

Tax Increment Financing Commission



Policy & Procedures Handbook

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** - The Developer Application document will have applicable policies attached as exhibits

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TAX INCREMENT FINANCING SUMMARY

- I. Tax Increment Financing (TIF) is a financing/development tool that allows for new increments of tax revenues resulting from a specified redevelopment above past taxes on the property (Payments in Lieu of Taxes (“PILOTS”) and Economic Activity Taxes (“EATS”) to be used to pay for approved project-related costs, infrastructure and capital improvements.

- II. Projects using TIF must have plans approved by both the Tax Increment Financing Commission and the Kansas City, Missouri City Council. Missouri Statute requires that TIF projects be only redevelopment projects, which would not reasonably be expected to develop without the assistance of TIF (often referred to as “but for”). TIF projects also require that the area be determined by the city or county to be either a “blighted” area, “conservation” area or an “economic development” area.

- III. Specifics of Tax Incentive
 - A. Revenue Source
 1. Payment in Lieu of Taxes (PILOTS): Property tax rates are frozen for a term not to exceed 23 years per project. Increases in city and county taxes due to new construction, rehabilitation and infrastructure improvements associated with the TIF Plan are redirected. Property owners make PILOTS in an amount equal to the tax redirection granted. These funds are deposited in a special allocation fund.
 2. Economic Activity Taxes (EATS): 50% of new sales, earnings, profits, utility and food and beverage taxes generated by the redevelopment in the area are deposited in a special allocation fund.

 - B. Reimbursement of Redevelopment Project Costs
 1. Reimbursable redevelopment project costs include the costs of studies, surveys, plans and specifications, land acquisition, and preparation, professional servicemen costs and fees, and construction costs of both public and private improvements.

 - C. Bonds
 1. The TIF Commission may also issue obligations up to 23 years to pay for Redevelopment Project Costs.

 - D. Power of Eminent Domain

1. The municipality or county's condemnation powers can be used in a TIF area to acquire property for use by a private developer implementing a project contemplated in the TIF Plan.

IV. Procedure

A. Steps

1. A proposal for redevelopment is presented to staff by a proponent (developer, landowner, council person, etc.).
2. After preliminary review, the Executive Director executes a Funding Agreement with the proponent and informs the Board of Commissioners of the proposal.
3. Staff, working with proponent, prepares a Redevelopment Plan. The plan must address the statutory elements and any additional information appropriate. The proponent, along with the staff, is encouraged to meet with the affected taxing jurisdictions and appropriate city staff to obtain their concerns and comments.
4. A public hearing is scheduled after required public notification and notification to affected property owners and taxing jurisdictions. A copy of the plan is distributed to the Commission.
5. At the public hearing, the standing Commission, plus two representatives from the affected school district(s), two representatives from the affected county(s), and one representative from the remaining affected taxing jurisdictions seated on the Commission, will hear:
 - a.) Staff presentation and recommendation
 - b.) Proposals to implement the plan
 - c.) Public testimony
 - d.) The public hearing is either closed or continued
6. After the hearing is closed, the Statutory Commission has 30 days to vote on its recommendation to the City Council.
7. If the Commission votes to recommend approval, then the appropriate ordinances are introduced to the City Council within a 14 to 90-day period. If the Commission votes against recommending approval, notice of that decision will also be supplied to the City Council.
8. After the plan is approved by the City Council and an ordinance is approved for a specific project, the 23-year clock for the specified

TIFC project is initiated. There may be more than one project included as a part of a TIF Plan and project ordinances may be approved within ten years of the TIF plan approval.

9. Upon approval of a TIF Plan, the selected developer(s) shall enter into a development agreement with the TIF Commission. The agreement will include, among other things, affirmative action goals, design review requirements and EATS documentation procedures.
10. An annual update on each project is prepared, and a public hearing is held by the City every five years following the plan approval. The Commission also certifies payment of submitted project costs.

V. Administrator

Gary Carter, Executive Director
Tax Increment Financing Commission of Kansas City, MO
10 Petticoat Lane, Suite 250
Kansas City, Missouri 64106
Phone: (816) 221-0636

VI. Copies of Legislation

1. RSMo 99.800 to 99.865

TAX INCREMENT FINANCING COMMISSION

OF KANSAS CITY, MISSOURI

BOARD OF COMMISSIONERS

Peter Yelorda
Blue Cross-Blue Shield
2301 Main, 8th Floor (mailing address)
2300 Main, 3rd Floor (courier address)
Kansas City, MO 64108
Term expires: August 29, 2006

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OFFICERS

Peter Yelorda, Chairman
Ron Yaffe, Vice Chairman
Chester Wittwer, Treasurer
Gary Carter, Secretary
Gloria Morris, Assistant Treasurer
Janine Stalnaker, Assistant Secretary

STAFF

The Tax Increment Financing Commission is provided administrative and professional staff support by the Economic Development Corporation of Kansas City, Missouri (EDC). The EDC administers and implements Kansas City's development and redevelopment projects under a contract approved annually by the City Council of Kansas City, Missouri. The address of the TIF Commission and the EDC is:

10 Petticoat Lane, Ste. 250
Kansas City, Missouri 64106
Phone: 816-221-0636
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**AMENDED AND RESTATED BY-LAWS OF THE TAX INCREMENT
FINANCING COMMISSION OF KANSAS CITY, MISSOURI**

ARTICLE 1
THE COMMISSION

Section 1. Name of Commission. The name of the commission shall be the “Tax Increment Financing Commission of Kansas City, Missouri” or the “Commission.”

Section 2. Office of the Commission. The office of the Commission shall be at 10 Petticoat Land, Suite 250, Kansas City, Jackson County, Missouri 64106. The Commission may also have offices at such other places in Kansas City, Missouri, as the Commission may from time to time designate or require.

Section 3. Membership. The Commission shall be comprised of six members appointed by the Mayor of Kansas City, Missouri, with the consent of the City Council of Kansas City, Missouri (the “Mayoral Appointees”) and, from time to time and for the purposes set forth in Article III, the representatives of taxing districts affected by redevelopment plans, areas or projects (the “Taxing District Appointees”) (collectively, the “Board of Commissioners”).

BOARD OF COMMISSIONERS

Section 1. General Powers. Except as set forth in Article III, all of the powers delegated by the City of Kansas City by and through Ordinance No. 54556, as amended on August 29, 1991, by Ordinance No. 911026, shall be exercised by or under the authority of the Board of Commissioners.

Section 2. Number Appointment and Tenure. The Board of Commissioners shall be composed of Mayoral Appointees, who shall serve staggered four (4) year terms and, from to time and only for the purposes set forth in Article III, the Taxing District Appointees.

Section 3. Annual Meetings. The Board of Commissioners shall hold an annual meeting between January 2 and January 20th of each year. Annual meetings shall be held at the office of the Commission or at such other place within the City of Kansas City, Missouri, as may be determined by the Board of Commissioners and as designated in the notice of the meeting.

Section 4. Regular Meetings. Regular meetings of the Board of Commissioners shall be held at such time and place as may be designated by resolution of the Board of Commissioners.

Section 5. Special Meetings. Special meetings of the Board of Commissioners may be called by or at the request of the Chairman or any two (2)

Commissioners, and shall be held at the offices of the Commission or such other place as the Board of Commissioners may determine.

Section 6. Meetings by Conference Telephone or Similar Communications Equipment. Unless otherwise restricted by law and upon satisfaction of all meeting notice requirements as required by statute, and the Commission's Notice Policy, as adopted by Resolution No. 1-1-04, members of the Board of Commissioners may participate in a meeting of such Board by means of a telephone conference or similar communications equipment whereby all persons participating in the meeting or by virtue of any open meetings law attending the meeting, can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

Section 7. Notice. Public notice of all meetings shall be given as required pursuant to the Revised Statutes of Missouri, Sections 99.800 to 99.865, inclusive (the "TIF Act"), Sections 610.010 to 610.032, inclusive (the "Sunshine Law"), and the Board of Commissioner's Notice Policy and shall be delivered to the office or Residence of each Commissioner.

Section 8. Quorum. Except as otherwise provided in Article III and the Commission's Quorum Policy, as adopted by Resolution No. 1-1-04, a Majority of the Mayoral Appointees shall constitute a quorum for the transaction of business of the Commission, and the acts of a majority of the Commissioners present at a meeting at which a quorum is present shall constitute the acts of the Board of Commissioners. If a quorum is not present at any meeting of the Board of Commissioners, a majority of the Commissioners present may adjourn the meeting until a quorum is present.

Section 9. Vacancies. Any vacancy occurring on the Board of Commissioners with respect to the Mayoral Appointees shall be filled by the Mayor of Kansas City, Missouri, with the consent of the majority of the City Council of Kansas City, Missouri, for the unexpired portion of the term of such vacancy.

Section 10. Compensation. Commissioners shall not receive any compensation for their services. Commissioners may be reimbursed for reasonable expenses resulting from their participation as a member of the Board of Commissioners upon approval by the Commission.

ARTICLE III HEARINGS AND RECOMMENDATIONS

Upon receipt of a proposal for a redevelopment area, plan or project, or amendment thereto and prior to its adoption by the City Council:

Section 1. Notice of Public Hearings. The Board of Commissioners shall fix a time and place for a public hearing concerning such proposal and provide notice thereof to the affected taxing districts pursuant to and in accordance with the TIF Act and the Commissioner's Notice Policy.

Section 2. Taxing District Appointees. The staff to the Commission (“TIFC Staff”) shall notify the affected taxing districts of their right to appoint representative(s) to the Commission for the purpose of conducting a public hearing. The Mayoral Appointees and the Taxing District Appointees shall constitute the Commission for the purpose of conducting a public hearing. In the event an affected taxing district fails to appoint a representative within thirty (30) days of receipt of notice regarding a proposal for a redevelopment plan, project or area or an amendment to a redevelopment plan, project, or area that either (i) alters the exterior boundaries of the redevelopment plan area, (ii) affects the general land uses established pursuant to the redevelopment plan, or (iii) changes the nature of any redevelopment project; or within seven (7) days of any amendment, which is not addressed in Section 2(a), then the remaining Board of Commissioners shall carry out the responsibilities of the Commission or, by a majority of the vote of the duly appointed Board of Commissioners, elect to include such representative(s), who did not respond within the requisite time period, to participate and vote on all proposals presented at such public hearing. The terms of the Taxing District Appointees shall coincide with the time a redevelopment area, plan or project is being considered by the Commission and shall expire upon final disposition of the proposal by the Council or for a definitive time period established by such Taxing District. Upon such expiration, the remaining responsibilities of the Commission shall be with the Mayoral Appointees.

Section 3. Duties; Quorum. The Board of Commissioners shall conduct public hearings in accordance with the TIF Act and Sunshine Law and shall submit a recommendation concerning any proposal presented in a public hearing to the City Council of Kansas City, Missouri, within ninety (90) days of the conclusion of said hearing, upon a vote taken within thirty (30) days of the conclusion of said hearing. A quorum for the conduct of such hearing and for taking such vote shall consist of a majority of the Board of Commissioners, except that such quorum must include four (4) Mayoral Appointees. No Taxing District Appointee shall vote on any matter other than as provided in Article III, Section 2.

ARTICLE IV OFFICERS

Section 1. Enumeration of Offices. The officers of the Commission shall be a Chairman and Vice-Chairman, both of whom shall be members of the Board of Commissioners, Treasurer and Secretary. In addition, there may be such Assistant Secretaries and Assistant Treasurers as may be appointed from time to time by the Board of Commissioners. Two offices may be held by the same person except that of Chairman and Secretary.

Section 2. Election and Term of Office. The officers of the Commission shall be elected by the Board of Commissioners at its annual meeting. Each officer shall hold office until his successor has been duly elected and qualified, or until his resignation, death or removal.

Section 3. Vacancies. Vacancies in offices, however caused, may be filled by election by the Board of Commissioners at any time for the unexpired terms of such offices.

Section 4. Chairman; Power and Duties. The Chairman of the Commission shall preside at all meetings of the Commission at which he shall be present; shall sign all contracts, deeds, mortgages, bonds, and other instruments made by the Commission that the Board of Commissioners has authorized for execution, except where the signing and execution thereof has been expressly delegated by the Board of Commissioners or these By-Laws to some other officer or agent of the Commission or is required by law to be otherwise signed or executed; shall make reports to the Board of Commissioners and make an annual report to the City Council of Kansas City, Missouri, respecting the activities of the Commission; and generally perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Commissioners.

Section 5. Vice-Chairman; Powers and Duties. In the absence of the Chairman, or in the event of his or her death or inability or refusal to act, the Vice-Chairman of the Commission shall perform the duties of the Chairman and, when so acting, shall act with all the powers of and be subject to all the restrictions on the Chairman. The Vice-Chairman shall also perform such other duties as may be assigned by the Chairman or the Board of Commissioners.

Section 6. Treasurer; Powers and Duties. The Treasurer of the Commission shall have the following powers and duties:

- (a) To be custodian and take charge of and be responsible for all funds of the Commission;
- (b) To receive and give receipts for money due and payable to the Commission from any source whatsoever;
- (c) To deposit all such monies paid to the Commission in the name of the Commission in such banks, trust companies, or other depositories as shall be selected by the Board of Commissioners;
- (d) To keep correct and complete books and records of account;
- (e) To perform all of the duties incidental to the office of the Treasurer and such other duties as may be assigned to the Treasurer by the Chairman or the Board of Commissioners.

Section 7. Secretary; Powers and Duties. The Secretary of the Commission shall have the following powers and duties:

- (a) To keep the minutes for the meetings of the Board of Commissioners; public hearings in which representatives of affected taxing districts are updated pursuant to Article III, section 2, in one or more books provided for that purpose;
- (b) To see that all notices are duly given, in accordance with the By-Laws or as required by law;
- (c) To be custodian of the records of the Commission and the seal of the Commission;
- (d) To see that the seal of the Commission is affixed to all documents duly authorized for execution under seal on behalf of the Commission;

(e) To keep a register of the post office address of each Commissioner whose address shall be furnished to the Secretary by the Commissioner; and

(f) To perform all duties incidental to the Office of Secretary and such other duties as may be assigned to the Secretary by the Chairman or the Board of Commissioners.

Section 8. Assistant Secretary and Assistant Treasurer; Powers and Duties. The Assistant Secretary and Assistant Treasurer, when appointed and authorized by the Board of Commissioners, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman or Vice-Chairman or the Board of Commissioners.

ARTICLE V CONFLICT OF INTEREST

If any member of the Board of Commissioners or a representative of an affected school or other taxing district appointed pursuant to Article III, or an employee or consultant of the Commission, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, he or she shall disclose the same in writing to the Secretary of the Commission and the clerk of the municipality, and shall also disclose the dates, terms, and conditions of any disposition of any such interest. If an individual holds such an interest then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project or (b) the first public notice of such plan, project or area is made, whichever first occurs.

ARTICLE VI INDEMNIFICATION

The Commission shall indemnify each person (and heirs, executors and administrators) who serves or has served as Commissioner, officer, employee or agent of the Commission against all expenses and liabilities reasonably incurred by such person in connection with or arising out of any suit or proceeding in which they may be involved by reason of their being or having been a Commissioner, officer, employee or agent of the Commission or of another organization at this Commission's request (whether or not he continues to be a Commissioner, officer, employee or agent at the time of incurring such expenses and liabilities), such expenses and liabilities to include, but not to be limited to judgments, court costs and attorneys' fees and the cost of reasonable settlements. The Commission shall not, however, indemnify such person with respect to matters as to which they shall be finally adjudged in any such action, suit or proceeding to have been guilty of a crime or otherwise liable for willful

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misconduct in the performance of their duties as such Commissioner, officer, employee or agent. In the event that a settlement or compromise is effected, indemnification may be had only if the Board of Commissioners shall have been furnished with an opinion of counsel for the Commission to the effect that such settlement or compromise is in the best interest of the Commission and that such Commissioner, officer, employee or agent is not liable for willful misconduct in the performance of his duties with respect to such matters, and if the Board of Commissioners shall have adopted a resolution approving such settlement or compromise. However, the foregoing notwithstanding, the Commission shall not indemnify any such person in the event any criminal proceeding is terminated by reason of a plea of guilty, nolo contendere or its equivalent. The foregoing right of indemnification shall not be exclusive of other rights to which any Commissioner, officer, employee or agent may be entitled as a matter of law.

ARTICLE VII SEAL

The Board of Commissioners shall provide a seal, which shall be circular in form and be inscribed with the name of the Commission.

These By-Laws may be altered, amended, or repealed, and new By-Laws may be adopted by a majority of the Commissioners present at any regular or special meeting at which a quorum is present.

Approved this 14th day of January, 2004

[SEAL]

/s/ _____
Peter Yelorda, Chairman

/s/ _____
Andi Udris, Secretary

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 911076, AS AMENDED

Amending Ordinance No. 54556 passed November 24, 1982, to provide for a modification to the composition of the Tax Increment Financing Commission.

WHEREAS, the General Assembly, in 1982, enacted the Real Property Tax Increment Allocation Redevelopment Act", and the Council adopted Ordinance No. 54556, creating the Tax Increment Financing Commission, implementing the provisions of said Act and appointing a seven (7) member commission with staggered terms of three (3) years; and

WHEREAS, the General Assembly in House Bill 502 has repealed certain provisions of said Act and enacted in lieu thereof other provisions in part providing for the creation of a commission to consist of nine (9) members, three (3) of which members are to be appointed by the taxing authorities affected by a particular tax increment financing redevelopment project, redevelopment plan or redevelopment area and six (6) members to be appointed by the Mayor with the consent of the Council; and

WHEREAS, the Council desires to provide for the continuation of the Tax Increment Financing Commission and for its proper organization in accordance with House Bill 502; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Ordinance No. 54556, passed November 24, 1982, is hereby amended by repealing Sections 2, 3 and 5 thereof.

Section 2. That the Tax Increment Financing Commission of Kansas City, Missouri, be composed of six (6) members to be appointed by the Mayor, with the approval of the Council, to serve without compensation for terms of four (4) years except as provided hereinafter which members shall be referred to as the "Board". From time to time, when the designation of a specific redevelopment area or the approval of a redevelopment plan or project, or an amendment to an existing redevelopment area, plan or project is proposed, a nine (9) member commission shall exist for the purpose of considering such proposal. Membership on such nine (9) member commission shall consist of the Board appointed by the Mayor, with the approval of the Council, two (2) members who are to serve by appointment of the school boards whose districts are included within the redevelopment area, plan or project, and one (1) member to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area excluding representatives of the City.

Section 3. That the terms of the six (6) members appointed by the City shall be for four years except as hereinafter provided. Initially two (2) members shall serve for a term of two (2) years; two (2) members shall serve for a term of three (3) years; and two (2) members shall serve for a term of four (4) years. After the initial terms are served, the terms of the members shall each be for four (4) years. The two (2) members of the nine (9) member

Commission who represent the school boards and the one (1) member who represents all other ad valorem taxing districts shall serve for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the Commission, and such term shall terminate upon final approval of the project, plan or designation of the area by the Council.

Section 4. That the Board shall elect from its number a Chairman and Vice-Chairman and may also elect a Secretary and Treasurer who need not be members of the Commission; the terms of all officers shall be for a period of one (1) year or until their successors are elected.

Section 5. That all other terms and conditions of Ordinance No. 54556 shall remain in full force and effect.

Approved as to form and legality:

STATE OF MISSOURI

**REAL PROPERTY TAX INCREMENT
ALLOCATION REDEVELOPMENT LAW**

CHAPTER 99.800 RSMo

UPDATED: AUGUST 2005

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Chapter 99

Municipal Housing

August 28, 2005

Law, how cited.

99.800. Sections 99.800 to 99.865 shall be known and may be cited as the "**Real Property Tax Increment Allocation Redevelopment Act**".

(L. 1982 H.B. 1411 & 1587 § 1)

Definitions.

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(5) "Economic development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

(a) Discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) Result in increased employment in the municipality; or

(c) Result in preservation or enhancement of the tax base of the municipality;

(6) "Gambling establishment", an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision shall be applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;

(7) "Municipality", a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;

(8) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;

(9) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

(10) "Payment in lieu of taxes", those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850;

(11) "Redevelopment area", an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area includes only those parcels of real property directly and substantially benefited by the proposed redevelopment project;

(12) "Redevelopment plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;

(13) "Redevelopment project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall include a legal description of the area selected for the redevelopment project;

(14) "Redevelopment project costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

(a) Costs of studies, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

(e) Initial costs for an economic development area;

(f) Costs of construction of public works or improvements;

(g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

(h) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

(i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

(j) Payments in lieu of taxes;

(15) "Special allocation fund", the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account;

(16) "Taxing districts", any political subdivision of this state having the power to levy taxes;

(17) "Taxing districts' capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and

(18) "Vacant land", any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

(L. 1982 H.B. 1411 & 1587 § 2, A.L. 1986 H.B. 989 & 1390 merged with S.B. 664, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

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Redevelopment plan, contents, adoption of plan, required findings --time limitations--reports by department of economic development, required when, contents.

99.810. 1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

(1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;

(2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;

(4) A plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for

the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;

(6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December 23, 1997.

2. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1987 S.B. 367 Revision, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

County implementing project within boundaries of municipality, permission required--definition of municipality to include county.

99.815. When a county of this state desires to implement a tax increment financing project within the boundaries of a municipality partially or totally within the county, such county shall first obtain the permission of the governing body of the municipality located within the county. When the term "municipality" is used within sections 99.800 to 99.865, such term may be interpreted to include a county implementing a tax incremental financing project.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 2)

Municipalities' powers and duties--commission appointment and powers--public disclosure requirements--officials' conflict of interest, prohibited.

