The new development will include multiple public improvements which also benefit the Noland Road corridor: the connection of Weatherford Road to the Lynn Court cul-de-sac; installation of 33rd Street from Noland Road west to the Lynn Court/Weatherford Road extension, ingress/egress improvements to Truman High School, a southbound right-turn lane and northbound left-turn lane to 33rd St. and Noland Road intersecting railroad signalization improvements. As part of the revision of the project it is necessary to replat the property to address the minor realignment for Weatherford and 33rd street to be built in the project.

This new facility will consolidate three existing RMC facilities: a 76,349 SF retail facility at 13900 E. 35th St., 20,000 SF warehouse at 3123 Weatherford Road and 311,000 SF corporate offices and processing/warehousing/distribution center (presently located outside of Independence). If RMC were

to consolidate operations today in the City of Independence, it would add ~220 full-time employees and \$6.5M of taxable revenue. Total budget for the project is estimated at \$40.5M: facility and site improvements of ~\$31.8M, public improvements of ~\$3.7M and FF&E of ~\$5M. In its first full year of operation (2020), RMC expects to employ ~ 320 people generate ~\$26M in annualized taxable revenue.

Once the new project (phase 1) is in place and fully operative it is the owner's intention as phase 2 to redevelop/reposition the current Cargo Largo retail store to its highest and best use. Also, as part of phase 2 development, it is the owner's intention to develop the remaining sites (one west of Weatherford road and two or possibly three sites south of 33rd street) as office/warehouse and retail pad sites respectively. The timing a ultimate use of these sites will be market driven.