99.820. 1. A municipality may:

(1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefited by the proposed redevelopment project improvements;

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(2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;

(3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of, land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality or the commission determines is reasonably necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property, acquired by the municipality, or agreement relating to the development of the property shall be made except upon the adoption of an ordinance by the governing body of the municipality. Each municipality or its commission shall establish written procedures relating to bids and proposals for implementation of the redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. Such procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids;

(4) Within a redevelopment area, clear any area by demolition or removal of existing buildings and structures;

(5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or building;

(6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan;

(7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges for the use of any building or property owned or leased by it or any part thereof, or facility therein;

(8) Accept grants, guarantees, and donations of property, labor, or other things of value from a public or private source for use within a redevelopment area;

(9) Acquire and construct public facilities within a redevelopment area;

(10) Incur redevelopment costs and issue obligations;

(11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

(12) Disburse surplus funds from the special allocation fund to taxing districts as follows:

(a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within the redevelopment area which impose ad valorem taxes on a basis that is

proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment area;

(b) Surplus economic activity taxes shall be distributed to taxing districts in the redevelopment area which impose economic activity taxes, on a basis that is proportional to the amount of such economic activity taxes the taxing district would have received from the redevelopment area had tax increment financing not been adopted;

(c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes, deposited in the special allocation fund, shall be distributed on a basis that is proportional to the total receipt of such other revenues in such account in the year prior to disbursement;

(13) If any member of the governing body of the municipality, a member of a commission established pursuant to subsection 2 of this section, or an employee or consultant of the municipality, involved in the planning and preparation of a redevelopment plan, or redevelopment project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, which property is designated to be acquired or improved pursuant to a redevelopment project, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant to section 99.830, whichever first occurs;

(14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other official in administering the redevelopment project. The charge for the clerk's or other official's costs shall be determined by the municipality based on a recommendation from the commission, created pursuant to this section.

2. Commission Appointment: Prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, the municipality shall create a commission of nine persons if the municipality is a county or a city not within a county and not a first class county with a charter form of government with a population in excess of nine hundred thousand, and eleven persons if the municipality is not a county and not in a first class county with a charter form of government having a population of more than nine hundred thousand, and twelve persons if the municipality is located in or is a first

class county with a charter form of government having a population of more than nine hundred thousand, to be appointed as follows:

(1) In all municipalities two members shall be appointed by the school boards whose districts are included within the redevelopment plan or redevelopment area. Such members shall be appointed in any manner agreed upon by the affected districts;

(2) In all municipalities one member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the governing body of the municipality;

(3) In all municipalities six members shall be appointed by the chief elected officer of the municipality, with the consent of the majority of the governing body of the municipality;

(4) In all municipalities which are not counties and not in a first class county with a charter form of government having a population in excess of nine hundred thousand, two members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(5) In a municipality which is a county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the cities in the county which have tax increment financing districts in a manner in which the cities shall agree;

(6) In a municipality which is located in the first class county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(7) At the option of the members appointed by the municipality, the members who are appointed by the school boards and other taxing districts may serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term pursuant to this subdivision. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project, plan or designation of the area by the governing body of the municipality. Thereafter the commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in this section prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or other taxing jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to

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serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

3. Powers of Commission: The commission, subject to approval of the governing body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans, projects and designation of redevelopment areas. The commission shall hold public hearings and provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within thirty days following completion of the hearing on any such plan, project or designation and shall make recommendations to the governing body within ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment to redevelopment plans and redevelopment projects and the designation of redevelopment areas. The requirements of subsection 2 of this section and this subsection shall not apply to redevelopment projects upon which the required hearings have been duly held prior to August 31, 1991.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 3, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 11)

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

Adoption of ordinance for redevelopment, public hearing required --objection procedure--hearing and notices not required, when --restrictions on certain projects.

99.825. 1. Publication and Mailing Requirements of Notice: Prior to the adoption of an ordinance proposing the designation of a redevelopment area, or approving a redevelopment plan or redevelopment project, the commission shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed redevelopment area, plan or project. At the public hearing any interested person or affected taxing district may file with the commission written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The commission shall hear and consider all protests, objections, comments and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that each affected taxing district is given written notice of such changes at least seven days prior to the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially

affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

2. Projects Funded in Economic Development Areas. Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings.

(L. 1982 H.B. 1411 & 1587 § 4, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Notice of public hearings, publication and mailing requirements, contents.

99.830. 1. Publication and Mailing Requirements of Notice: Notice of the public hearing required by section 99.825 shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the area of the proposed redevelopment. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the redevelopment project or redevelopment area which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.845. Such notice shall be mailed not less than ten days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

2. Contents of Notice: The notices issued pursuant to this section shall include the following:

- (1) The time and place of the public hearing;

(2) The general boundaries of the proposed redevelopment area or redevelopment project by street location, where possible;

(3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;

(4) A description of the proposed redevelopment plan or redevelopment project and a location and time where the entire plan or project proposal may be reviewed by any interested party;

(5) Such other matters as the commission may deem appropriate.

3. Notice to all Taxing Districts: Not less than forty-five days prior to the date set for the public hearing, the commission shall give notice by mail as provided in subsection 1 of this section to all taxing districts from which taxable property is included in the redevelopment area, redevelopment project or redevelopment plan, and in addition to the other requirements pursuant to subsection 2 of this section, the notice shall include an invitation to each taxing district to submit comments to the commission concerning the subject matter of the hearing prior to the date of the hearing.

4. A copy of any and all hearing notices required by section 99.825 shall be submitted by the commission to the director of the department of economic development. Such submission of the copy of the hearing notice shall comply with the prior notice requirements pursuant to subsection 3 of this section.

(L. 1982 H.B. 1411 & 1587 § 5, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Secured obligations authorized--interest rates--how retired--sale --approval by electors not required--surplus fund distribution --exception--county collectors' and municipal treasurers' duties--no personal liability for commission, municipality or state.

99.835. 1. Obligations to Provide for Redevelopment Costs – How Retired – Distribution of Surplus – Duties of Municipal Treasures and Count Collector: Obligations secured by the special allocation fund set forth in sections 99.845 and 99.850 for the redevelopment area or redevelopment project may be issued by the municipality pursuant to section 99.820 or by the tax increment financing commission to provide for redevelopment costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of payments in lieu of taxes as specified in section 99.855 and, subject to annual appropriation, other tax revenue as specified in section 99.845. A municipality may, in the ordinance or resolution, pledge all or any part of the funds in and to be deposited in the special allocation fund created pursuant to sections 99.845 and 99.850 to the

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payment of the redevelopment costs and obligations. Any pledge of funds in the special allocation fund may provide for distribution to the taxing districts of moneys not required for payment of redevelopment costs or obligations and such excess funds shall be deemed to be surplus funds, except that any moneys allocated to the special allocation fund as provided in subsection 4 of section 99.845, and which are not required for payment of redevelopment costs and obligations, shall not be distributed to the taxing districts but shall be returned to the department of economic development for credit to the general revenue fund. In the event a municipality only pledges a portion of the funds in the special allocation fund for the payment of redevelopment costs or obligations, any such funds remaining in the special allocation fund after complying with the requirements of the pledge, including the retention of funds for the payment of future redevelopment costs, if so required, shall also be deemed surplus funds. All surplus funds shall be distributed annually to the taxing districts in the redevelopment area by being paid by the municipal treasurer to the county collector who shall immediately thereafter make distribution as provided in subdivision (12) of section 99.820.

2. Security for Obligations: Without limiting the provisions of subsection 1 of this section, the municipality may, in addition to obligations secured by the special allocation fund, pledge any part or any combination of net new revenues of any redevelopment project, or a mortgage on part or all of the redevelopment project to secure its obligations or other redevelopment costs.

3. Interest Rates, Duration, Payment Conditions and Sale of Obligations: Obligations issued pursuant to sections 99.800 to 99.865 may be issued in one or more series bearing interest at such rate or rates as the issuing body of the municipality shall determine by ordinance or resolution. Such obligations shall bear such date or dates, mature at such time or times not exceeding twenty-three years from their respective dates, when secured by the special allocation fund, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.800 to 99.865 may be sold at public or private sale at such price as shall be determined by the issuing body and shall state that obligations issued pursuant to sections 99.800 to 99.865 are special obligations payable solely from the special allocation fund or other funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.800 to 99.865.

4. Obligations to Contain Recital: The ordinance authorizing the issuance of obligations may provide that the obligations shall contain a recital that they are issued pursuant to sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

5. Liability for Obligations: Neither the municipality, its duly authorized commission, the commissioners or the officers of a municipality nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.800 to 99.865 shall not be a general obligation of the municipality, county, state of Missouri, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as

security therefor. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

(L. 1982 H.B. 1411 & 1587 § 6, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Obligation, refunded to pay redevelopment costs, requirements--other obligations of municipality pledged to redevelopment may qualify.

99.840. 1. Refund Obligations: A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by such municipality under the authority of sections 99.800 to 99.865, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

2. Other Obligations Pledged to Redevelopment May be Retired by Fund: In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for redevelopment project costs, the municipality may, if it has followed the procedures in conformance with sections 99.800 to 99.865, retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.800 to 99.865.

(L. 1982 H.B. 1411 & 1587 § 7)

Tax increment financing adoption--division of ad valorem taxes--payments in lieu of tax, deposit, inclusion and exclusion of current equalized assessed valuation for certain purposes, when--other taxes included, amount--supplemental tax increment financing fund established, disbursement.

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

(2)

(a) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850;

(b) Notwithstanding any provisions of this section to the contrary, for purposes of determining the limitation on indebtedness of local government pursuant to article VI, section 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area selected for redevelopment attributable to the increase above the total initial equalized assessed valuation shall be included in the value of taxable tangible property as shown on the last completed assessment for state or county purposes;

(c) The county assessor shall include the current assessed value of all property within the taxing district in the aggregate valuation of assessed property entered upon the assessor's book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the purpose of the debt limitation on local government pursuant to article VI, section 26(b) of the Missouri Constitution;

(3) For purposes of this section, "levies upon taxable real property in such redevelopment project by taxing districts" shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'

inventory replacement tax levied under the authority of subsection 2 of section 6 of article X of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.

2. Economic Utility Taxes – Projects After July 12, 1990 and Before August 31, 1991: In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. Economic Activity Taxes – Projects After August 31, 1991: In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,

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as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the

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amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

(a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;

(b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;

(c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on

behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;

(d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;

(e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;

(f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and

(g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;

(i) The street address of the development site;

(j) The three-digit North American Industry Classification System number or numbers characterizing the development project;

(k) The estimated development project costs;

(l) The anticipated sources of funds to pay such development project costs;

(m) Evidence of the commitments to finance such development project costs;

(n) The anticipated type and term of the sources of funds to pay such development project costs;

(o) The anticipated type and terms of the obligations to be issued;

(p) The most recent equalized assessed valuation of the property within the development project area;

(q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;

(r) The general land uses to apply in the development area;

(s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;

(t) The total number of full-time equivalent positions in the development area;

(u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;

(v) The total number of individuals employed in this state by the corporate parent of any business benefiting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;

(w) The number of new jobs to be created by any business benefiting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;

(x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;

(y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

(z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

(aa) A list of other community and economic benefits to result from the project;

(bb) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

(cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this section is being sought;

(dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;

(ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(ff) A list of competing businesses in the county containing the development area and in each contiguous county;

(gg) A market study for the development area;

(hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund exceed thirty-two million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twenty-three years.

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department

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of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. Redevelopment project costs may include, at the prerogative of the state, the portion of salaries and expenses of the department of economic development and the department of revenue reasonably allocable to each redevelopment project approved for disbursements from the Missouri supplemental tax increment financing fund for the ongoing administrative functions associated with such redevelopment project. Such amounts shall be recovered from new state revenues deposited into the Missouri supplemental tax increment financing fund created under this section.

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

(L. 1982 H.B. 1411 & 1587 § 8 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 620 and H.B. 289 merged with S.B. 235, A.L. 2005 S.B. 343)

(1995) This statute creates an exception to the county sales tax statutes (67.582 & 67.700). County of Jefferson v. Quiktrip Corp., 912 S.W.2d 487 (Mo.banc 1995).

No new TIF projects authorized for flood plain areas in St. Charles County, applicability of restriction.

99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency and which is located in or partly within a county with a charter form of government with greater than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants.

2. This subsection shall not apply to tax increment financing projects or districts approved prior to July 1, 2003, and shall allow the aforementioned tax increment financing projects to modify, amend or expand such projects including redevelopment project costs by not more than forty percent of such project original projected cost including redevelopment project costs as such projects including redevelopment project costs as such projects redevelopment

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projects including redevelopment project costs existed as of June 30, 2003, and shall allow the aforementioned tax increment financing district to modify, amend or expand such districts by not more than five percent as such districts existed as of June 30, 2003.

(L. 1996 H.B. 1237 § 24, A.L. 2002 S.B. 1107, A.L. 2005 S.B. 516)

(2005) Addition of subsections 2 and 3 of section prohibiting tax increment financing districts in flood plain areas to bill relating to emergency services did not violate single-subject requirement of Article III, Section 23. City of St. Charles v. State, 165 S.W.3d 149 (Mo.banc).

Emergency services district, reimbursement from special allocation fund authorized, when.

99.848. Notwithstanding subsection 1 of section 99.847, any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax increment. This section shall not apply to tax increment financing projects or districts approved prior to August 28, 2004.

(L. 2004 H.B. 1529 & 1655)

Costs of project paid--surplus fund in special allocation fund --distribution-- dissolution of fund and redevelopment area.

99.850. 1. Distribution of Surplus Upon Payment of All Project Costs: When such redevelopment project costs, including, but not limited to, all municipal obligations financing redevelopment project costs incurred under sections 99.800 to 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be paid by the municipal treasurer to the county collector who shall immediately thereafter pay such funds to the taxing districts in the area selected for a redevelopment project in the same manner and proportion as the most recent distribution by the collector to the affected districts of real property taxes from real property in the area selected for a redevelopment project.

2. Adoption of Ordinance Dissolving Special Allocation Fund: Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys pursuant to section 99.845 and this section, the municipality shall adopt an ordinance dissolving the special allocation fund for the redevelopment area and terminating the designation of the redevelopment area as a redevelopment area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment financing.

3. No Relief From Paying Uniform Rate of Taxes: Nothing in sections 99.800 to 99.865 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by article X, section 3 of the Missouri Constitution.

Tax rates for districts containing redevelopment projects, method for establishing--county assessor's duties--method of extending taxes to terminate, when.

99.855. 1. County Assessor Determination of Total Initial Equalized Assessed Value: If a municipality by ordinance provides for tax increment allocation financing pursuant to sections 99.845 and 99.850, the county assessor shall immediately thereafter determine total equalized assessed value of all taxable real property within such redevelopment project by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project, and shall certify such amount as the total initial equalized assessed value of the taxable real property within such project.

2. Determination of Amount of PILOTS: After the county assessor has certified the total initial equalized assessed value of the taxable real property in such redevelopment project, then, in respect to every taxing district containing a redevelopment project, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing any debt service levies to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project by including in such amount the certified total initial equalized assessed value of all taxable real property in such area in lieu of the equalized assessed value of all taxable real property in such area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.800 to 99.865, all tax levies shall then be extended to the current equalized assessed value of all property in the redevelopment project in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district. The method of extending taxes established under this section shall terminate when the municipality adopts an ordinance dissolving the special allocation fund for the redevelopment project.

(L. 1982 H.B. 1411 & 1587 § 9, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502)

Severability.

99.860. If any section, subsection, subdivision, paragraph, sentence or clause of sections 99.800 to 99.860 is, for any reason, held to be invalid or unconstitutional, such decision shall not affect any remaining portion, section, or part thereof which can be given effect without the invalid provision.

(L. 1982 H.B. 1411 & 1587 § 10)

Joint committee on real property tax increment allocation redevelopment, members, appointment, duties.

99.863. Beginning in 1999, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tem of the senate, shall review sections 99.800 to 99.865. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tem of the senate no later than February first following the year in which the review is conducted.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Report by municipalities, contents, publication--satisfactory progress of project, procedure to determine--reports by department of economic development required, when, contents--rulemaking authority--department to provide manual, contents.

99.865. 1. Report Concerning Status of Each Redevelopment Plan and Project: Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

- (1) The amount and source of revenue in the special allocation fund;
- (2) The amount and purpose of expenditures from the special allocation fund;
- (3) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;
- (4) The original assessed value of the redevelopment project;
- (5) The assessed valuation added to the redevelopment project;
- (6) Payments made in lieu of taxes received and expended;
- (7) The economic activity taxes generated within the redevelopment area in the calendar year prior to the approval of the redevelopment plan, to include a separate entry for the state sales tax revenue base for the redevelopment area or the state income tax withheld by employers on behalf of existing employees in the redevelopment area prior to the redevelopment plan;

(8) The economic activity taxes generated within the redevelopment area after the approval of the redevelopment plan, to include a separate entry for the increase in state sales tax revenues for the redevelopment area or the increase in state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(9) Reports on contracts made incident to the implementation and furtherance of a redevelopment plan or project;

(10) A copy of any redevelopment plan, which shall include the required findings and cost-benefit analysis pursuant to subdivisions (1) to (6) of section 99.810;

(11) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled;

(12) The number of parcels acquired by or through initiation of eminent domain proceedings; and

(13) Any additional information the municipality deems necessary.

2. Data contained in the report mandated pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of section 99.845 shall be deemed a public record, as defined in section 610.010, RSMo. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects therein, amount of outstanding bonded indebtedness and any additional information the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

3. Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing.

4. The director of the department of economic development shall submit a report to the speaker of the house of representatives and the president pro tem of the senate no later than February first of each year. The report shall contain a summary of all information received by the director pursuant to this section.

5. For the purpose of coordinating all tax increment financing projects using new state revenues, the director of the department of economic development may promulgate rules and regulations to ensure compliance with this section. Such rules and regulations may include methods for enumerating all of the municipalities which have established commissions pursuant to section 99.820. No rule or portion of a rule promulgated under the authority of sections 99.800 to 99.865 shall become effective unless it has been promulgated pursuant to the provisions of

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chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

6. The department of economic development shall provide information and technical assistance, as requested by any municipality, on the requirements of sections 99.800 to 99.865. Such information and technical assistance shall be provided in the form of a manual, written in an easy- to-follow manner, and through consultations with departmental staff.

(L. 1982 H.B. 1411 & 1587 § 11, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

TIF Commission Funding Schedule

ACTIVITY

SCHEDULE

Cost Recovery for Agency Expenses	Agency's Prof. Staff Expense (direct hourly billing)	Salary/hr. + Overhead
	Professional Services (e.g., appraisal, title, etc.)	Actual invoice amount
	Legal Services	Actual invoice amount
	Miscellaneous Direct Plan/Project Expense	other due diligence expense, out-of-pocket administrative cost

Engagement: Funding Agreement	Plan/Project/Amendment Advance (replenished upon depletion—unused balance returned)	\$20,000/\$10,000/\$10,000
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PHASE FEES

Plan Preparation	Plan Application Fee (non-refundable)	\$3,000
	Public Hearing Continuance Fee (see note below)	\$1,000

Redeveloper Proposals	Fee for RFP Developers Kit	None
	Submission Fee for Redeveloper's Application	\$1,000 residential; \$2,000 nonresidential

Bond Financing	Bond Application Fee	\$3,000
	Issuance Fee	Up to \$10,000,000 0.5% \$10,000,001-\$25,000,000 0.375% \$25,000,001+ 0.25% (.1% for refinancing), plus issuance expenses

Land Acquisition	Offer to Purchase	Actual invoice amount
	Acquisition Fee	Actual invoice amount

	Certificate of Completion & Compliance Fee	\$.05/sq. ft. nonresidential \$100/dwelling unit
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PLAN APPROVAL PROCEDURE TIMELINE AND CHECKLIST

COMPLETED	EVENT	TIMELINE
	1. Preparation of Plan. Must include: * A comprehensive program to eliminate blighting conditions (Section 99.805(8)) * Estimated project costs (Section 99.810) * Sources of funds - nature and term (id) * Evidence of commitments to finance costs (id) * Nature and term of obligations (id) * Most recent equalized assessed value ("AV") of Redevelopment project area ("R/P/A") * General land uses to apply in R/P/A (id)	Not less than 15 days prior to notices
	2. Funding Agreement executed	After submission of application
	3. Staff prepares RFP which gives reasonable Opportunity to developers to submit alternative bids or proposals (99.820(3)). You may want to have the Commission adopt a resolution authorizing the RFP but it is not legally necessary.	
	4. Mail notice of hearing to all affected taxing districts and solicit representation (Section 99.830(3)).	Not less than 45 days prior to hearing
	5. TIF Project Review Committee and City staff review the completed plan.	Not less than 20 days prior to hearing
	6. Publish notice of public hearing twice. 1st Time 2nd Time	Not more than 30 days prior to hearing Not more than 10 days prior to hearing
	7. Mail notice to all landowners. Landowners are Determined by tax roles (Section 99.830(1)).	Not less than 10 days prior to hearing
	8. Receive proposals of developers.	
	9. Prior to engaging any professional services the Redeveloper shall submit to TIFC, in writing: * A utilization plan for professional services * A teaming agreement * An officer's certificate TIF staff must certify compliance to the Commission at hearing	Completed prior to hearing

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PLAN APPROVAL PROCEDURE TIMELINE AND CHECKLIST

DATE COMPLETED	EVENT	TIMELINE
	<p>10. Redeveloper shall submit to the Commission, in writing, a Utilization Plan for Construction Services.</p> <p>TIF staff must certify compliance to the Commission</p> <p>11. Staff to meet with each affected taxing district representative, share the cost-benefit analysis with them, and ascertain if the taxing district has any contracts or agreements with the developer, etc., relative to the Redevelopment Plan or Project</p> <p>12. Hold public hearing on plan, Redevelopment Plan Area, project, and selection of developer (Section 99.820(11) and Section 999.825)</p>	<p>No later than 45 days prior to commencement of any construction services</p> <p>Prior to public hearing</p> <p>Hearings are scheduled for TIFC meetings which are held on the 2nd Wednesday of every month. A hearing may continue over more than one TIFC meeting.</p>
	<p>13. Commission adopts resolution recommending approval of plan, RPA, project, and developer. (Section 99.820(11)).</p>	
	<p>14. Ordinance must be introduced in City Council.</p> <p>This ordinance shall:</p> <ul style="list-style-type: none"> * Approve plan and project * Designate RPAs. Pay careful attention to whether RPAs should be actually approved as part of the ordinance or set forth as future approval because of 23-year abatement period problem. * Adopt tax increment financing by including the provision set forth in Section 99.845. * Make the required findings with respect to "but for" test, conformance to comprehensive plan, dates of completion and retirement of bonds, relocation assistance and eligibility of area. 	<p>Not less than 14 days and not more than 90 days after the hearing.</p>
	<p>15. Council Planning, Zoning, & Economic Development Committee hold hearing on ordinance.</p>	<p>The next Wednesday after the ordinance is introduced at City Council or at the time a project Ordinance is to be activated.</p>
	<p>16. Second reading of ordinance at City Council</p>	<p>The day after the Planning & Zoning Committee</p>
	<p>17. Third reading of ordinance at City Council</p>	<p>One week after the second reading</p>
	<p>18. Plan ordinance becomes effective</p>	<p>Ten days after approval by the full City Council</p>

****The above process typically takes about 4 months, but my take longer.**

PLAN APPROVAL PROCEDURE TIMELINE AND CHECKLIST

COMPLETED	EVENT	TIMELINE
	19. Commission staff notifies county assessor and county clerk of the adoption of the tax increment financing and provides legal description of property (Section 99.855).	
	21. TIF Commission staff works with City Finance Department to establish base year (Section 99.845).	
	22. Council adopts bond ordinance if necessary (Section 99.835)	
	23. Developer executes contract with Commission. Terms of contract should be set forth on schedule (Section 99.820(3) & Section 99.805(7).	
	24. City conveys any property which may be required. (Section 99.820(3).	
	25. City files report and publishes statement (Section 99.865(1).	Annually
	26. City holds hearing regarding progress (Section 99.865(2).	Five years after project is approved
	27. TIFC holds hearing regarding progress (id)	Ten years after project is approved
	28. TIFC holds hearing regarding progress (id)	Fifteen years after project is approved
	29. TIFC hold hearing regarding progress (id)	Twenty years after project is approved

Name of Policy: Investment Policy

Date Approved: January 14, 2004

Resolution Number: 1-1-04

I. POLICY

It is the policy of the Tax Increment Financing Commission of Kansas City, Missouri (hereinafter referred to as the “**Commission**”) to invest both private and public funds within or under its control in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Commission and conforming to all Missouri statutes and the by-laws of the Commission that govern the investment of both private and public funds.

II. SCOPE

- A. This policy applies to all Commission funds identified as idle, surplus, and reserve by the Assistant Treasurer of the Economic Development Corporation (“**EDC**”) and in the absence of the Assistant Treasurer, an Investment Committee comprised of the President/CEO of EDC, the Executive Director of the Commission (or their designee) and the Chairperson of the Finance Committee (or their designee).
- B. Funds included in the investment policy are accounted for in the Annual Independent Audit of the Commission and can include:
 - 1. General Fund
 - 2. Special Revenue Funds
 - 3. Debt Service Funds
 - 4. Capital Projects Funds
 - 5. General Fixed Assets Account Groups
 - 6. General Long-Term Debt Account Groups
- C. The Commission is allowed by state statute to issue bonds. Permitted investments are identified within the bond documents for specific issues approved by the Commission.

III. PRUDENCE

- A. Investment shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment,

considering the probable safety of their capital as well as the probable income to be derived.

- B. The standard of prudence to be used with managing any monies deposited within various accounts of the Special Allocation Fund shall be the “**prudent person**” standard and shall be applied in the context of managing an overall portfolio (“**Portfolio**”). The Assistant Treasurer or his/her designee, acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- C. The “prudent person” concept discourages speculative transactions. It attaches primary significance to the preservation of capital and secondary importance to the generation of income and capital gains. The “prudent person” is expected to be a reasonably well-informed person, not a professional investor who is obligated to act responsibly.

IV. OBJECTIVES

The primary objectives, in priority order, of the Commission’s investment activities shall be:

1. **Safety:** Safety is the foremost objective with respect to the Commission’s investment activities. Investments made by the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the Portfolio.
2. **Liquidity:** The Commission’s investment Portfolio will remain sufficiently liquid to enable the Commission to meet all operating requirements which might be reasonably anticipated.
3. **Return on investment:** The Commission’s investment Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Commission’s cash flow characteristics.

Nothing contained herein shall conflict with the investment restrictions or covenants contained in any bond document.

V. DELEGATION OF COMMISSION

- A. Management responsibility for the Commission's investment activities is hereby delegated to the Assistant Treasurer, who shall establish procedures for the operation of the investment activities that are consistent with this Investment Policy. Procedures should include: safekeeping agreements and wire transfer agreements. Agreements shall include explicit delegation of the Commission to persons responsible for investment transactions. No person may engage in an investment transaction on behalf of the Commission, except as provided under terms of this Investment Policy and the procedures established herein as follows:
1. Once knowledge of a forthcoming receipt of fees is determined by the Assistant Treasurer, the Assistant Treasurer shall obtain written notification by staff to the Commission ("TIFC Staff") of the intended use of such funds.
 2. After written documentation is received, the Assistant Treasurer will contact the President/CEO of EDC, Executive Director of the Commission (or their designees) and the Chairperson of the Finance Committee to determine safety, liquidity and maturity issues with respect to the investment of such funds.
 3. Once the above are complete, the Assistant Treasurer will then make the appropriate decision for investment. The Assistant Treasurer shall be responsible for all transactions undertaken and shall ensure that the above stated agreements, which provide the necessary controls, are maintained in accordance with this Investment Policy.
- B. The Investment Committee is comprised of the President/CEO of EDC and the Executive Director of the Commission (or their designee) and the Chairperson of the Finance Committee (or their designee). The purpose of the Investment Committee is to provide general guidance of investments and banking issues in the absence of the Assistant Treasurer. Topics reviewed at the Investment Committee level would include any of the policies and decisions normally implemented and completed by the Assistant Treasurer, which shall include: economic outlook, Portfolio diversification and maturity structure, potential risks to the Commission's funds invested, authorized depositories, brokers and dealers, and the target rate of return on the investment Portfolio.

VI. ETHICS AND CONFLICTS OF INTEREST

No commissioner, officer or employee involved in the Commission's investment activities shall engage in any business activity that could directly or indirectly conflict with the Commission's investment activities or this Investment Policy, or the process of making investments or which could directly or indirectly impair or influence their ability

to make investment decisions. Each such commissioner, officer and employee shall disclose to the Assistant Treasurer, on an annual basis, any material investment interest in all financial institutions and investment firms doing business in Kansas City, Missouri and shall also disclose to the Assistant Treasurer within five business days after learning of any proposed investment in any entity, any material investment interest owned by them in any such entity. For the purposes hereof, a “material” investment interest shall include an investment which is either, (a) a non-ownership type investment valued at \$100,000 or more, or (b) an investment which constitutes an ownership interest of more than 1% of the total ownership interest therein, or (c) borrowings, other than home mortgages, in excess of \$100,000. No such commissioner, officer or employee shall propose the investment in any entity in which they have a material investment interest.

VII. AUTHORIZED DEALERS AND FINANCIAL INSTITUTIONS

- A. The Assistant Treasurer will maintain a list of financial institutions authorized (Assistant Treasurer will deem a Commission resolution authorizing a bank account to be opened as approval to invest at that financial institution) to provide investment services.
- B. The Commission and Assistant Treasurer will base their selection on local presence and the level of MBE/WBE participation. The Commission will be notified upon exception.
- C. All investment transactions over \$5,000,000 will be offered through a competitive bid process as outlined below.

Three (3) financial institutions will be solicited for investments over \$5,000,000 —The three (3) financial institutions to be selected shall be based on their ability to provide the full range of investment services as provided by this Investment Policy.

- D. Competitive bidding may not be necessary if, in the judgment of the Commission and the Assistant Treasurer or his/her designee, the transaction would be inhibited.
- E. Periodic reviews of the financial condition and registration of qualified bidders may be conducted by the Assistant Treasurer.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

- A. The Commission is empowered by this Investment Policy to invest in the following types of securities.

- 1. U.S. Treasury notes.

2. U.S. Treasury bills.
3. U.S. Treasury bonds.
4. U.S. Treasury strips.
5. Certificates of Deposits.

Nothing contained herein shall conflict with the investment restrictions or covenants contained in any bond document.

- B. This Investment Policy shall not allow the Commission to invest in derivatives or repurchase agreements.

IX. COLLATERALIZATION

- A. Collateralization will be required on certificates of deposit.
- B. Securities which may be accepted as collateral, at the discretion of the Assistant Treasurer are as follows:
 - Bills, notes, bonds or other direct obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof.
- C. Collateral shall have a market value equal to one hundred ten percent (110%) of the amount of the Commission's investment less any amounts insured by the Federal Deposit Insurance Corporation, or other governmental agency performing similar functions.
- D. **Collateral will always be held by the Federal Reserve Bank of Kansas City with whom the Commission has a current Custodial Agreement.** A clearly marked evidence of ownership, Safekeeping Receipt, must be supplied to the Commission and retained.
- E. The right of collateral substitution is granted so long as it meets with the above stated criteria.

X. SAFEKEEPING AND CUSTODY

- A. All security transactions entered into by the Commission shall be conducted on a delivery-versus-payment (DVP) basis.
- B. Any security transaction performed on a "free delivery" basis must be pre-approved by the Assistant Treasurer or President/CEO of EDC or Executive Director of the Commission.

- C. Securities will be held in the Commission's name by a third party trust custodian designated by the Assistant Treasurer and evidenced by safekeeping receipts.

XII. MATURITIES

To the extent possible, the Commission will maximize investments and recognize anticipated requirements and make its investment decisions accordingly.

XIII. INTERNAL CONTROLS

The Portfolio is subject to an annual review by an independent auditor. This review will provide internal control by assuring compliance with policies and procedures.

XV. REPORTING

- A. The Assistant Treasurer is charged with the responsibility of preparing monthly investment reports. They are reviewed by the Commission during the financial reports presented to the Commission at its regularly scheduled monthly meetings.
- B. The Accounting Department of the EDC will maintain all security transaction activity reports.

XVII. INVESTMENT POLICY ADOPTION

- A. This Investment Policy, and any amendments hereto, shall be adopted by resolution by the Commission.
- B. This Investment Policy shall be reviewed on an annual basis by the Assistant Treasurer in conjunction with the annual independent audit and any modifications made thereto must be approved by the Commission.
- C. The policy shall be reviewed on an annual basis by the Commission.

GLOSSARY

(Definitions provided by MTA US & C investment policy model.)

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BID: The bid offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

DEALER: a dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called "free"). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits for public funds, currently up to \$100,000 per time deposit and \$100,000 per demand deposit.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington DC, 12 Regional Banks and about 5,700 commercial banks that are members of the system.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

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MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: an investment standard in which a trustee may invest in a security if it is one which would be bought by a person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the “buyer” for this. Dealers use repos extensively to finance their position. Exception: When the Fed is said to be doing a repo, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vault for protection.

SECONDARY MARKET: A market for the purchase and sale of outstanding debt issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transaction by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BONDS: Long term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from two to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. **(a) INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. **(b) NET YIELD or YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Policy Name: **Policy And Procedure for Selection of Professional Service Providers**

Date Approved: **January 14, 2004**

Resolution No: **1-1-04**

The Tax Increment Financing Commission of Kansas City, Missouri (the “Commission”) may participate with the Economic Development Corporation, the Land Clearance for Redevelopment Authority and the Port Authority to issue a Request for Qualifications for Professional Service Providers for contracts in an amount in excess of \$10,000 in the following manner:

1. Notice of Request for Qualifications

1.1 A staff person, designated by the Executive Director of the Commission, shall handle the process for the issuance of the Request for Qualifications (“RFQ”).

1.2 The Notice for the RFQ shall include the following:

- Name and address of Agency(s) requesting qualifications;
- Services and/or type of work required;
- Time and date that RFQ packets will be made available to the public;
- Time and date for submission of packets to the Commission;
- Street address, phone number, fax number and e-mail address for the location of the RFQ packets shall be made available to the public; and
- MBE/WBE goals

1.3 The Notice of the RFQ shall be advertised in the *K.C. Star*, *The Call*, and *Dos Mundos*

1.4 Staff shall mail copies of the Notice to professional services providers locally and/or nationally, including professional service providers listed in the City’s Certified MBE/WBE Directory.

2. RFQ packets

2.1 The RFQ packets shall be reviewed by staff and legal counsel for correctness and legality and shall include the following information:

- Name and address of Agency(s) requesting qualifications;
- Services and/or type of work required;
- Scope of Services (contract to be in excess of \$10,000);
- The professional service provider’s qualifications;
- The professional service provider’s Profile/Resume;

- A signed letter from the professional service provider that provides a positive commitment that the services can be performed as described, verification that all City and State taxes have been paid, verification and amount of insurance, and verification that there is no conflict of interest;
- Amount of liability insurance;
- A summary of the utilization of MBE/WBE's on all previous projects that have received public/government funding;
- * To the extent available, a summary of the utilization of MBE/WBE's on all previous projects that did not receive public/government funding;
- Date and time for submission of the RFQ packets, along with the name, address, phone, fax and e-mail of the Commission staff member responsible for receiving the qualifications;
- Summary of the criteria against which the qualifications will be measured;
- Summary of the Qualification Review Process; and
- Notification that the professional service provider will be reviewed on his/her/its performance.

* **This information is for information purposes only and shall not be used in evaluating the merits of a proposal.**

3. Determination of Responsiveness

3.1 All responses shall be submitted to the staff member named in the RFQ.

3.2 Responses submitted after the date and time specified in the RFQ shall be returned to the applicant within three (3) working days with a written notification that the submission was not timely and shall not be subject to consideration by the Commission.

4. Review and Evaluation Process

4.1 Within ten (10) working days of receiving timely RFQ responses, the responses will be reviewed by the following:

- Executive Director of the Commission and a Review Committee consisting of the Chairman (or his designee) of each of the requesting agencies.

4.2 The Executive Director and Review Committee shall evaluate the responses based on the following criteria:

- Qualification of the professional service provider;
- Evaluation of past vendor performance;
- Evaluation of past MBE/WBE performance of publicly funded projects;
- Timeliness of payments of City and State taxes;
- Insurance requirements;
- The professional service provider's current MBE/WBE policies;

- Conflicts of interest;
- Locality of professional service provider;
- Interview of Professional, if required; and
- History of compliance with Kansas City, Missouri's Code of General Ordinances, Article II, Chapter 38, Sections 38-84 through 38-100.

5. Selection of Eligibility List

5.1 After evaluation of the responses by the Executive Director and the Review Committee, a determination of eligibility shall be determined and recommended for approval to each of the respective agencies.

5.2 The term of the eligibility list shall be for a period of three years

5.3 The Commission may issue a Request for Qualifications to add Professional Service Providers to the eligibility list.

6. Notification of eligibility list of vendors

6.1 Upon approval of the eligibility list by each of the respective Agencies, staff shall, within ten (10) days, send a notice to all of the responders advising them of the selections.

7. Request for Cost Proposals

7.1 When a project becomes available, all eligible vendors will be invited to provide a cost proposal for the specific services needed for that project with a response time not to exceed seventy-two (72) hours

7.2 The cost proposal shall include the following:

- Bid amount
- Ability and time to complete the project
- Proof of insurance
- Proof of payment of City and State taxes
- Written verification that they intend to comply with the Commission's Affirmative Action goals
- Agency attainment of MBE/WBE goals

7.3 The selection of the professional service providers shall be based upon all of the criteria listed in 7.2 above, and not solely on the lowest bid amount.

7.4 The cost proposals shall be evaluated and recommended for approval by the Executive Director of the Commission and the Commission Affirmative Action Subcommittee with final approval by the Commission.

7.5 After acceptance of the professional service provider's cost proposal, the professional service providers will be invited to enter into a Contract for Professional Services with the Commission.

8. Report on Professional's Performance

8.1 Within thirty (30) days of the completion of a project, TIF staff shall make a written presentation to the full Commission regarding the professional service provider's performance.

Exceptions to this Policy and Procedure For the selection of Professional Service Providers

A Notwithstanding the procedures set forth herein, the Commission reserves the right to issue a Request for Qualifications for Professional Services for contracts in excess of \$10,000 separate and apart from the Economic Development Corporation. If the Commission elects to issue a Request for Qualifications for Professional Services for contracts in excess \$10,000, the process shall be the same as set forth herein, except that the Review Committee will be comprised of a Committee appointed by the Chairman of the Commission.

B. In the event the Commission elects to issue a Request for Qualification for Professional Services for contracts less than \$10,000, all aspects of the process will be the same as that for contracts in excess of \$10,000, except that the evaluation and selection of the professional service providers shall made by the Executive Director of the Commission

Policy Name: **Professional Service Providers Fee Disclosure Policy**

Date Approved: **March 9, 2005**

Resolution No: **3-6-05**

Policy Statement: The purpose of this policy is to (i) outline the fees structure for Professional Service Providers engaged by the Tax Increment Financing Commission (the “TIF Commission”) to assist in the preparation, implementation and administration of tax increment financing plans (“TIF Plans”) and projects identified therein (“TIF Projects”) and (ii) disclose such fees to redevelopers, who have been designated by the TIF Commission to implement such TIF Plans or TIF Projects, prior to the TIF Commission and the redeveloper entering into a funding agreement.

I. **Procedure:**

- A. Upon receipt of a completed Developer’s Package or Application to implement a TIF Plan or TIF Project, staff will issue requests for cost proposals (“RFP”) to the eligible list of vendors, who have been previously selected in accordance with Policy and Procedure for Selection of Professional Service Providers (the “Eligible Vendors”), that are likely to be utilized in connection with such TIF Plan or TIF Project, excluding legal services.
- B. Eligible Vendors will be selected by the Executive Director and the TIF Commission in accordance with the Policy and Procedure for Selection of Professional Service Providers.
- C. Upon delivery of a Developer Package or Application, such potential developer (the “Applicant”) will be provided with a list of names and associated fees of Eligible Vendors that may be engaged in connection with the preparation, implementation and administration of such TIF Plan or TIF Project.
- D. After the Applicant receives the list of Eligible Vendors and their fees, the Applicant shall enter into a funding agreement with the TIF Commission at the next available TIF Commission meeting.
- E. Legal services related to the preparation, implementation and administration of TIF Plans and TIF Projects will be assigned by the Executive Director of the TIF Commission, and at such time, the assigned law firm shall provide the Applicant with its rates for all paralegals and lawyers anticipated to be engaged. These rates shall not exceed 95% of the firm’s market rates.

II. Commission Legal Fees:

- A. Notwithstanding Section I.E., the TIF Commission shall not compensate attorneys in excess of \$200 per hour and paralegals in excess of \$115 per hour for any general counsel work or work related to a “pro-active” TIF Plan for which the Commission has not identified a source of payment. However, should a proactive TIF Plan take on a redeveloper(s), then the fees will be at the rate stipulated in Section I.E. above.

III. Existing TIF Plans and TIF Projects:

- A. For existing TIF Plans and TIF Projects approved prior to the date of this Policy, upon request of the redeveloper, staff shall prepare a schedule of current vendors and their fees for such TIF Plan or TIF Project.
- B. For existing TIF Plans and TIF Projects approved prior to the date of this Policy, with assigned legal services, the legal fee rates set forth in Section I.E. above shall be effective upon the approval of this Policy.
- C. For existing proactive TIF Plans and TIF Projects that have been approved prior to this date, the legal fee rate of Section II.A. shall be effective upon the approval of this Policy.

IV. Conflicts of Interest:

- A. The selection of vendors and professional services used in conjunction with the TIF Commission approved projects shall be made at the sole discretion of the TIF Commission. Redevelopers shall only receive notice of selected vendors and professional service providers and in no way shall they be a part of the selection process unless the TIF Commission expressly so desires.

V. Policy Review:

- A. This policy shall be reviewed and modified, if necessary, on an annual basis by the TIF Commission.

Policy Name: **Quorum Policy**

Date Approved: **January 14, 2004**

Resolution Number: **1-1-04**

Policy Statement: This Quorum Policy sets forth the number of members (the “Commissioners”) of Tax Increment Financing Commission (the “TIF Commission”) that must be present at a public meeting, duly noticed pursuant to the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the “Act”) and the Commission’s Notice Policy, as adopted by Resolution No. 1-1-04 (the “Notice Policy”), in order for any action to be taken by the TIF Commission. (All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Act).

Quorum for Public Hearings

1. The staff to the TIF Commission (the “TIFC Staff”) shall notify the Commissioners, who have been appointed by the Mayor of the City of Kansas City, Missouri (the “Mayoral Appointees”), of all hearings regarding proposals for Redevelopment Plans, Redevelopment Projects or any amendments thereto (“Public Hearings”) not later than seven (7) days prior to the date of the Public Hearing.

2. Pursuant to and in accordance with the Notice Policy, the TIFC Staff shall notify, in writing (the “Notice”), all Taxing Districts that would be affected by a proposed Redevelopment Plan or Redevelopment Project of their right to appoint representatives to the TIF Commission for the purpose of conducting a Public Hearing. The Mayoral Appointees and the representatives so appointed by the affected Taxing Districts (the “Taxing District Appointees”) shall constitute the TIF Commission for the purpose of conducting a Public Hearing. In the event an affected Taxing District fails to appoint a representative

(a) within thirty (30) days of receipt of the Notice regarding a proposal (i) for a Redevelopment Plan or Redevelopment Project or (ii) an amendment that either alters the exterior boundaries of an existing Redevelopment Area, modifies the general land uses established pursuant to an existing Redevelopment Plan or changes the nature of any Redevelopment Project; or

(b) within seven (7) days of any amendment, which is not addressed in Section 2(a), to an existing Redevelopment Plan, Redevelopment Project or Redevelopment Area, then the Mayoral Appointees and the Taxing District Appointees (the “Remaining Commissioners”) may carry out the responsibilities of the TIF Commission or, by a majority vote of the Remaining Commissioners, elect to permit such representative(s), who did not respond within the requisite time period set forth in Section 2(a) and (b) above, to participate and vote for all proposals presented at a Public Hearing.

3. A majority of the TIF Commission shall constitute a quorum for the transaction of business, except that with respect to Public Hearings, such quorum must include four (4) Mayoral Appointees. The acts and recommendations of the TIF Commission at a Public Hearing at which a quorum is present shall constitute the acts and recommendations of the TIF Commission. If a quorum is not present at any Public Hearing of the TIF Commission, a majority of the Commissioners present may adjourn the meeting until a quorum is present.

4. No Taxing District Appointee shall vote on any matter other than as presented in a Public Hearing or as set forth in Section 2.

Quorum For Public Meetings

1. The TIFC Staff shall notify Mayoral Appointees of all public meetings, exclusive of Public Hearings, not later than seven (7) days prior to the date of the public meeting.

2. Except for Public Hearings, four (4) Mayoral Appointees shall constitute a quorum for the transaction of business, and the acts of a majority of the Mayoral Appointees present at a meeting at which a quorum is present shall constitute the acts of the TIF Commission. If a quorum is not present at any meeting of the TIF Commission, a majority of the Commissioners present may adjourn the meeting until a quorum is present.

Policy Name: **Sunshine Law Policy for the TIF Commission and its Advisory Committees**

Date Approved: **January 14, 2004 (Revised 7-14-04)**

Resolution Number: **1-1-04 (Revised by Resolution No. 7-4-04)**

Policy Statement: The purpose of this policy is to state how open meetings of the Tax Increment Financing Commission (the “TIF Commission”) and its Advisory Committees (“Advisory Committees”) should be conducted such that they are consistent with the State of Missouri Sunshine Law. (All capitalized terms not defined herein shall have the respective meanings ascribed to them in Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended, the “Act”.)

1. Definitions

- a. **Advisory Committee:** Any committee appointed by or at the direction of the TIF Commission and which is authorized to report to the TIF Commission or to recommend to the TIF Commission or its chief executive officer, policy or policy revisions, the priority or the nature of Redevelopment Projects or public improvements or the expenditures of public funds.
- b. **Sunshine Law:** Sections 610.010 to 610.032, inclusive, of the Revised Statutes of Missouri, as amended.
- c. **Closed Meeting, Closed Record, Closed Vote:** Any meeting, record or vote closed to the public.
- d. **Public Business:** All matters which relate in any way to the performance of the TIF Commission’s or an Advisory Committee’s functions or the conduct of its business and over which the TIF Commission or an Advisory Committee has supervision, control, jurisdiction or advisory power.
- e. **Public Meeting:** Any meeting of the TIF Commission or Advisory Committee at which Public Business is discussed, decided, or public policy formulated, whether corporeal or by means of communication equipment, including, but not limited to, conference calls, video conferences, Internet chats and Internet message boards; however, “public meeting” shall not include informal gatherings of members of the TIF Commission (the “Commissioners”) or an Advisory Committee for social or ministerial purposes when there is no intent to avoid the purpose of the Sunshine Law, but shall include a public vote of all or a majority of Commissioners or an Advisory Committee by telephone, electronic communication or other means, conducted in lieu of holding a public meeting with the Commissioners of the TIF Commission or an Advisory Committee gathered at one location in order to conduct Public Business.

- f. Public Record: Any record, whether written or electronically stored, retained by the TIF Commission or an Advisory Committee, including any report, survey, memorandum or other document or study prepared and presented to the TIF Commission or an Advisory Committee by a consultant or other professional service provided, paid for in whole or in part by public funds; provided, however that the term “public record” shall not include any internal memorandum or letter received or prepared by or on behalf of a Commissioner or an Advisory Committee consisting of advice, opinions, and recommendations in connection with the deliberative decision making process of the TIF Commission or an Advisory Committee, unless such records are retained by the TIF Commission or an Advisory Committee or presented at a public meeting.
- g. Public Vote: Any vote cast at any public meeting of the TIF Commission or an Advisory Committee. When any message is sent by one member of the Commission by electronic means to other members of the Commission such that, when counting the sender, a majority of the Commission are copied, a copy of the same format shall be sent to the Custodian and retained as a Public Record.

2. Notice of Public Meetings

- a. For each Public Meeting, the Commission shall provide notice, which shall include the tentative agenda of such meeting and time, date and mode by which the meeting will be conducted, including telephone and other electronic means, and the designated location where the public may observe or attend. Notice shall be presented in a manner reasonably calculated to advise the public of the matters to be considered. Notice shall be posted at the meeting place or a publicly prominent place, including on the EDC’s website, to the extent such Public Meeting is conducted via Internet chat, Internet message board or other computer link, and no less than 24 hours (excluding weekends and holidays) prior to the meeting date. Public Meetings shall be open to the public and held in a handicap accessible environment that is of sufficient size to accommodate the anticipated attendance by members of the public and at a time that is reasonably convenient to the public, unless for good cause such a time and place is impossible or impractical.
- b. When it is necessary to hold “special” Public Meetings on less than 24 hours notice to the public or at any place not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from normal protocol shall be recorded in the minutes of the meeting.
- c. At any Public Meeting conducted by telephone or other electronic means, including Internet chat, Internet message board, or other computer link, the meeting notice shall designate a location at which the public may meet and observe and/or attend the meeting.
- d. In the event that an appropriate Public Meeting environment is not available, TIF Commission and Advisory Committee Public Meetings may be held between the hours of 8:00 a.m. and 7:00 p.m. by reservation in the Economic Development Corporation’s boardroom located at 10 Petticoat Lane, Suite 250, Kansas City, Missouri 64106.

3. Votes

- a. All votes to be recorded attributing a “yea” or “nay” vote, or abstinence if not voting, to the name of the individual member.
- b. Members of Advisory Committees that are members of the TIF Commission and/or who are TIF Commission staff members must abstain from votes on any issues that come before the Advisory Committee.
- c. Members of Advisory Committees shall agree, in writing, to attend at least eighty percent (80%) of all Advisory Committee meetings. Except for Advisory Committee Members who are publicly elected officials, the Commission, in its sole discretion, may remove any Advisory Committee Member that fails attend two (2) meetings of the Advisory Committee within a 12 month period, without such Advisory Committee Member providing prior notice to staff of the Commission or the Chairperson of the Advisory Committee.

4. Participants Each individual member shall state, for the official record, their name and whom they represent at the beginning of each meeting.

5. Actions to be taken At the end of each meeting, included in the minutes, there should be a listing indicating what actions should be taken as a result of this meeting.

6. Minutes of Meetings

- a. All meetings will be recorded by audio recording.
- b. A journal of meeting minutes shall be taken and retained by an assigned “custodian of records” for the committee, including but not limited to a record of any votes taken at such meeting. Minutes shall include the time, date, place of meeting, agenda, votes taken and how each exclusive member voted. These records shall be maintained indefinitely and made available for inspection and copying to the public upon request.

7. Public Records

- a. The CEO/President of the Economic Development Corporation is appointed as the TIF Commission’s Public Record Custodian (“Custodian”) and is responsible for the maintenance of the TIF Commission’s and Advisory Committees’ records. The CEO/President will be the primary contact and may delegate this duty to an Assistant or any other person.

8. Public Sunshine Law Requests

- a. Public requests for inspection or copying of Public Meeting minutes and records shall be done so in writing. Within three business days of receipt and acknowledgement of the

request, the Custodian shall make the requested minutes and records available to the requesting party in the format so requested, if such format is available.

- b. If the request cannot be immediately satisfied, the Custodian shall give a detailed reason to the requesting party and the Chairman of the TIF Commission, of the cause for further delay and the place and earliest time and date that the records will be available for inspection.
- c. If a request for access to any Public Record is denied, the person seeking access may request a written statement of the grounds for denial. This shall be provided as required by Section 8(a), above. The written statement shall cite to the specific provisions of the Sunshine Law under which the access has been denied, and shall be furnished to the requesting party and the Chairman of the TIF Commission no later than the third business day following the date that the request for the statement is received.
- d. If a person who has been provided access to the Public Records is unable to find a specific document, that person may make a written request for the document, including the title, publication or approval date, and other relevant information, to the Custodian, who will make reasonable efforts to determine whether the document was part of the Public Record and whether the document can be located and access provided.
 - i. The Custodian shall not otherwise be responsible for providing access to any documents other than to the Public Records.
 - ii. Other than providing access to the Public Records, the Custodian shall not be responsible for responding to general document requests, such as those seeking groups or categories of documents or documents related to topic areas, and shall forward such requests to the legal counsel of the TIF Commission for review.
- e. No original records shall be removed from the Custodian of records' care without the express, written consent of the Custodian.
- f. The Custodian shall be responsible for the following:
 - i. Accompanying the person(s) making the record request to the records, if applicable.
 - ii. Assisting the person(s) making the record request in reproducing documents, if applicable.
 - iii. Keeping a record of the name, address and phone number of the person(s) making a record request and a corresponding log of the documents copied or otherwise obtained by such person(s).
 - iv. Maintaining a list of all Advisory Committees.

9. Fees for copying public records:

- b. A reasonable charge may be applied to copies of public records, provided, however, in no event shall such amount exceed ten cents (\$.10) per page. Additionally, an hourly fee may be charged for time required by Commission Staff to copy such Public Records, provided, however, the hourly rule shall not exceed the average hourly rate for clerical staff of the Commission. Fees for copying public records shall not exceed the actual cost of the documents, search and duplication. Upon request, the Custodian shall certify in writing the actual costs of the document search and duplication of records. Fees for public records maintained electronically, including but not limited to, audio tapes, video tapes, disks, photographs, films, etc. shall include only the cost of the copies, staff time required for locating and making the copies and the cost of the materials used for the duplication.

10. Closed Meetings:

- c. Closed meetings, records and votes may be allowed to the extent that they relate to the following: (Other applicable reasons in greater detail are referenced in RSMo 610.021)
 - i. Legal actions;
 - ii. Purchase, leasing or sale of real estate;
 - iii. Hiring, firing, disciplining or promoting of particular employees;
 - iv. Specifications for competitive bidding until officially approved;
 - v. Sealed bids and related documents until the bids are opened or contracts are executed or rejected;
 - vi. Confidential communications between the committee and auditor, including auditor work product; etc.

11. Public Records:

- a. Upon final disposition of above-related matters, minutes and votes of the closed meetings shall be made Public Record within 72 hours of the disposition. In the event that the information related to the discharge of an employee, the minutes and votes of such meeting shall be made public given the employee has been notified of such decision within that time.
 - i. No Public Meeting shall be closed without an affirmative public vote of the majority of a quorum of the TIF Commission or any Advisory Committee.
 - ii. A journal of Closed Meeting minutes shall be taken and retained by the Custodian, including, but not limited to, a record of the votes taken at such meeting. Minutes shall include the time, date, place of the Closed Meeting, agenda, votes taken and how each individual member of the Commission voted.

- iii. Any person determined to be in violation of any provision of Chapter 610 RSMo, may be found guilty of a Class A Misdemeanor.

Policy Name: 10-Day Issuance of New Policies

Date Approved: January 14, 2004

Resolution Number: 1-1-04

Policy Statement: After a policy has been adopted by resolution at a public meeting, which has been duly noticed and held, of the Tax Increment Financing Commission (the “TIF Commission”), staff to the TIF Commission (“TIFC Staff”), together with the assistance of legal counsel to the TIF Commission, shall draft a written policy, which shall be based upon (a) the resolution adopted by the TIF Commission, (b) minutes of the public meeting in which the resolution was adopted and (c) such other information presented to the TIF Commission at the public meeting.

- A. All written policies drafted by TIFC Staff shall be forwarded by TIFC Staff to legal counsel of the TIF Commission and, to the extent the policy shall affect the rights, obligations or duties of redevelopers of Redevelopment Plans, legal counsel is authorized and directed to incorporate such policy in future redevelopment agreements.
- B. To the extent written policies affect the rights, obligations or duties of redevelopers of TIF Plans or taxing jurisdictions, TIFC Staff shall forward the policy to all such redevelopers and taxing jurisdictions.

[All capitalized terms not defined herein shall have the respective meanings asserted to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended.]

**TAX INCREMENT FINANCING COMMISSION OF
KANSAS CITY, MISSOURI
AFFIRMATIVE ACTION POLICY**

WHEREAS, the Kansas City, Missouri Disparity Study, dated October 1, 1994, determined that women and certain minority groups were being underutilized in the Kansas City, Missouri Metropolitan Area. As a result, the City of Kansas City, Missouri (the "City") has adopted City-wide affirmative action goals applicable to firms doing business with the City, through its departments and agencies. In accordance with Chapter 38, Article II, Section 38-85.5 of the Code of Ordinances of the City, the Tax Increment Financing Commission of Kansas City, Missouri ("TIFC") has adopted this Policy, which is intended to secure equal opportunities and maximize the participation of certified Minority Business Enterprises ("MBE") and certified Women's Business Enterprises ("WBE") in providing professional and construction services contracted for by the TIFC and its Redevelopers, and an equal opportunity for minorities and women to be employed in the workforces of all contractors, subcontractors and assignees of TIFC and its Redevelopers.

THEREFORE, TIFC shall adhere to the requirements set forth herein and shall contractually require its Redevelopers to do the following:

- (1) meet or exert best faith efforts to meet the goals established by the Human Relations Department of the City and, if necessary, any adjustments required by the Fairness in Construction Board,
- (2) comply or exert best faith efforts to comply with the Utilization Plans approved by the Human Relations Department of the City and TIFC,
- (3) comply with all reporting requirements set forth in this Policy, and
- (4) contractually require each contractor, subcontractor and assignee to comply with this Policy and to enforce such contractual provisions.

I. DEFINITIONS

Construction Services - Activities undertaken to complete the construction, reconstruction, improvement, enlargement or alteration of any fixed work that relates to the implementation of a Redevelopment Plan, Project or Public Improvement, including environmental remediation and demolition, but excluding Professional Services.

Disparity Study - An undertaking dated October 1, 1994, commissioned by the City of Kansas City, Missouri, the Kansas City Area Transportation Authority, and the Kansas City, Missouri School District to determine whether or not defined minority groups or women were underutilized in the Kansas City Metropolitan Area.

Kansas City Metropolitan Area: The Missouri counties of Cass, Clay, Jackson and Platte and the Kansas counties of Johnson, Leavenworth and Wyandotte.

Minorities - Persons who are citizens or lawful permanent residents of the United States and who:

- a. Have origins in any of the Black racial groups of Africa (“Black Americans”);
- b. Have origins in any of the peoples of Mexico, Puerto Rico, Cuba, Central or South America, regardless of race (“Hispanic Americans”);
- c. Have origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent or the Pacific Islands (“Asian Americans”); and
- d. Maintain cultural identification through tribal affiliation or community recognition with any of the original peoples of the North American continent; or those who demonstrate at least one-quarter descent from such groups (“Native Americans”).

Minority Business Enterprise (“MBE”) - A business or professional entity that (a) is at least 51% owned and independently controlled by one or more Minorities and is currently certified as such by the Human Relations Department of the City of Kansas City, Missouri, (b) either has its principal place of business in the Kansas City Metropolitan Area or has made substantial efforts to become a market participant in Kansas City, Missouri, (c) meets the size standards imposed by 13 CFR 121.201, (d) possesses the professional qualifications necessary to perform the work contemplated by a Redevelopment Agreement or contract between TIFC, a Redeveloper, or a Redeveloper’s contractors, subcontractors or assignees in furtherance of a Redevelopment Agreement or Redevelopment Plan, and (e) is capable of providing the necessary equipment and labor force independent of any other contractor, subcontractor or assignee and can perform the work itself without subcontracting. The Kansas City Human Relations Department maintains a list of certified MBEs, which is available upon request.

Professional Services - Advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, marketing, environmental studies, and financial services contracted for by any Redeveloper necessary to complete Project Improvements, but excluding Construction Services.

Project Improvements - Those activities undertaken and facilities constructed in order to implement the provisions of a Redevelopment Plan pursuant to a Redevelopment Agreement.

Redeveloper - Any person or entity which enters into a Redevelopment Agreement.

Redevelopment Agreement - Any agreement between TIFC and a Redeveloper for the implementation of a Redevelopment Plan, Project or Public Improvement .

TIFC - The Tax Increment Financing Commission of Kansas City, Missouri, created pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 1986, as amended (the "Act"), and by Ordinance No. 54556 of the City Council of Kansas City, Missouri, adopted on November 24, 1982, and amended by Ordinance No. 911076 adopted on August 29, 1991, for the purpose of holding hearings and making recommendations to the City Council of Kansas City, Missouri, with respect to proposed tax increment financing plans, and carrying out the responsibilities delegated to it by the City Council, among which, are entering into agreements with redevelopers to implement said plans when approved, and monitoring compliance therewith.

TIFC Representative - A representative designated by the TIFC, who shall make regular reports at TIFC meetings regarding Redevelopers' compliance with this Policy.

Utilization Goals – The goals described in Section II of this Affirmative Action Policy.

Women's Business Enterprise ("WBE")^{1/} - A business or professional entity that (a) is at least 51% owned and independently controlled by one or more women and is currently certified as such by the Human Relations Department of the City of Kansas City, Missouri, (b) either has its principal place of business in the Kansas City Metropolitan Area or has made substantial efforts to become a market participant in Kansas City, Missouri, (c) meets the size requirements imposed by 13 CFR 121.201, (d) possesses the professional qualifications necessary to perform the work contemplated by a Redevelopment Agreement or contract between TIFC, a Redeveloper, or a Redeveloper's contractors, subcontractors or assignees in furtherance of a Redevelopment Agreement, and (e) is capable of providing the necessary equipment and labor force independent or any other contractor, subcontractor or assignee, and can perform the work itself without subcontracting. The Kansas City Human Relations Department maintains a list of WBEs, which is available upon request.

Workforce - Those persons employed to perform Construction Services.

All terms not otherwise defined herein, shall have the meaning set forth in the Redevelopment Agreement.

II. TIFC COMPLIANCE

A. The TIFC, pursuant to Chapter 38, Article II, Section 38-87(1) of the Code of Ordinances of the City, shall prepare and deliver to the Director of the Human Relations

^{1/} The Disparity Study included minority women as part of the minority population and goals and, therefore, minority women should be included in MBE statistical categories furnished to the TIFC. As a result, the WBE category includes only those firms owned or controlled by white women.

Department by April 1 an annual MBE/WBE Utilization Plan for each upcoming fiscal year of the City. Each MBE/WBE Utilization Plan shall include the TIFC's goals for participation by qualified, certified MBEs and WBEs as prime contractors and subcontractors in the procurement of goods and professional and construction services for the upcoming year. The goals should be expressed as a percentage of the TIFC's estimated total fiscal contract expenditures.

B. The TIFC, pursuant to Chapter 38, Article II, Section 38-97(5), shall make reasonable efforts to:

1. advertise contract opportunities in general circulation media, trade and professional publications, small business media and publications of minority and women's business organizations;
2. send written notice of specific contract opportunities to minority and women's business organizations and those MBEs/WBEs listed on the TIFC's approved professional service provider list;
3. with the assistance of the Director of Human Relations Department of the City, shape the scope, specifications and size of a contract to enhance participation opportunities for qualified, certified MBEs and WBEs;
4. include certified, qualified MBEs/WBEs on the TIFC's approved professional service provider list; and
5. add a provision within all RFQ's and advertisements to bid a provision that encourages MBEs/WBEs to become certified with the City, the Kansas Department of Transportation and the Missouri Department of Transportation.

III UTILIZATION GOALS FOR REDEVELOPMENT PROJECTS AND PUBLIC IMPROVEMENTS

Unless the Director of the Human Relations Department of the City establishes separate goals for a specific Redevelopment Agreement (the "Utilization Goals"), the goals listed in Section III.A. through C. (the "Default Goals") for the participation of MBEs and WBEs (in the case of Professional Services and Construction Services), and minority and female individuals (in the case of Workforces), which are identical to the city-wide goals of the City, shall apply and be incorporated as a part of each Redevelopment Agreement. The Utilization Goals or Default Goals for participation of such MBEs and WBEs are expressed as a percentage of the totals of (a) the dollar amount spent for professional services (b) the dollar amount spent for Construction Services, and (c) hours worked by individuals employed in the Workforce. The Default Goals are as follows:

A. <u>Professional Services</u>	<u>Percentages</u>
1. Minority Business Enterprises Black-American	8

	Hispanic American	3
	Native American/Asian American	<u>2</u>
		13
2.	Women's Business Enterprises	8
B. <u>Construction Services</u>		
1.	Minority Business Enterprises	
	Black-American	9
	Hispanic American	5
	Native American/Asian American	<u>1</u>
		15
2.	Women's Business Enterprises	7
C. <u>Workforce</u>		
1.	Minorities	
	Black-American	9
	Hispanic American	5
	Native American/Asian American	<u>1</u>
		15
2.	Women	7

D. Identification. The following codes will be used to identify the appropriate reporting classification assigned to each MBE or WBE firm:

- 01 MBE Certified Black Male Ownership
- 02 Non-MBE/WBE (Minority Business Enterprise/Women owned Business Enterprise) Ownership
- 03 MBE Certified Hispanic Male Ownership
- 04 MBE Certified American Indian Male Ownership
- 05 MBE Certified Asian American Male Ownership
- 06 MBE Certified Black Female Ownership
- 07 WBE Certified White Female Ownership
- 08 MBE Certified Hispanic Female Ownership
- 09 MBE Certified American Indian Female Ownership
- 10 MBE Certified American Asian Female Ownership

Staff to the TIFC shall notify Redevelopers verbally and in writing, within each Redeveloper's Application for the implementation of a Redevelopment Plan, Redevelopment Project or Public Improvement, of the requirement that Redevelopers obtain Utilization Goals from the Human Relations Department of the City for each such Redevelopment Plan, Redevelopment Project or

Public Improvement, prior to a hearing at which time the TIFC shall consider approving and recommending such Redevelopment Plan, Redevelopment Project or Public Improvement to the City Council for approval. At least seven (7) days prior to the date of the public hearing at which time such Redevelopment Plan, Redevelopment Project or Public Improvement is to be considered for approval by the TIFC, the Redeveloper shall communicate, in writing, to the TIFC Representative either (1) the specific scopes of work for the Redevelopment Plan, Redevelopment Project or Public Improvement in sufficient detail, as determined by the Human Relations Department, so that specific Utilization Goals can be established or (2) that specific scopes of work for such Redevelopment Plan, Redevelopment Project or Public Improvement have not been established, and in which case, the Default Goals shall apply; provided however, such Default Goals may be modified by the Human Relations Department at such time as the specific scopes of work for such Redevelopment Plan, Redevelopment Project or Public Improvement are presented by the Redeveloper to the Human Relations Department.

IV. RECORDS AND REPORTS

A. Records. The Redeveloper shall maintain such records as reasonably may be required in order to demonstrate Policy compliance including, but not limited to, (1) a copy of the Utilization Goals established by the Director of the Human Relations Department for each Redevelopment Plan, Project or Public Improvement, (2) Utilization Plans approved by the Human Relations Department, (3) teaming agreements or other documentation that evidences the Redeveloper's intent to enter into agreements with MBEs and WBEs for the implementation of a Redevelopment Plan, Project or Public Improvement, (4) documentation that evidences the best faith requirements set forth in Sections V.A.1.b. and V.B.1.b. to meet the Utilization Goals. Such records shall be made available for audit by the TIFC Representative from time to time upon reasonable notice.

B. Reports. The Redeveloper shall provide to the TIFC Representative by the 15th day of each month, commencing on the month after the Redeveloper incurs any costs or expenses related to construction or professional services utilized in connection with the implementation of a Redevelopment Plan, Redevelopment Project or Public Improvement. Such monthly reports shall be in a format provided by the TIFC Representative. In addition to the monthly reports, the Redeveloper shall provide such additional information requested by the TIFC Representative, including but not limited to, checks, invoices and receipts, in order to verify that the percentages submitted on the reports are accurate. As a condition to the reimbursement of eligible Redevelopment Project Costs, the Redeveloper shall have delivered all monthly reports on a timely basis to the TIFC Representative. A copy of each monthly report, together with a copy of all checks, invoices, receipts and all other documentation evidencing payments to MBEs and WBEs, shall be submitted simultaneously to the TIFC's independent cost certifier, who has been designated by the TIFC to certify costs for the Redevelopment Plan, Project or Public Improvement to be implemented by the Redeveloper. In the sole discretion of TIFC, for good cause shown, waivers of the monthly reports may be granted. Each monthly report, which shall be in a form substantially similar to Exhibit A, attached hereto, shall summarize the data in the following three (3) categories:

1. Professional Services: Total dollars spent in the Kansas City Metropolitan Area and dollars spent with MBE and WBE firms, respectively, for professional services.
2. Construction Services: Total dollars spent in the Kansas City Metropolitan Area and dollars spent with MBE and WBE firms, respectively, for construction services.
3. Workforce: Total construction worker hours utilizing minorities and women.

V. REDEVELOPER COMPLIANCE

A. Professional Services and Construction Services

1. The Redeveloper shall be presumed conclusively to be in compliance with this Policy as it relates to best faith efforts to the meet the Utilization Goals or Default Goals, as applicable, with respect to Professional and Construction Services if:

a. the Redeveloper can demonstrate, to the satisfaction of the TIFC, that each of the Utilization Goals or Default Goals set forth in Section III have been met for each Redevelopment Project and Public Improvement in which Construction or Professional Services have been utilized;^{2/}

b. in the event, any of the Utilization Goals or Default Goals have not been met, the Redeveloper has taken the following actions:

(1) requested in writing the assistance of the TIFC Representative with respect to efforts to promote the utilization of MBE/WBE and acted upon the TIFC's recommendations;

(2) solicited in writing proposals from certified MBE/WBE in sufficient time to allow MBE and WBE firms to participate effectively (in any event no later than 15 calendar days prior to the utilization of any Professional or Construction Services for each Redevelopment Project), setting forth in sufficient detail a description of the Plan and Redevelopment Project, identification of the Redeveloper or contractor, the amount and scope of work to be performed, the time frame of performance so that meaningful proposals may be submitted sufficiently in advance to be considered prior to awarding of contracts.

^{2/} It is sufficient if the overall goal for MBE has been met without regard to the specific "mix" of MBEs.

(3) advertised in Minority/Women's Trade Association Newsletters and/or minority owned media in sufficient time to allow MBE and WBE firms to participate effectively (in any event no later than at least 15 calendar days prior to the utilization of any Professional or Construction Services for each Redevelopment Project), identifying specific opportunities at least equal to the Utilization Goal (but not a reserved set-aside) for MBE/WBE utilization specified for the contract and maintained a log or copies of such ads showing the date of publication and identifying the publication.

(4) adequately segmented the work in request for proposal documents or any other communication or publication intended to solicit Professional or Construction Services for the Redevelopment Project or Redevelopment Plan to be subcontracted to the extent consistent with the size and capability of MBE/WBE so that reasonable subcontracting opportunities exist.

(5) notified in writing Minority/Women Contractor Associations at least 15 calendar days prior to the utilization of Professional or Construction Services for each Redevelopment Project of the availability of specific opportunities at least equal to the Utilization Goal given for MBE/WBE specified in this Policy.

(6) conferred with qualified, certified MBEs and WBEs and explained the work for which their bids or proposals were solicited;

(7) made telephone calls to MBE/WBE contractors and made a log thereof, including date, time, name of person talked to, and subject of discussion.

(8) conducted good faith negotiations, as determined by TIFC, with those MBE/WBE from whom proposals were received in an effort to reach a mutually acceptable agreement. Documentation in support thereof must include:

- (a) copies of solicitation letters
- (b) bid price of MBE/WBE
- (c) bid price of the non-MBE/WBE bidder
- (d) reason for non-selection of the MBE/WBE bidder.

2. Business arrangements with MBE/WBE must be in the form of a written agreement which may be a contract to perform services or formation of a partnership or joint venture.

3. Prior to the TIFC approving and recommending a Redeveloper Plan or Project to the City Council for approval, the Redeveloper and staff to the TIFC shall meet with the Director of the Human Relations Department of the City, who shall establish Utilization Goals or apply the Default Goals for the Redevelopment Project or Public Improvement and the Redeveloper shall submit to TIFC, (i) written evidence that the Human Relations Department has established Utilization Goals or applied the Default Goals for the Redevelopment Plan, Project or Public Improvement, and (ii) an Officer's Certificate, in a form substantially similar to Exhibit B attached hereto. During the public meeting, at which time TIFC reviews and considers the approval of any Redevelopment Project initiated by a Redeveloper, the TIFC Representative shall certify to TIFC that the Redeveloper has complied with this Section V.A.3.

4. Prior to the submission of the first monthly report required by Section IV.B. the Redeveloper must deliver to the TIFC (i) a Utilization Plan for Professional Services, in a form substantially similar to Exhibit C, attached hereto (the "Professional Services Utilization Plan"), that has been approved by the Human Relations Department, (ii) a Utilization Plan for Construction Services, in a form substantially similar to Exhibit D, attached hereto (the "Construction Services Utilization Plan") that has been approved by the Human Relations Department, and (iii) verification letters from MBEs and WBEs listed on the Professional Services Utilization Plan and Construction Services Utilization Plan or a teaming agreement, in a form substantially similar to Exhibit E, attached hereto. As a condition to the reimbursement of any costs, (a) the TIFC Representative shall certify to the TIFC the continued compliance or adherence to this Policy and the Utilization Plans submitted by the Redeveloper; and (b) the TIFC's independent cost certifier, who has been designated to certify costs related to such Redevelopment Plan or Project, shall certify to the TIFC all payments made to MBEs and WBEs that are referenced in monthly reports. If such certification has not been made in a timely manner, the Redeveloper may request a hearing by TIFC, which shall be held within thirty-five (35) days. At such hearing, Redeveloper and the TIFC Representative, or their respective counsel, shall present evidence relevant to Redeveloper's compliance with this Policy. TIFC shall act within thirty-five (35) days of the close of such hearing and may make such ruling as the evidence may justify in its reasonable discretion. TIFC may certify compliance, specify actions that may be taken to gain certification or avail itself of any of the remedies set forth in Section VI hereof.

5. In the event that after an MBE/WBE is selected, such MBE/WBE's certification is withdrawn, or should an MBE/WBE be unable to perform, the Redeveloper shall promptly notify the Director of Human Relations Department of the City and the TIFC Representative in writing and, where reasonably possible, exert best faith efforts, as determined by the TIFC and the Director of the Human Relations Department, to find a replacement in accordance with the standards and procedures set forth in Chapter 38, Article II of the Code of

Ordinances of the City. In the event no replacement MBE/WBEs are qualified and available to perform the same services, the Redeveloper shall, to the extent possible, as an alternative to substitution, adjust the MBE/WBE involvement in another area of the contract in order to meet the Utilization Goals established or the Default Goals applied by the Human Relations Department.

B. Workforce

1. Redeveloper shall be presumed conclusively to be in compliance with this Policy as it relates to Workforce if:

a. each of the Utilization Goals set forth in Section III.C. has been met on a monthly basis for each Redevelopment Project in which Construction Services have been utilized;^{3/}

b. in the event, any of the Utilization Goals have not been met, the Redeveloper has taken the following actions:

(1) Requested in writing the assistance of the TIFC Representative with respect to efforts to promote the utilization of minorities and women in the Workforce and acted upon the TIFC's recommendations.

(2) advertised in Minority/Women's Trade Association Newsletter and/or minority owned media at least 15 calendar days prior to the utilization of any Construction Services for each Redevelopment Project seeking employees, appropriately describing the work available, pay scale, how to apply, etc., and maintained a log or copies of such ads showing the date of publication and identifying the publication; and

(3) contacted minority and women's organizations. A list of such organizations may be provided by the TIFC Representative upon request.

C. Records and Reports. Redeveloper shall be conclusively presumed to be in compliance with this Policy as it relates to records and reports if all records have been kept and reports have been timely made as set forth in Section IV.

D. Contractors, Subcontractors and Assignees. Redeveloper shall incorporate in all agreements with contractors, subcontractors and assignees contain a provision requiring compliance with this Policy, as it may be amended from time to time, and appropriate measures, as determined by the TIFC, have been taken to enforce such provisions.

^{3/} It is sufficient if the overall goal for minorities has been met without regard to the specific "mix" of minorities.

E. Waiver. For good cause shown, the requirements of this Section V may be waived or modified by TIFC.

F. Burden of Proof. It is the responsibility of Redeveloper to demonstrate compliance with this Policy. The TIFC Representative will monitor Redeveloper's compliance and make periodic reports to TIFC relative thereto. It is not the responsibility of TIFC or its Representative to conduct any investigation or take any other action to verify Redeveloper's compliance.

VI. PARTICIPATION CREDIT

Whether or not the participation of MBEs, WBEs, minorities and women satisfies the Utilization Goals set forth in Section III shall be determined as set forth herein.

A. Professional and Construction Services

1. The total dollars paid to an MBE/WBE which contracts to provide goods or services directly to the Redeveloper, or contractor or consultant of Redeveloper.

2. Additional Credit - Suppliers. A sub-contract with an MBE/WBE certified supplier may be credited toward the MBE/WBE requirement for construction contracts only if the MBE/WBE is involved in the manufacture or distribution of the supplies or materials, or otherwise warehouses and ships the supplies or materials. The following rules apply to the use of MBE/WBE suppliers:

a. Manufacturers. If the MBE/WBE business supplier is the manufacturer of part or all of the supplies or materials, up to one hundred percent (100%) of the cost will be allowed towards meeting the MBE/WBE goal, [e.g., If the supplier is the manufacturer of all (or essentially all) of the supplies or materials, one hundred percent (100%) will be allowed. If the MBE/WBE is involved in the manufacture of a lesser percentage, the amount to be allowed will be determined on a case-by-case basis.]

b. Non-Manufacturers. If the supplier is not a manufacturer, one hundred percent (100%) of the total expenditure to a MBE/WBE supplier, may be counted toward the MBE/WBE goal provided the MBE/WBE supplier performs a commercially useful function in the supply process. However, no more than twenty-five percent (25%) of the overall goal may be satisfied by expenditures to non-manufacturer suppliers.

3. Additional Credit - Administrative Functions. If the MBE/WBE performs administrative functions with respect to contracts awarded to non-minority enterprises, then up to 10% of the dollar value of these non-minority contracts

may be counted toward the MBE/WBE goals. In order to be considered as performing these administrative functions, the MBE/WBE must demonstrate that it, she or he is in control of the complete sub-contract. Proof of such control will include the following:

- a. The MBE/WBE has provided to the Redeveloper or its general contractor (if the MBE/WBE contractor is himself a sub-contractor), a performance and/or payment bond for the job (if required by the contract).
- b. The MBE/WBE has finances/resources in a sufficient amount to perform the sub-contract (i.e. is financially capable of handling a contract of that size without undue reliance on the payments of the redeveloper/general contractor).
- c. Payment is made to the MBE/WBE for the percentage of work completed on the project (and not in advance for the purpose of funding the MBE/WBE).
- d. MBE/WBE has the expertise to perform such administrative functions.

B. Workforce. 100% of the hours worked by minorities and women.

VII. REMEDIES

In addition to remedies set forth in the Redevelopment Agreement, if TIFC finds, after due notice and hearing, the Redeveloper has not made a good faith effort to comply with the Utilization Goals set forth herein or has otherwise not complied with this Policy, TIFC may take such action as it deems appropriate, including but not limited to the temporary suspension of development rights, ordering a cessation of development activity, or may note such non-compliance in any future application by the Redeveloper to implement any future Redevelopment Plans. In addition, TIFC may take into account the past compliance record of any Redeveloper's proposed contractors and subcontractors in evaluating such Redeveloper's applications to implement a Redevelopment Plan.

The Redeveloper and TIFC acknowledge that MBEs and WBEs are third party beneficiaries to the Redevelopment Agreement with respect to compliance with this Policy. Because the amount of harm caused to MBEs and WBEs by the Redeveloper not exerting good faith efforts to meet the Utilization Goals set forth herein is uncertain, if not impossible, to determine, the Redeveloper agrees to pay to TIFC liquidated damages in an amount not to exceed the fees and expenses incurred by TIFC in investigating and determining that the Redeveloper has not complied with this Policy; plus an amount equal to the percentage of the total amount of dollars spent in the Kansas City Metropolitan Area for Professional and/or Construction services that MBEs or WBEs would have otherwise received or money that otherwise would have been spent to employ minorities and women in the Workforce had the respective Utilization Goals set forth herein, been attained by the Redeveloper. The liquidated

damages shall not be a reimbursable Redevelopment Cost. To illustrate the application of this liquidated damages provision, please refer the example below:

Example

1. Pursuant to the implementation of Redevelopment Project A (“Project A”), a Redeveloper spends a total of \$100,000 for construction services. Such amount is paid exclusively to contractors, subcontractors and assignees, located within the Kansas City Metropolitan Area.

2. A Redeveloper utilized MBEs at a rate of 2% and WBEs at a rate of 1% for construction services in the development of Project A. Thus, the Redeveloper paid \$2,000 to MBEs and \$1,000 to WBEs for such construction services.

3. The Utilization Goals established for Project A for the utilization of MBEs and WBEs in construction services is 9% and 7%, respectively and such Utilization Goals were set forth in a Utilization Plan approved by the Human Relations Department.

4. TIFC finds that the Redeveloper did not exercise good faith efforts to meet the Utilization Goals for the utilization of MBEs and WBEs in construction services for the development of Project A. The cost associated with determination is \$25,000.

5. The additional amount that MBEs would have otherwise received had the Utilization Goals been met would be an amount equal to: the Utilization Goal of 9% minus the 2% actually attained of the total amount of \$100,000 spent. Thus, the Redeveloper would have spent an additional \$7,000 with MBEs. The additional amount WBEs would have otherwise received had the Utilization Goals been met would be an amount equal to: the Utilization Goal of 7% minus the 1% actually attained of the total amount of \$100,000 spent. Thus, the Redeveloper would have spent an additional \$6000 with WBEs.

6. Pursuant to the liquidated damages provision of this Policy, the Redeveloper may be obligated to pay to TIFC liquidated damages in an amount up to \$25,000 (the cost associated with TIFC finding); plus \$7,000 (the amount MBEs would have otherwise received had the Utilization Goals been met); plus \$6,000 (the amount WBEs would have otherwise received had the Utilization Goals been met) for an aggregate amount of \$38,000 in liquidated damages.

VIII. COMPLIANCE EXPENSE

To the extent the Redeveloper is in compliance with this Policy, the reasonable and necessary administrative expenses associated with determining compliance may be reimbursed as Redevelopment Project Costs.

HUMAN RELATIONS DEPARTMENT ACKNOWLEDGEMENT & APPROVAL

The Director of the Human Relations Department of the City of Kansas City, Missouri (the “City”), pursuant to Chapter 38, Article II, Section 38-85.5 has reviewed this Affirmative Action Policy and hereby determines that it is consistent with the City's affirmative action program and minority and women's business enterprise program.

(Signature on file at the TIF Commission offices)
Director, Human Relations Department

Exhibit A
Monthly Reports

{File: \\W2GOLIATH\DOCUMENTS\edc-docs\60\adm\admst\99\00022824.BKD / 4}
KC01DOCS\518789.14

Exhibit B

OFFICER'S CERTIFICATE

I, _____, president of _____, a _____ (the "Developer"), in connection with the Developer's Proposal (the "Proposal") to develop _____ of the _____ Tax Increment Financing Plan, as amended (the "Plan") hereby certify that:

1. The Developer has received a copy and reviewed the terms of the Affirmative Action Policy (the "Policy") of the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") and has had an opportunity to discuss and ask questions of the staff of the Commission and the Human Relations Department of the City of Kansas City, Missouri (the "Department") with respect to the Policy.

2. All capitalized terms within this Certificate that are not defined shall have the meanings ascribed to them in the Policy.

3. The Developer acknowledges that the Policy, a copy of which is attached hereto as **Exhibit A**, is intended to implement the goals established by the Department (the "Utilization Goals") with respect to the utilization of Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs"), which have been certified by the Department, in providing (i) Professional Services and Construction Services and (ii) an equal opportunity for minorities and women to be employed in the workforces of all contractors, subcontractors and assignees of the Developer in connection with the implementation of the _____.

4. The Developer agrees to (i) comply with all record keeping and reporting requirements referenced in the Policy, as such requirements may change from time to time, (ii) contractually require each contractor, subcontractor and assignee of the Developer to comply with the Policy and (iii) enforce such contractual provisions.

5. The Developer acknowledges that although the Utilization Goals established by the Department, which may change from time to time, are not "set-asides" nor requirements, the Developer agrees to (i) exert a best faith effort, as determined by the Commission, to meet such Utilization Goals, (ii) contractually require each contractor, subcontractor and assignee of the Developer to exert a best faith effort to meet the Utilization Goals and (iii) enforce such contractual provisions.

6. The Developer acknowledges and agrees that a best faith effort to meet the Utilization Goals requires, at least, the following:

- i. Request in writing the assistance of the Department with respect to efforts to promote the utilization of MBE/WBE's.
- ii. Solicit in writing proposals from known MBE/WBE's, at least 15 calendar days prior to the utilization of any Professional or Construction

Services in furtherance of each Redevelopment Project, setting forth in sufficient detail a description of the _____, identification of the Developer or contractor, the amount and scope of work to be performed, the time frame of the performance so that meaningful proposals may be submitted sufficiently in advance to be considered prior to awarding of contracts.

iii. Advertise in Minority/Women's Trade Association Newsletters and/or minority owned media, at least 15 calendar days prior to the utilization of any Professional or Construction Services in furtherance of the _____, identifying specific opportunities, at least equal to the Utilization Goals (but not a reserved set-aside) and maintain a log or copies of such ads showing the date of publication and identifying the publication.

iv. Adequately segment the work request for proposal documents or any other communication or publication intended to solicit Professional or Construction Services in furtherance of the _____ to be subcontracted to the extent consistent with the size and capability of MBE/WBEs in order to provide reasonable subcontracting opportunities.

v. Notify in writing Minority/Women Contractor Associations, at least 15 calendar days prior to the utilization of Professional or Construction Services in furtherance of the _____, of the availability of specific opportunities, at least equal to the percentage set forth in the Utilization Goals.

vi. Make telephone calls to MBE/WBE contractors and make a log thereof, including date, time, name of the person talked to and subject of discussion.

vii. Conduct good faith negotiations with those MBE/WBE's from whom proposals were received in an effort to reach a mutually acceptable agreement. Documentation in support thereof must include (a) copies of solicitation letters, (b) bid price of MBE/WBE, (c) bid price of the non-MBE/WBE bidder and (d) reason for non-selection of the MBE/WBE bidder.

7. The Developer acknowledges and agrees that if the Commission finds, after due notice and hearing, that the Developer has not made a best faith effort to meet the goals set forth in the Policy, the Commission may take such action as it deems appropriate, including but not limited to the temporary suspension of development rights, ordering a cessation of development activity, noting such non-compliance in any future applications by Developer to implement any future redevelopment plans or projects or any such other remedy for a breach under a Redevelopment Agreement between the Commission and the Developer for the implementation of the _____. Additionally, the Developer acknowledges and agrees to the amount of

liquidated damages, as set forth in the Policy, that the Developer may be obligated to pay, if the Commission finds the Developer has not complied with the Policy.

8. The Developer acknowledges and agrees that prior to reimbursement of any eligible redevelopment project costs identified in the Plan, as amended, that the Developer shall have (i) entered into a Teaming Agreement, in a form substantially similar to **Exhibit B**, attached hereto, with an MBE or WBE, which shall provide, inter alia, that such MBE or WBE shall provide Professional Services, on behalf of the Developer, in connection with the implementation of the _____ or delivered to the Commission letters from MBEs and WBEs evidencing their participation in the _____ and (ii) delivered to the Commission written evidence that the Department has approved the Utilization Plans for Construction Services, Professional Services and Workforce in connection with the implementation of the _____.

9. The Developer acknowledges and agrees that prior to reimbursement of any eligible redevelopment costs identified in the Plan, as amended, that (i) the Department has certified compliance with the Policy and (ii) the Commission's independent cost certifier has certified all expenditures paid to MBEs and WBEs.

10. The undersigned has delivered this Officer's Certificate to the Commission in consideration of the Commission's review and approval of the Proposal. The undersigned acknowledges and agrees that this Certificate is being materially relied upon by the Commission in connection with the approval of the Proposal and a redevelopment agreement to the implement the same and, to the extent any statement or representation made herein is not true and correct in all material respects, the Commission may withdraw the Developer's development rights with respect to the implementation of the Proposal and terminate any agreement entered into between the Developer and the Commission regarding the implementation of the _____.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, 200_.

DEVELOPER:

By: _____
Name: _____
Title: _____

Exhibit C

Utilization Plan for Professional Services

(Tax Increment Financing Plan)

(Redeveloper)

State of _____)
County of _____)

Comes now _____, of lawful age and being duly sworn upon his/her oath, states as follows:

1. I am the _____ (position) of Redeveloper and am authorized to make this statement on its behalf. This affidavit is for the purpose of complying with the TIF Commission's Affirmative Action Policy requirements for utilization of Minority/Women Business Enterprises (MBE/WBE), as MBE's and WBE's are defined by the TIF Commission's Affirmative Action Policy, for professional services.

2. The Redeveloper acknowledges and agrees that the aggregate amount it intends to spend on professional services in connection with the implementation of the above-mentioned project is \$_____.

3. The Human Relations Department has established and the Redeveloper that agrees there should be a minimum of _____percent (___%) Minority Business Enterprise (MBE) and _____ percent (___%) Women's Business Enterprise (WBE) professional service participation in the above-named project.

4. In order to meet the Utilization Goals for professional services, the following is a true and accurate list of the professional services providers, regardless of tier, with whom Redeveloper intends to contract:

- a. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

- b. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

- c. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

- d. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

- e. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____

Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

DEVELOPER

By: _____
Name: _____

Subscribed and sworn to before me, a Notary Public, this ____ day of _____, 200_.

Notary Public

My Commission expires:

Exhibit D

Utilization Plan for Construction Services

(Tax Increment Financing Plan)

(Redeveloper)

State of _____)
County of _____)

Comes now _____, of lawful age and being duly sworn upon his/her oath, states as follows:

1. I am the _____ (position) of Redeveloper and am authorized to make this statement on its behalf. This affidavit is for the purpose of complying with the TIF Commission's Affirmative Action Policy requirements for utilization of Minority/Women Business Enterprises (MBE/WBE), as MBE's and WBE's are defined by the TIF Commission's Affirmative Action Policy, for construction services.

2. The Redeveloper acknowledges and agrees that the aggregate amount it intends to spend on construction services in connection with the implementation of the above-mentioned project is \$_____.

3. The Human Relations Department has established and the Redeveloper that agrees there should be a minimum of _____percent (___%) Minority Business Enterprise (MBE) and _____ percent (___%) Women's Business Enterprise (WBE) construction service participation in the above-named project.

4. In order to meet the Utilization Goals for construction services, the following is a true and accurate list of the professional services providers, regardless of tier, with whom Redeveloper intends to contract:

a. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

b. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

c. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

d. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____
I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

e. Name of M/WBE Company: _____
Address: _____
Phone Number: _____
Contact Person: _____

I.R.S. No. _____
Race, ethnic origin, or gender _____
Area/Scope of work _____
Dollar amount _____

DEVELOPER

By: _____
Name: _____

Subscribed and sworn to before me, a Notary Public, this ____ day of _____, 200_.

Notary Public

My Commission expires:

Exhibit E

TEAMING AGREEMENT

THIS TEAMING AGREEMENT, including all Exhibits attached hereto or referenced herein (hereinafter referred to as this “**Agreement**”), is made and entered into this ___ day of _____, **2003**, by and between **XYZ**, a _____ corporation with offices located at _____ (the “**Developer**”) and **ABC** (“**Independent Contractor**”). The Developer and Independent Contractor are sometimes referred to collectively herein as the “**Parties**” and individually as a “**Party.**”

WHEREAS, the Developer desires to implement a [**Redevelopment Plan/Redevelopment Project**] pursuant to Sections 99.800-99.865 of the Real Property Tax Increment Allocation Redevelopment Act (the “**TIF Act**”);

WHEREAS, the Tax Increment Financing Commission of Kansas City, Missouri (the “**Commission**”) adopted an Affirmative Action Policy (the “**Policy**”), which requires that a developer of any Redevelopment Plan, Redevelopment Project or Project Improvement exert best faith efforts to utilize Minority-Owned Businesses (“**MBEs**”) and Women-Owned Businesses (“**WBEs**”), which have been certified by the City of Kansas City, Missouri, for Professional Services and Construction Services (as defined in the Policy) in connection with the implementation of any Redevelopment Plan, Redevelopment Project or Public Improvement;

WHEREAS, Independent Contractor is an [**MBE/WBE**], which has been certified by the City of Kansas City, Missouri;

WHEREAS, pursuant to and in accordance with the Policy, prior to engaging any professional services or construction services in furtherance of any Redevelopment Plan, Redevelopment Project or Public Improvement a developer shall deliver to the Commission an executed Teaming Agreement, which shall demonstrate the developer’s contractual commitment to enter into negotiations with each MBE and WBE the Developer intends to utilize in connection with the implementation of a Redevelopment Plan, Redevelopment Project or Public Improvement; and

WHEREAS, pursuant to and in accordance with the Policy, the Parties wish to enter into this Agreement to demonstrate the Developer’s commitment to utilize the Independent Contractor in connection with the implementation of the _____ [**Redevelopment Plan/Redevelopment Project**] (the “**Proposed TIF Plan**”);

NOW, THEREFORE, in consideration of the foregoing, and in reliance on the mutual promises and obligations contained herein, the Parties hereby agree as follows:

1. Definitions. Capitalized terms set forth herein, which are not defined, shall have the meanings ascribed to them in the Policy.
2. Developer’s Responsibilities. The Developer will work with the Commission, and its designated representatives, in good faith in developing a plan to utilize MBEs and WBEs to

provide Professional Services and Construction Services in connection with the implementation of the Proposed Redevelopment Plan, Project or Public Improvement (the "Utilization Plan"), and the Developer shall continue to exert reasonable, good faith efforts toward this objective throughout the approval and implementation of the Proposed TIF Plan, including but not limited to, compliance with Section 9 of this Agreement.

3. Identification of Parties. It is understood that in the Developer's Utilization Plans submitted to the Commission and the Human Relations Department of the City of Kansas City, Missouri, the Developer will identify the Independent Contractor as a certified [MBE/WBE], and describe the respective areas of responsibility of the Independent Contractor in furtherance of the implementation of the Proposed Redevelopment Plan, Project or Public Improvement.
4. Additional MBE and WBE's. Notwithstanding any other provision herein to the contrary, the Developer, in order to meet the Utilization Goals of the Redevelopment Plan, Project or Public Improvement, or otherwise, reserves the right to utilize additional MBEs and WBEs in implementing the Proposed Redevelopment Plan, Project or Public Improvement.
5. Independent Contractor Responsibilities. The Independent Contractor, upon written request by the Developer, will furnish, for incorporation into the Developer's Utilization Plans, all materials, information and data pertinent to the work assigned to the Independent Contractor.
6. Independent Contractor Personnel. Upon the Developer's written request, the Independent Contractor shall make available appropriate management and technical personnel to assist the Developer in any discussions, communications or any public meeting before the Commission relating to the Proposed Redevelopment Plan, Project or Public Improvement.
7. Costs/Limitation of Liability. Except as provided in the Policy, each Party shall bear all costs, expenses, risks and liabilities incurred by it arising out of or relating to its obligations, efforts or performance under this Agreement. In no event shall either Party be liable to the other for any punitive, exemplary, special, indirect, incidental or consequential damages (including, but not limited to, lost profits, lost revenues, lost business opportunities, loss of use or equipment down time, and loss of or corruption to data) arising out of or relating to this Agreement, regardless of the legal theory under which such damages are sought, and even if the Parties have been advised of the possibility of such damages or loss.
8. Submissions to the Commission. The Developer shall have the sole right to decide the form and content of all documents submitted to the Commission. The Developer will make reasonable efforts to insure that the Independent Contractor's data is accurately and adequately portrayed, and identified as the Independent Contractor's portion. The Developer will afford the Independent Contractor the opportunity to review, upon request, prior to the submission of the Developer's Application, that portion of the proposal that includes the effort to be performed by the Independent Contractor.
9. Negotiations with Independent Contractors. If, during the term of this Agreement, the Commission approves the Proposed TIF Plan or Project submitted by the Developer and subsequently enters into an agreement for the implementation of the Proposed TIF Plan or Project, the Parties will engage in good faith negotiations toward entering into an agreement

for that portion of the work set forth on Exhibit I of this Agreement, as may be modified by the Parties. Such work shall be performed by the Independent Contractor in accordance with the specifications as set forth on Exhibit I, which may be modified as the Parties may mutually agree, and subject to the stipulation that such an agreement be reached within a reasonable period of time, which shall in no event exceed 120 days from the time the Commission approves the proposed Redevelopment Plan, Project or Public Improvement.

10. Communications with the Commission. Although the Developer is contemplated as the sole interface with the Commission with respect to the implementation of the Proposed Redevelopment Plan, Project or Public Improvement, it is recognized that the Independent Contractor may have continuing relations with the Commission and may be the recipient of inquiries concerning the Proposed Redevelopment Plan, Project or Public Improvement. Therefore, any communications initiated by the Commission directly with the Independent Contractor concerning this Redevelopment Plan, Project or Public Improvement are permissible.
11. Points of Contact. The Parties each will designate one or more individuals within their respective organizations as their representative(s) responsible for directing performance of the Parties' obligations under this Agreement.
12. Proprietary/Confidential Information. In carrying out the terms of this Agreement, it may be necessary for the Parties to provide proprietary and/or confidential information to one another. In such event, the disclosure and use of all proprietary and/or confidential information shall be in accordance with a separate Non-Disclosure Agreement, which shall be in a form substantially similar to Exhibit II, attached hereto (the "**Non-Disclosure Agreement**").
13. Inventions/Patents. Nothing contained in this Agreement shall, by express grant, implication, estoppel or otherwise, create in either Party any right, title, interest, or license in or to the inventions, patents, computer software or software documentation of the other Party.
14. Termination/Expiration. This Agreement shall remain in effect until the first of the following shall occur:
 - a. A decision by the Developer that it does not wish to submit the Proposed Redevelopment Plan, Project or Public Improvement to the Commission for consideration, provided that, such decision is communicated in writing to the Independent Contractor at least 30 days prior to the date of the scheduled public hearing. In the event of the foregoing, the Developer shall be prohibited from participating in the implementation of the Proposed Redevelopment Plan, Project or Public Improvement, in any manner, either independently, or in conjunction with any other Party.
 - b. The termination of the Proposed Redevelopment Plan, Project or Public Improvement or the agreement by and between the Commission and the Developer for the implementation of the Proposed Redevelopment Plan, Project or Public Improvement.
 - c. Inability of the Developer and the Independent Contractor, after negotiating in good faith, as determined by the Commission, for a reasonable period of time, to reach

agreement on the terms and conditions of a contract. If such agreement has not been reached within 120 days from the initiation of negotiations, it will be deemed that the Parties were unable to reach agreement.

- d. Either Party becomes insolvent, is placed into receivership, becomes the subject of proceedings under the laws relating to bankruptcy, the relief of debtors or assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due.
 - e. The suspension or debarment of the Independent Contractor as a certified MBE or WBE with the City of Kansas City, Missouri.
15. Survival. The termination or expiration of this Agreement shall not supersede or affect the obligations of the Parties with respect to the protection of Proprietary Information, as set forth in the Non-Disclosure Agreement, which shall survive such termination or expiration and remain in full force and effect.
16. Notices. All notices, certificates, acknowledgments or other written communications (hereinafter referred to as "Notices") required to be given under this Agreement shall be in writing and shall be deemed to have been given and properly delivered if duly mailed by certified or registered mail to the other Party at its address as follows, or to such other address as either Party may, by written notice, designate to the other. Additionally, Notices sent by any other means (i.e., facsimile, overnight delivery, courier, and the like) are acceptable subject to written confirmation of both the transmission and receipt of the Notice.

Developer

Independent Contractor

XYZ

ABC

Attn: _____

Attn: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

17. Relationship of Parties. This Agreement is not intended by the Parties to constitute or create a joint venture, limited liability company, pooling arrangement, partnership, or other formal business organization of any kind, other than a team arrangement, and the rights and obligations of the Parties shall be only those expressly set forth herein. Neither Party shall have authority to bind the other except to the extent expressly authorized herein. Nothing in this Agreement shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both Parties. It is also understood that no division of markets is attempted by this Agreement.
18. Assignment. This Agreement may not be assigned, novated or otherwise transferred by operation of law or otherwise by either Party without the prior written consent of the other

Party. Any change of control of a Party shall be deemed an assignment of this Agreement that requires the prior written consent of the other Party. For purposes of this Agreement, “change of control” means any merger, consolidation, sale of all or substantially all of the assets or sale of a substantial block of stock, of a Party. Any such assignment, novation or transfer by one Party not in accordance with this provision shall be a material breach of this Agreement and shall be grounds for immediate termination thereof by the non-breaching Party, in addition to any other remedies that may be available at law or in equity to the non-breaching Party.

19. Modifications/Non-Waiver of Rights. This Agreement shall not be amended, modified or extended, nor shall any waiver of any right hereunder be effective, unless set forth in a document executed by duly authorized representatives of both Parties, specifically referencing the provision of this Agreement to be amended, modified, extended or waived. The failure of either Party to insist upon performance of any provision of this Agreement, or to exercise any right, remedy or option provided herein, shall not be construed or deemed as a waiver of the right to assert any of the same at any time thereafter.
20. Commission’s Right to Negotiate. Nothing herein is intended to affect the rights of the Commission to negotiate directly with the Developer on any basis the Commission may desire.
21. Entire Agreement. This Agreement, including any and all Exhibits hereto which are incorporated herein by reference, constitutes the entire agreement and understanding between the Parties hereto, and supersedes and replaces any and all previous or contemporaneous understandings, commitments, agreements, proposals or representations of any kind, whether oral or written, relating to the subject matter hereof.
22. Severability. If any term, condition or provision of this Agreement is held or finally determined to be void, invalid, illegal, or unenforceable in any respect, in whole or in part, such term, condition or provision shall be severed from this Agreement, and the remaining terms, conditions and provisions contained herein shall continue in force and effect, and shall in no way be affected, prejudiced or disturbed thereby.
23. Governing Law. This Agreement shall be governed by and construed, enforced and interpreted under the laws of Missouri, without regard to its laws relating to conflict or choice of laws. Any dispute, claim, action or suit arising out of or relating to this Agreement may only be brought exclusively in a court of competent jurisdiction in Missouri.
24. Headings. The headings and titles of the various sections of this Agreement are intended solely for convenience of reference and are not intended to define, limit, explain, expand, modify or place any construction on any of the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties represent and warrant that this Agreement is executed by duly authorized representatives of each Party as set forth below on the date first stated above.

Developer

Independent Contractor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT I

SCOPE OF WORK

EXHIBIT II

NON-DISCLOSURE AGREEMENT

This is an Agreement, effective _____, between XYZ (hereinafter referred to as "**Developer**") and **ABC** (hereinafter referred to as "**Independent Contractor**"). It is recognized that it may be necessary or desirable to exchange information between **the Developer** and **Independent Contractor** for the purpose of teaming in pursuit of the implementation of the _____ Redevelopment Plan.

It may be necessary for either Party to provide proprietary information to the other. With respect to such information, the Parties agree as follows:

- (1) "Proprietary Information" shall include, but not be limited to, performance, sales, financial, contractual and special marketing information, ideas, technical data and concepts originated by the disclosing Party, not previously published or otherwise disclosed to the general public, not previously available without restriction to the receiving Party or others, nor normally furnished to others without compensation, and which the disclosing Party desires to protect against unrestricted disclosure or competitive use, and which is furnished pursuant to this Non-Disclosure Agreement and appropriately identified as being proprietary when furnished.
- (2) In order for proprietary information disclosed by one Party to the other to be protected in accordance with this Non-Disclosure Agreement, it must be: (a) in writing; (b) clearly identified as proprietary information at the time of its disclosure by each page thereof being marked with an appropriate legend indicating that the information is deemed proprietary by the disclosing Party; and (c) delivered by letter of transmittal to the individual designated in Paragraph 3 below, or his designee. Where the proprietary information has not been or cannot be reduced to written form at the time of disclosure and such disclosure is made orally and with prior assertion of proprietary rights therein, such orally disclosed proprietary information shall only be protected in accordance with this Non-Disclosure Agreement provided that complete written summaries of all proprietary aspects of any such oral disclosures shall have been delivered to the individual identified in Paragraph 3 below, within 20 calendar days of said oral disclosures. Neither Party shall identify information as proprietary which is not in good faith believed to be confidential, privileged, a trade secret, or otherwise entitled to such markings or proprietary claims.

(3) In order for either Party's proprietary information to be protected as described herein, it must be submitted in written form as set forth in Paragraph (2) above to the individuals identified below:

XYZ

ABC

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

FAX No.: _____

FAX No.: _____

(4) Each Party covenants and agrees that it will, notwithstanding that this Non-Disclosure Agreement may have terminated or expired, keep in confidence, and prevent the disclosure to any person or persons outside its organization or to any unauthorized person or persons, any and all information which is received from the other under this Non-Disclosure Agreement and has been protected in accordance with paragraphs 2 and 3 hereof; provided however, that a receiving Party shall not be liable for disclosure of any such information if the same:

- A. Was in the public domain at the time it was disclosed, or
- B. Becomes part of the public domain without breach of this Agreement, or
- C. Is disclosed with the written approval of the other Party, or
- D. Is disclosed after 3 years from receipt of the information, or
- E. Was independently developed by the receiving Party, or
- F. Is or was disclosed by the disclosing Party to a third Party without restriction, or
- G. Is disclosed pursuant to the provisions of a court order.

As between the Parties hereto, the provisions of this Paragraph 4 shall supersede the provisions of any inconsistent legend that may be affixed to said data by the disclosing Party, and the inconsistent provisions of any such legend shall be without any force or effect.

Any protected information provided by one Party to the other shall be used only in furtherance of the purposes described in this Agreement, and shall be, upon request at any time, returned to the disclosing Party. If either Party loses or makes unauthorized disclosure of the other Party's protected information, it shall notify such other Party immediately and take all steps reasonable and necessary to retrieve the lost or improperly disclosed information.

- (5) The standard of care for protecting Proprietary Information imposed on the Party receiving such information, will be that degree of care the receiving Party uses to prevent disclosure, publication or dissemination of its own proprietary information.
- (6) Neither Party shall be liable for the inadvertent or accidental disclosure of Proprietary Information if such disclosure occurs despite the exercise of the same degree of care as such Party normally takes to preserve its own such data or information.
- (7) In providing any information hereunder, each disclosing Party makes no representations, either express or implied, as to the information's adequacy, sufficiency, or freedom from defect of any kind, including freedom from any patent infringement that may result from the use of such information, nor shall either Party incur any liability or obligation whatsoever by reason of such information, except as provided under Paragraph 4, hereof.
- (8) Notwithstanding the termination or expiration of any Teaming Agreement executed in conjunction with this Agreement, the obligations of the Parties with respect to proprietary information shall continue to be governed by this Non-Disclosure Agreement.
- (9) This Non-Disclosure Agreement contains the entire agreement relative to the protection of information to be exchanged hereunder, and supersedes all prior or contemporaneous oral or written understandings and agreements regarding this issue. This Non-Disclosure Agreement shall not be modified or amended, except in a written instrument executed by the Parties.
- (10) Nothing contained in this Non-Disclosure Agreement shall, by express grant, implication, estoppel or otherwise, create in either Party any right, title, interest, or license in or to the inventions, patents, technical data, computer software, or software documentation of the other Party.
- (11) Nothing contained in this Non-Disclosure Agreement shall grant to either Party the right to make commitments of any kind for or on behalf of any other Party without the prior written consent of that other Party.
- (12) The effective date of this Non-Disclosure Agreement shall be the date stipulated at the beginning of this Agreement.
- (13) This Non-Disclosure Agreement shall be governed and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Parties represent and warrant that this Agreement is executed by duly authorized representatives of each Party as set forth below on the date first stated above.

XYZ

Name: _____

Title: _____

Address: _____

Telephone No.: _____

FAX No.: _____

ABC

Name: _____

Title: _____

Address: _____

Telephone No.: _____

FAX No.: _____

TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI

BIDDING POLICIES AND PROCEDURES

RSMo 99.820 requires that municipalities or, where established, tax increment financing commissions, “establish written procedures related to bids and proposals for implementation of redevelopment projects.” The following is a statement of the policies and procedures adopted by the Kansas City, Missouri Tax Increment Financing Commission (“TIFC”) pursuant to this requirement.

Policies:

1. TIFC shall adhere to this proposal process when soliciting redevelopers for Redevelopment Plans or any Project or conveyance therein.
2. TIFC shall provide reasonable opportunity for the submission of proposals.
3. The proposal process shall be conducted fairly and in accordance with the requirements of RSMo 99.800 *et seq.*
4. TIFC shall consider only the submissions of responsible redevelopers (“proposers”), which proposals meet the criteria established in the Request for Proposals and the Redeveloper Packet.
5. No conveyance, lease, mortgage or other disposition of land or agreement related to the redevelopment of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to TIFC’s request.

Procedures:

1. When TIFC enters into a funding agreement to consider a proposed Redevelopment Plan, it will publish a notice requesting proposals from interested proposers to undertake the redevelopment of the proposed Redevelopment Area.
 - a. TIFC may, but need not, request or accept proposals for less than all of the Redevelopment Area.
 - b. Where a proposed Redevelopment Plan is sponsored by a public agency with an existing request for proposals policy and such agency has solicited proposals in compliance with the policy, the TIFC may elect to adopt the policy and determination of that agency for the purposes of that proposed Redevelopment Plan.
 - c. TIFC may, but need not, request qualifications prior to requesting proposals.

- i. Submitted qualifications may be used as a basis for requesting proposals from specific proposers.
 - ii. Requests for Qualifications will follow the same procedures as Requests for Proposals.
 - d. A request for proposals shall solicit alternative proposals to that submitted by an applicant for redevelopment or any proposed plans originated and prepared by the TIFC. The originating applicant, as evidenced by an executed funding agreement, shall not be required to respond to the Request for Proposals to be considered an applicant for redeveloper.
2. Notice of Requests for Proposals will be published in the *Kansas City Star*.
 - a. The notice shall contain:
 - i. A general description of the Redevelopment Area, and
 - ii. A statement of availability of Redeveloper Packets and proposed Redevelopment Plan(s) through the office of the TIFC Secretary, along with a street address and phone number of the Secretary.
 - b. The notice shall indicate the submission date by which proposals are due and after which no further proposals shall be accepted.
3. Redeveloper Packets will be available to proposers as of the day of publication of the Request for Proposals.
4. Proposals submitted in response to such requests are due to TIFC as of the date specified in the notice.
 - a. All proposals must conform to the requirements of the Redeveloper Packet and any specific criteria as provided in the notice of Request for Proposals. Incomplete or nonconforming applications will not be considered.
 - b. All proposals must be submitted with the appropriate fee, as determined from time-to-time by TIFC.
5. TIFC shall consider all complete proposals submitted in the established timeframe.
 - a. TIFC may instruct its staff to review the proposals and prepare a summary of the same for TIFC consideration.
 - b. The submission of a proposal shall not create any rights on the part of the proposer, but shall be considered an offer submitted to TIFC.

6. TIFC shall consider proposals at a regularly scheduled meeting. The TIFC Secretary shall notify proposers of the time and date of the meeting at which they will be considered.
7. TIFC reserves the right to reject all proposals and publish any additional requests for proposals as may be necessary.
8. A successful proposer will be required to enter into an agreement with TIFC regarding development of the Redevelopment Area and Plan.

Policy Name: Bond Issuance and Disbursements Policy

Date Approved: 2-11-04 Revised 5-12-04, 9-8-04

Resolution Number: 9-1-04

Policy Statement: The purpose of this Bond Issuance and Disbursements Policy is to outline the procedure and establish internal controls for the payment of costs and expenses related to the issuance of bonds, which are to be financed from Payments in Lieu of Taxes (PILOTS) and Economic Activity Taxes (EATS) (the “Bonds”) and the reimbursement of Redevelopment Costs from the proceeds from the sale of Bonds. (All Capitalized terms used, but not defined herein, shall have the respective meaning associated to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri as amended, the “Act”).

1. Procedure for Payment of fees incurred by professional service providers in connection with the issuance of Bonds.

- a. In connection with the issuance of Bonds not enhanced or guaranteed by the City of Kansas City, Missouri (the City), the Tax Increment Financing Commission (the “TIF Commission”), in consultation with representatives from financing and accounting department (“TIFC Staff”) of the Economic Development Corporation (“EDC”), shall utilize professional service providers.

In connection with the issuance of Bonds enhanced or guaranteed by the City of Kansas City, Missouri, the TIF Commission shall utilize professional service providers, which have been selected pursuant to the TIF Commission’s Policy and Procedure for Selection of Professional Service Providers, as adopted by Resolution No. 1-1-04, with the exception of bond counsel which is to be selected by the City Attorney.

- b. Upon receipt of a fee schedule, in a form acceptable to the Commission, from professional service providers selected pursuant to Section 1.a., the TIFC Staff shall submit to the TIF Commission a line item budget, which shall reflect the aggregate amount of estimated fees and expenses of professional service providers (the “Budget”) to be utilized in connection with the issuance of Bonds. The Budget to be established shall be based upon a competitive bid price submitted by the Professional Service Provider or City selection. The Budget for any issuance utilizing the annual appropriation guarantee of the City shall comport with City policy, currently expressed in Resolution 020238 of the City Council.
- c. Prior to or simultaneously with the TIF Commission’s adoption of a resolution approving the issuance of Bonds by the TIF Commission, the TIF Commission shall approve the Budget. Cost of issuance line items approved in the Budget may be paid at Closing of the Bond issue without the requirement of any additional cost certification, TIFC Staff or TIF Commission review, so long as each invoice submitted for a cost to be paid does not exceed the corresponding line item in the approved Budget. Costs of issuance not included in the approved Budget or in excess of the corresponding line item in an approved Budget shall not be paid from Bond Proceeds until such costs have been

approved by the TIF Commission (or are costs associated with the procurement of credit enhancement purchased from Bond Proceeds).

2. Procedure for Reimbursement of Redevelopment Costs incurred and certified prior to the issuance of Bonds.

- a. Prior to the reimbursement of Redevelopment Costs incurred prior to the issuance of Bonds through a disbursement of Bond Proceeds, there shall be provided to TIFC Staff:
 - (i) A copy of the executed Trust Indenture (or similar trust instrument) (“Trust Indenture”) in form and substance acceptable to TIF Commission Staff, which must provide that Bond Proceeds shall not be expended for Redevelopment Costs unless the provisions of this policy are included, in substance, and in the judgment of Counsel to the TIF Commission, in such Trust Indenture; and
 - (ii) A statement or reconciliation from the Redeveloper that provides in reasonable detail a summary of:
 - (A) All Redevelopment Costs previously incurred and sought to be reimbursed from Bond Proceeds; and
 - (B) Detail regarding the Cost Certifications of such Redevelopment Costs prepared by the TIF Commission’s independent Cost Certifier (“Cost Certifier”) and approved by resolution by the TIF Commission; and
 - (C) A schedule of remaining budgeted Redevelopment Costs to be paid or reimbursed from Bond Proceeds or from advances by the Redeveloper.
- b. The TIF Commission shall not pledge any PILOTS or EATS to service the debt on Bonds unless and until a copy of the executed Trust Indenture (or similar agreement) has been executed by and among the agency issuing the Bonds and the trustee selected to administer the payment of Bond Proceeds (the “Trustee”) and delivered to TIFC Staff, which provides:
 - (i) That the TIF Commission shall receive, upon request, but no less frequently than monthly (until all Bond Proceeds are expended), a report or statement that details all Bond Proceeds paid to or on behalf of the Redeveloper; and
 - (ii) A covenant that provides that no Bond Proceeds shall be paid to the Redeveloper in excess of Redevelopment Costs previously certified by the TIF Commission’s Cost Certifier and approved by resolution of the TIF Commission.

3. Procedure for Payment or Reimbursement of Redevelopment Costs that have not been incurred or certified prior to the issuance of Bonds issued by an entity other than the TIF Commission and for which PILOTS and EATs are pledged to service debt.

- a. Prior to the expenditure of Bond Proceeds for the payment or reimbursement of Redevelopment Costs which have not been certified prior to the issuance of the Bonds, the Cost Certifier and TIF Commission must certify all such Redevelopment Costs to be paid or reimbursed from Bond Proceeds pursuant to and in accordance with the TIF Commission's Certification of Costs and Reimbursement Policy, as adopted by Resolution No. 1-1-04.
- b. The TIF Commission shall not pledge any PILOTS or EATS to service the debt on the Bonds unless and until a copy of the executed Trust Indenture (or similar agreement) has been executed by and among the agency issuing the Bonds and the Trustee and delivered to TIFC Staff which provides:
 - (i) That Bond Proceeds shall not be paid or disbursed pursuant to the Indenture to the Redeveloper or for Redevelopment Costs unless and until the Trustee receives prior to the time of each disbursement documentation evidencing approval of each draw by the TIF Commission and TIF Staff, as follows:
 - (A) a copy of a resolution duly adopted by the TIF Commission (the "TIF Resolution"), which sets forth:
 - (I) the amount of Redevelopment Costs previously certified by the TIF Commission; and
 - (II) the amount of Redevelopment Costs certified by the TIF Commission which may be then reimbursed or paid from Bond Proceeds; and
 - (B) a written acknowledgment approving the disbursement request executed by the TIF Manager, EDC Controller and an EDC Financial Administrative officer; and
 - (ii) That the Trustee shall not disburse any Bond Proceeds in excess of the amount specified in the TIF Resolution; and
 - (iii) That the TIF Commission shall receive, upon request, but no less frequently than monthly (until all Bond Proceeds are expended), a report or statement that details all Bond Proceeds paid to or on behalf of the Redeveloper; and
 - (iv) A covenant that provides that no Bond Proceeds shall be paid to the Redeveloper in excess of Redevelopment Costs previously certified by the TIF Commission's Cost Certifier and approved by resolution of the TIF Commission.

- c. Alternatively, the bond documentation can follow 4 below, at the election of all transaction participants.

4. Procedure for Payment or Reimbursement of Redevelopment Costs that have not been incurred or certified prior to the issuance of Bonds issued by the TIF Commission.

- a. On or before the tenth (10th) day of each month or the following business day in the event such day is a Saturday, Sunday or holiday, the Developer shall submit to the Trustee, the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) and the individual or entity responsible for the certification of costs for the TIF Commission (the "Cost Certifier") a copy of each such Requisition.
- b. On or before the twenty-first (21st) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday, the City (for City credit-enhanced issues) and the TIF Commission shall cause the Cost Certifier to submit a written report to the City (for City credit-enhanced issues), the TIF Commission and the Developer stating whether the draw request or any portion thereof is recommended to be certified for reimbursement by the Cost Certifier and, to the extent any portion thereof is not recommended for certification for reimbursement, the Cost Certifier shall include in such written report a detailed explanation of the reasons for the lack of recommendation and such additional documentation required to certify such costs for reimbursement. If the Cost Certifier does not submit its written report on or before such twenty-first (21st) day of the month or the following business day in the event such day is a Saturday, Sunday or holiday, then the Requisition shall be deemed approved, and the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) shall countersign the Requisition and cause the same to be submitted to the Trustee such that the Trustee can disburse such funds on or before the twenty-eighth (28th) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday, but the cost certification review will be deferred until the Cost Certifier submits his report.
- c. If the Cost Certifier shall request any additional documentation in accordance with the procedures and time periods provided in (b) above, then on or before the twenty-eighth (28th) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday, the Developer shall provide to the Cost Certifier any such additional documentation required that is identified by the Cost Certifier in such written report;
- d. If the Requisition is recommended to be certified for reimbursement by the Cost Certifier, then the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) shall countersign the Requisition and cause the same to be submitted to the Trustee such that the Trustee can disburse such funds on or before the twenty-eighth (28th) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday. If only a portion of the Requisition is recommended to be certified for reimbursement by the Cost Certifier, then the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) shall revise such Requisition

- to delete any non-certified costs, shall countersign the Requisition and cause the same to be submitted to the Trustee such that the Trustee can disburse such funds on or before the twenty-eighth (28th) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday. If the Cost Certifier does not make a recommendation within thirty (30) days following submission of a Requisition, then Requisition shall be placed upon the agenda of the Commission for its review at the next Commission meeting following the passage of such 30-day period;
- e. As to any costs included in a Requisition for which the Cost Certifier has requested additional documentation in accordance with the procedures and time periods provided in (b) above, then on or before the seventh (7th) day of the following month or the following business day in the event such day is a Saturday, Sunday or holiday, the Cost Certifier shall provide to the City (for City credit-enhanced issues), the TIF Commission and the Developer a written report as to whether such reimbursable project costs supported by such additional documentation are recommended to be certified for reimbursement;
 - f. The TIF Commission shall at its meeting consider a resolution for certification of such reimbursable project costs funded pursuant to (b) or (d) above, or recommended but not yet funded pursuant to (d) or (e) above, which approval shall not be unreasonably withheld;
 - g. Following adoption by the TIF Commission of a resolution certifying any reimbursable project costs which have not previously been disbursed pursuant to (d) or (e) above, the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) shall countersign the Requisition and cause the same to be submitted to the Trustee such that the Trustee can make the approved disbursements of City Funds within five (5) days of the approval of the resolution by the TIF Commission.
 - h. Notwithstanding anything to the contrary herein, in the event that the TIF Commission fails to meet or to certify reimbursable projects costs, the City Representative (for City credit-enhanced issues) or the TIF Representative (for issues not credit enhanced by the City) shall nonetheless countersign the Requisition and cause the same to be submitted to the Trustee such that the Trustee can disburse such funds within five (5) days after the second Wednesday of the following month, in which event,
 - (i) If the TIF Commission has failed to meet, the certification shall be delayed until the TIF Commission's next regularly scheduled meeting;
or
 - (ii) If the TIF Commission meets but fails to certify reimbursable projects costs, the TIF Commission and Developer hereby agree to submit the dispute to binding arbitration administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules (Regular Track Procedures, but without application of the optional mediation procedures provided therein) by a single arbitrator (the "Arbitrator") selected by the American Arbitration

Association as provided in the Construction Industry Arbitration Rules. Judgment on the award entered by the Arbitrator may be entered by any court having jurisdiction. The Arbitrator's fees and any expenses of the Arbitrator shall be shared equally by the TIF Commission and Developer. The Arbitrator shall have no authority to award costs or expenses, and the Arbitrator shall have no authority to award attorneys' fees.

- i. If and to the extent that any costs included in a Requisition have been incurred by Developer but not paid to the vendor, Developer shall identify such costs and the City shall have the right to direct the Trustee to pay such costs directly to the vendor.

Requisitions shall be submitted, and the certification of costs shall be completed, based on actual costs incurred in lieu of a percentage of work completed.

5. Pledge and Payments of PILOTS and EATS.

Payments of PILOTS and EATS from a Special Allocation Account pledged by the TIF Commission pursuant to a Trust Indenture, Co-Operative Agreement, Financing Agreement or other contract to service debt on any Bonds (or notes or other obligations) issued by the Commission, the City or another political subdivision or agency of the City or State pursuant to a resolution adopted by the TIF Commission shall be made as set forth in such Trust Indenture, Co-Operative Agreement, Financing Agreement or contract without any requirement of cost certification or TIF Commission review; provided, that, such Trust Indenture, Co-Operative Agreement or contract includes requirements satisfying this Bond Issuance and Disbursements Policy with respect to the disbursement of Bond Proceeds.

Policy Name: **Certificate of Completion and Compliance Issuance Policy**

Date Approved: **December 8, 2004**

Resolution Number: **12-2-04**

Policy Statement: The purpose of this Certificate of Completion and Compliance Issuance Policy is to outline the procedure and set forth all such requirements and obligations that redevelopers of Redevelopment Plans (“Redeveloper(s)”) must observe and comply with in order to receive a Certificate of Completion and Compliance from the Tax Increment Financing Commission (the “Commission”) in connection with the completion of a Redevelopment Plan, Redevelopment Project or public improvement. (All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended, the “Act”).

- I. Upon completion of each Redevelopment Project and in order to ensure a Redeveloper’s compliance with the respective Redevelopment Plan in which such Redevelopment Project is located and the Commission’s policies related thereto, the Redeveloper shall certify, in writing, to the Commission (“Certification Report”):
 - a. that construction of the project improvements has been completed in accordance with the respective Redevelopment Plan, that a Certificate of Occupancy, where appropriate, has been issued and that the Redeveloper is in compliance with all the provisions of its Redevelopment Agreement with the Commission,
 - b. that the amount of the total costs incurred by the Redeveloper in completing the project improvements and submitted to the Commission for certification and reimbursement is within the lesser of ten percent (10%) or \$1,000,000 of the budget of Redevelopment Costs set forth in the respective Redevelopment Plan,
 - c. the actual private equity and debt used by the Redeveloper to complete the project improvements, which may include capitalized interest during construction, but not during any “lease-up” period and
 - d. that the Redeveloper has complied with the Commission’s Certification of Costs and Reimbursement Policy, as amended from time to time, and that the Commission has certified all Redevelopment Costs incurred that are eligible for reimbursement.

- II. The Commission, upon receipt of the Certification Report, shall examine and determine:
 - a. whether construction of the Redevelopment Project has been completed in accordance with the provisions of the respective Redevelopment Plan, the respective Redevelopment Agreement, the plans and specifications approved by the City of Kansas City, Missouri (the “Approved Plans”), the Commission’s Funding Schedule,

as amended from time to time, the Economic Activity Tax Policy and Procedures, as amended from time to time, the Commission's Affirmative Action Policy, as amended from time to time, and

- b. whether the Redevelopment Costs submitted by the Redeveloper to the Commission and reviewed by an independent cost certifier have been certified pursuant to the Commission's Certification of Costs and Reimbursement Policy.
- III. If the Commission determines that (i) the construction of a Redevelopment Project has been completed in accordance with the provisions of the respective Redevelopment Plan, the Approved Plans, the respective Redevelopment Agreement, the Commission's Affirmative Action Policy, the Economic Activity Tax Policy and Procedures and other required governmental approvals, and (ii) all Redevelopment Costs related to the Redevelopment Project that are eligible for reimbursement have been certified pursuant to the Commission's Certification of Costs and Reimbursement Policy, then the Commission shall issue a Certificate of Completion and Compliance.
- IV. If the Commission determines that the Redevelopment Project, or any part thereof, has not been completed substantially in accordance with the provisions of this Policy or that the Redevelopment Costs have not been certified pursuant to the Certification of Costs and Reimbursement Policy, then the Commission may, in its reasonable discretion: (x) not issue a Certificate of Completion and Compliance, and/or (y) withhold reimbursement of certified Redevelopment Costs, provided, however, that the Commission shall specify in writing the reason or reasons for not issuing a Certificate of Completion and Compliance and withholding its certification of Redevelopment Costs. Upon the request of the Redeveloper, the Commission shall hold a hearing at which the Redeveloper may present new and/or additional evidence.
- V. Each such Certificate of Completion and Compliance issued by the Commission shall contain a description of the real property affected thereby and shall be in such form as will enable such certificate to be accepted for recording in the Office of the Recorder of Deeds in the county in which such property is located.

Policy Name: **Certification of Costs and Reimbursement Policy**

Date Approved: **January 14, 2004 and Revised on September 8, 2004, March 9, 2005,
November 9, 2005 and January 11, 2006**

Resolution Number: *1-1-04, 9-2-04, 3-4-05, 11-3-05, and 1-4-06*

Policy Statement: The purpose of this Certification of Costs and Reimbursement Policy is to outline the procedure and set forth all such requirements and obligations that redevelopers of Redevelopment Plans (“Redeveloper(s)”), the Tax Increment Financing Commission (the “TIF Commission”) and the TIF Commission’s independent cost certifier (the “Cost Certifier”) must observe and comply with such that Redevelopers may be reimbursed for eligible Redevelopment Costs incurred in connection with the implementation of a Redevelopment Plan, Redevelopment Project or public improvement. (All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended, the “Act”).

Actions Required Prior to Certification

1. The TIF Commission and the City Council of Kansas City, Missouri (the “City”) must (a) make all such findings required by Section 99.810 of the Act with respect to any Redevelopment Plan or Redevelopment Project, (b) approve a budget of eligible Redevelopment Costs (the “Budget”), which shall be incorporated as an exhibit to the Redevelopment Plan and a redevelopment agreement, (c) approve such Redevelopment Project, by separate ordinance, pursuant to which costs have been incurred and are eligible for reimbursement and (d) activate the Redevelopment Area or Redevelopment Project in which TIF Revenue will be generated and utilized to reimburse Redevelopment Costs.

2. The TIF Commission and Redeveloper must properly execute a funding agreement and the Redeveloper must deliver to the TIF Commission all such amounts due and owing thereunder from time to time. Redevelopment Costs shall not be reimbursed if any amounts owing under the funding agreement are in dispute or the Redeveloper is otherwise in breach of the funding agreement.

3. The TIF Commission and the Redeveloper must properly execute a redevelopment agreement, which shall provide, inter alia, for the implementation of such improvements identified within a Redevelopment Plan and for which the Redeveloper will incur costs and seek reimbursement. Redevelopment Costs shall not be certified or reimbursed if the Redeveloper is in breach of a redevelopment agreement. In no event shall a Redeveloper be reimbursed for (a) any fee imposed upon a Redeveloper, as a result of such Redeveloper’s request of the TIF Commission to delay its consideration of a Redevelopment Plan, Project or amendment thereto or (b) any penalty fees, interest charges or any additional costs related thereto, which are imposed as a result of the Redeveloper’s noncompliance with the terms of any agreement that relates to the implementation of a Redevelopment Plan, Redevelopment Project or public improvement.

4. The TIF Commission and the City must properly execute an agreement, which provides, inter alia, for the establishment of a Special Allocation Fund from which the TIF Commission will utilize to reimburse the Redeveloper for Redevelopment Costs.
5. In the event the actual Redevelopment Costs submitted for reimbursement by the Redeveloper, which are attributed to a single line item within the Budget, exceed the budget for such single line item by more than the lesser of 10% or an amount in excess of \$1 million, the Redevelopment Plan must be amended to reflect the increased Redevelopment Costs prior to reimbursement. To the extent there is a dispute between the Cost Certifier and the Redeveloper as to whether the excess costs should be attributed to a particular line item within the Budget, the Commission shall accept the interpretation of the Cost Certifier.
6. In the event the actual aggregate amount of Redevelopment Costs submitted for reimbursement by the Redeveloper exceed the aggregate amount of Redevelopment Costs set forth in the Budget by more than the lesser of 10% or an amount in excess of \$1 million, the Redevelopment Plan must be amended to reflect the increased Redevelopment Costs prior to reimbursement.

Obligation of Redeveloper Prior to Reimbursement

1. Prior to the TIF Commission's reimbursement of any Redevelopment Costs, the Redeveloper must certify to the TIF Commission, on a form substantially similar to Schedule 1, that to its knowledge, there exists no Hazardous Substances, at levels above applicable clean-up standards on any real property within the Redevelopment Area. In the event such Hazardous Substances exist, the Redeveloper shall state, in writing, what measures it intends to undertake to clean-up such Hazardous Substances to standards consistent with federal, state and local laws. For purposes of this section, Hazardous Substance means any substance that is (i) oil or other petroleum products, (ii) "hazardous waste," as defined by the Resource Conservation and Recovery Act, as amended (RCRA), 42 U.S.C. §6901 *et. seq.*, or similar state or local law, ordinance, regulation or order (iii) "hazardous substances" as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (CERCLA), 42 U.S.C. §9601 *et. seq.*, or similar state or local law, ordinance, regulation or order (iv) "hazardous materials as defined by the Hazardous Materials Transportation Act, as amended (HMTA), 49 U.S.C. §1802, or similar state or local law, ordinance, regulation or order (v) "radioactive materials" subject to the Atomic Energy Act, as amended (AEA) 42 U.S.C. §2014 *et. seq.*, or similar state or local law, ordinance, regulation or order, and (vi) any other pollutant, contaminant, chemical, or substance whose presence creates or could create a hazard to health or the environment or violation of any federal, state, or local law.
2. Prior to the TIF Commission's reimbursement of any eligible Redevelopment Costs, the Redeveloper shall submit to the Commission two (2) copies of all documentation, as reasonably requested by the TIF Commission or the Cost Certifier, to substantiate that such Redevelopment Costs were incurred, including, but not limited to, an itemized report, certified by an officer of the Redeveloper, which shall identify and

detail any Redevelopment Costs related to time spent by the Redeveloper's staff in connection with the implementation of a Redevelopment Project or Redevelopment Plan, payments made to Minority Owned Businesses ("MBE's") and Women Owned Businesses ("WBE's"), which have been certified by the City of Kansas City, Missouri and who are listed on the Redeveloper's construction services utilization plan or professional services utilization plan (the "Utilization Plans"), invoices supporting the actual expenditure requested for certification; a list of disbursements to date, check number, payee, amount and purpose of disbursement; and support for any interest calculation.

3. Within ten (10) business days after each March 31, June 30, September 30 and December 31 (each a "MBE/WBE Certification Date"), beginning March 31, 2006, the Redeveloper shall identify and document to the Commission's and Cost Certifier's satisfaction all costs and expenses incurred by the Redeveloper in connection with its utilization of MBE's and WBE's listed on its Utilization Plans in the implementation of a Redevelopment Plan, or a Redevelopment Project or Public Improvement identified by a Redevelopment Plan, for the three (3) months preceding such MBE/WBE Certification Date.
4. Prior to reimbursement of eligible Redevelopment Costs, the Redeveloper shall cause its contractors and subcontractors to file with the TIF Commission an affidavit stating that it has complied with the Missouri Prevailing Wage Act, RSMo. §§ 290.210 to 290.340.
5. All closing costs and expenses related to the issuance of bonds, which are to be financed by Economic Activity Taxes (EATs) and/or Payments in Lieu of Taxes (PILOTs), must be incorporated into a budget and submitted to the TIF Commission for approval prior to the TIF Commission declaring its intent to proceed with issuing or consenting to the issuance of bonds to pay for Redevelopment Costs (see TIF Commission's Policy on Bond Issuances and Disbursements – Resolution #5-6-04).
6. The Redeveloper will be requested to be present during the TIF Commission meeting to address questions or concerns that may arise concerning a certification request.

Obligation of TIF Commission Staff During Certification Process

1. Staff to the Commission ("TIFC Staff") will forward to the Cost Certifier a cover letter detailing the following: (a) the certification request as stated by the Redeveloper, (b) a list of all MBE's and WBE's identified in a certification request, (c) any special issues related to the certification request or the Redevelopment Project (i.e. environmental concerns and cost overruns), (d) a contact person for the Redeveloper, (e) the date the TIFC Staff would like to receive a completed report from the Cost Certifier and (f) the date TIFC Staff would like to present the certification request and the Cost Certifier's report to the TIF Commission.
2. TIFC Staff will forward original documentation submitted by the Redeveloper to the Cost Certifier along with the following, if necessary: a copy of the Redevelopment Plan and necessary amendments; a copy of the current redevelopment agreement; a

copy of governing Redevelopment Project resolutions and ordinances; a copy of any other internal documentation that may assist in the process of certifying Redevelopment Costs such as other agreements or contracts; and any other information requested by the Cost Certifier.

3. In the event questions or requests for additional documentation arise during the review process, TIFC Staff will maintain a copy of all additional documentation provided to the Cost Certifier.

Cost Certifier's Review and Report

1. Upon the Cost Certifier's receipt of a request for certification, the Cost Certifier shall review all documentation provided with such request.
2. The Cost Certifier will issue a report notating the amount recommended for certification by the TIF Commission, any disallowed or questioned costs and what costs are considered to be associated with infrastructure. The Cost Certifier will give a complete breakout of all costs, including those costs related to MBE and WBE participation, for accounting purposes.
3. TIFC Staff will notify the Redeveloper of disallowed or questioned costs and the reason for the questioned costs included in the recommendation from Cost Certifier. In the event the Redeveloper is able to address the disallowed or questioned costs, TIFC Staff will assist in gathering any additional documentation to complete the report and work to assist the Redeveloper and Cost Certifier to answer the questions and complete the report.
4. The Cost Certifier will be requested to be present at the TIF Commission meeting to discuss any special issues related to the report and recommendation for certification. TIFC Staff will present any outstanding disallowed or questioned costs to the TIF Commission during the presentation.

Presentation to TIF Commission

1. Prior to each monthly TIF Commission meeting, TIFC Staff will notify each Redeveloper of the amount to be recommended for certification.
2. TIFC Staff will present to the TIF Commission the following: the total request for certification as presented by each Redeveloper; the total amount paid to MBE's and WBE's; the Cost Certifier reviewing the request; any disallowed or questioned costs related to the request; any outstanding issues needing to be addressed prior to TIF Commission approval and amount recommended for certification.
3. TIFC Staff shall present to the TIF Commission a separate certified cost overrun report, which shall reflect all Certified Redevelopment Costs requested for reimbursement that are attributed to a single line item within any Budget of any Plan that exceed the amount set forth in the Budget by less than 10%.

Following the TIF Commission Meeting

1. Following the TIF Commission's certification of Redevelopment Costs, TIFC Staff will notify the EDC's Accounting Department of the certified amount and the EDC's Accounting Department, to the extent there are sufficient funds within the designated Special Allocation, shall reimburse the Redeveloper for such certified amount within thirty (30) days after certification.
2. All originals and reports will be maintained in the EDC's central filing system.

The TIF Commission must approve in writing any exception to the Certification of Costs and Reimbursement Policy.

**TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI**

COST-BENEFIT ANALYSIS POLICY

Pursuant to 99.810 RSMo, all proposed redevelopment plans submitted to the Kansas City, Missouri Tax Increment Financing Commission ("TIFC") for approval after December 23, 1997 shall conform to the following requirements:

1. Each proposed redevelopment plan shall include or have appended thereto a cost-benefit analysis that shows the economic impact of the proposed plan on each taxing district in which the plan area is at last partially located.
2. The cost-benefit analysis shall, at a minimum, account for the following:
 - a. Impact on the economy if the proposed redevelopment plan is not adopted and the project(s) are not constructed;
 - b. Impact on the economy if the proposed redevelopment plan is adopted and the project(s) are constructed;
 - c. Fiscal impact of the proposed redevelopment plan on every affected political subdivision; and
 - d. Sufficient information for the TIFC to evaluate whether the redevelopment plan and project(s) as proposed are financially feasible.
3. Proposed redevelopment plans that provide for the use of new state revenue shall also include a study of the fiscal impact on the state of Missouri.

To implement these requirements, the TIFC and TIFC staff shall observe the following policies:

1. The cost-benefit analysis shall be prepared by the applicant or an appropriate consultant at the direction of the applicant. The applicant may, and is encouraged to work with the TIFC staff to prepare the cost-benefit analysis.
 - a. If the cost-benefit analysis is performed by the applicant or other consultant, who is not of the TIFC staff, the completed analysis must be submitted with a detailed methodology report sufficient for the TIFC to understand how the analysis was conducted.
 - b. If the cost-benefit analysis is performed by the applicant or other consultant, who is not of the TIFC staff, the output of the selected model must conform to the categories of output created by the TIFC model. Such categories are available upon request from the Secretary of the TIFC.

- c. All cost-benefit analyses, regardless of mode of preparation, shall include examination of non-financial costs and benefits.
2. The applicant shall be responsible for all costs involved in preparation and completion of the cost-benefit analysis and any changes or amendments as may be required by the TIFC. Cost-benefit analyses prepared on the applicant's behalf by the TIFC staff shall be charged according to a fee schedule established by the TIFC from time-to-time.
3. The TIFC may require changes or amendments to the cost-benefit analysis depending upon the circumstances of any given plan. Such changes or amendments to a cost-benefit analysis shall require notice to the affected taxing districts along with a continuance of the public hearing pursuant to 99.825 RSMo.
4. The TIFC may require a redeveloper to submit an updated cost-benefit analysis in conjunction with significant redevelopment plan amendments and/or project amendments. Any project that has been minimally active or inactive, as determined by the TIFC Executive Director, for a period of three (3) years shall submit an updated cost-benefit analysis at the request of the TIFC. The TIFC may also establish a list of project change criteria which, if met, would trigger the requirement of a new cost-benefit analysis.

Policy Name: **Design Criteria and Review Procedures**

Date Approved: **January 14, 2004**

Resolution Number: **1-1-04**

Policy Statement: Prior to the consummation of any redevelopment agreement for the implementation of a Redevelopment Plan, the designated redeveloper of the Redevelopment Plan (the “Redeveloper”) shall agree to construct all Redevelopment Project improvements (the “Project Improvements”) in accordance with the plans and designs approved by the City Planning and Development Department and the City Planning Commission (the “City Departments”), with any alterations that may be required or approved by the City Departments (the “Approved Plans”). (All capitalized terms not defined herein shall have the respective meanings ascribed to them under the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, the “Act”).

In order to insure that the Project Improvements and their construction will be in accordance with the provisions of this Policy on Design Criteria and Review Procedures and the Approved Plans, and in substantial agreement with proposals made by the Redeveloper to the Commission, the Redeveloper, prior to the consummation of a redevelopment agreements, shall agree as follows:

(1) No Project Improvements shall be commenced or made unless and until all the construction plans therefore, in the detail herein required, or any changes thereto, (A) shall have been submitted to and approved in writing as required by the City Departments and (B) the Commission, or its designated representatives, shall have received such written approval from the City Departments.

(2) The City Departments shall have the absolute right in their judgment and discretion at any time to approve a variance from conformance to or a waiver of compliance with the Approved Plans.

(3) Subsequent to the commencement of Project Improvements and until said Project Improvements have been completed, the Redeveloper shall report to the Commission the progress of the Redeveloper in construction.

(4) Neither the Commission, nor any officer, director, commissioner, member, employee or agent of the same, shall be liable to the Redeveloper with respect to construction plans or modifications submitted to the City Departments for approval. The Redeveloper agrees that it will not bring any action or suit to recover any damages against the Commission or any officer, director, commissioner, member, employee, or agent of any of them arising or in any way connected with the approval of or failure to approve any construction plans or changes submitted by the Redeveloper.

(5) In order to monitor the status of compliance with the Approved Plans, the Commission or the City Departments, or their respective designated representatives, may,

upon providing a minimum of 24 hours notice to the Redeveloper, inspect the Project Improvements during regular business hours and in such detail as may be reasonably necessary to determine compliance.

Policy Name: Disputed Charges Policy

Date Approved: January 14, 2004

Resolution Number: 1-1-04

Policy Statement: In the event a redeveloper of a Redevelopment Plan disputes any bill, charge or expense of the Tax Increment Financing Commission (the “TIF Commission”), the redeveloper, within sixty (60) days after the disputed bill, charge or expense was mailed to the address, on public record, of the redeveloper, shall submit a statement, which has been signed by an authorized representative of the redeveloper, to the Controller of the TIF Commission, which shall state: (a) the nature and reason of the dispute and (b) the amount that is in dispute.

Upon the Commission’s receipt of the written statement, together with a check from the redeveloper for the amount in dispute, the Controller of the TIF Commission shall (a) notify the TIF Commission at its next regularly scheduled meeting of such disputed amount and (b) deposit the check in a non-interest bearing escrow account until such time that the dispute is resolved between the TIF Commission and the redeveloper.

Policy Name: Economic Activity Taxes

Date Approved: January 14, 2004 / Revised 7-14-04, October 12, 2005

Resolution Number: 1-1-04, 7-3-04, 10-5-05

I. Introduction

In accordance with the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.845.3, fifty percent of the incremental taxes resulting from economic activities within the redevelopment area shall be made available for the special allocation fund. To quote the statute:

“(F)or redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo. or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo., licenses, fees or special assessments, other than payments in lieu of taxes, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.”

II. Purpose of this Document

- A. To define those Economic Activity Taxes (EATs) which may be allocated to the Special Allocation Fund (SAF).
- B. To set forth the procedures for the documentation, collection and deposition of EATs into the SAF.

III. Premises

- A. The TIF Commission’s only resources for reimbursing eligible project costs are the PILOTs and EATs paid by property owners and businesses located in the Redevelopment Project Area(s).
- B. For TIF revenues to be deposited into the SAF and then used to reimburse a developer or finance the debt service on bonds, evidence must be supplied showing

payment and amount of PILOTs and EATs or in the event a TIF plan is within a revised EATs processing TIF area, evidence of requested tax identification numbers as specified below.

- C. The Developer, property owners, project area businesses, TIF Commission and City will need to cooperate in the process of collecting and documenting TIF revenues on a timely basis in order to ensure successful reimbursement of eligible project costs.
- D. The Developer, property owners and project area businesses, will need to cooperate by providing documentation of taxes paid and utility bills on a timely basis in order to ensure successful reimbursement of eligible project costs.

IV. Objectives

- A. To document and disperse the EATs available to reimburse project costs in a timely and efficient manner.
- B. To encourage development of documentation capabilities and procedures at the City which will increasingly facilitate the improvement of documentation and disbursement of EATs.
- C. To encourage further development of capabilities and procedures with respect to the annual TIF appropriations by the TIF Commission on behalf of the City of Kansas City, MO.

V. Types of Economic Activity Taxes and Availability to the SAF

- A. EATs Available to the Special Allocation Fund shall include, but shall not be limited to, the following:
 - 1. Sales Taxes: These taxes are paid monthly to the State by businesses earning income from sales. The State in turn disperses sales tax revenues to the affected city and/or county. There is a three-month delay between the time the sales taxes are paid to the State and the time the city and/or county receives the sales tax revenue. The reimbursable tax rates, which may be modified from time to time, are as follows:

(a)	City	1.9625% (includes firefighters and police tax)
(b)	Jackson County	.75%
(c)	Clay County	.875%
(d)	Platte County	1.00%
 - 2. Earnings Taxes: Earnings taxes on individual wages are usually withheld by businesses on wages of employees working within Kansas City, Missouri. The business usually files a tax return and pays earnings taxes quarterly to the City. The tax rate is 1%.
 - 3. Net Profits Taxes: Businesses file a tax return and pay taxes annually to the City, with taxes being due 105 days after the end of the business' fiscal year

(e.g., if the fiscal year and calendar year are the same, taxes are due April 15th of each year). The tax rate is 1%.

4. Food and Beverage (Convention & Tourism Tax): Food and Beverage Taxes are paid on a quarterly basis by the business to the City of Kansas City. The tax rate is 1.75%.
5. Utility Taxes: Utility Companies figure in utility taxes as a part of the utility bill. The utility companies ultimately pay these taxes. The amount of the taxes can be ascertained from the utility bills.
 - (a) Gas 10% Com'l & Ind'l; 9% Res'l
 - (b) Electric 10% Com'l & Ind'l; 9% Res'l
 - (c) Telephone 10% Com'l & Ind'l; 9% Res'l
 - (d) Steam 3%
 - (e) Cable Television 3%

B. EATs Not Available to the Special Allocation Fund

1. Personal Property Tax
2. Taxes Levied for the Purpose of Public Transportation, Pursuant to Section 94.660 RSMo.
3. Taxes Levied Pursuant to Section 70.500 RSMo.
4. Licenses
5. Fees
6. Special Assessments
7. State Sales Taxes
8. Taxes Imposed on Sales of Charges for Hotel and Motel Rooms

VI. Verification of the Base

- A. Section 99.845 of the Missouri Tax Increment Financing legislation specifies that the base for determining eligible EATs revenue is that calendar year prior to the adoption of the redevelopment project by ordinance (the "Base"). Prior to the designation of a redevelopment project by the City Council, the TIF Commission shall exert its best faith efforts to provide to the City Finance Department a copy of the:
1. Legal description of the project area;
 2. A list of all businesses operating in the project area during the base year along with the business's Federal Identification Number, MITS Number and Location Code; and
 3. The utility bills for the base year for all businesses operating within the project area.

The TIF Commission shall confirm, in writing, from the Developer of a TIF Plan/Project that the Developer, to its actual knowledge, agrees that the list of businesses located within the proposed TIF Project Area, as submitted by the Developer to the TIF Commission, is accurate and that the amount of the taxes generated by such businesses in the year prior to the date in which such TIF Project is activated shall be equal to the Base. In the event the TIF Commission verifies, to its satisfaction, that certain businesses, whose taxes were not incorporated within the Base, but were located and operating within a TIF Project Area at the time the Base was established, the TIF Commission (a) shall immediately notify the City Finance Department of such businesses, (b) request that the Base be altered to reflect the taxes generated by such businesses and (c) request that the City Finance Department calculate any EATS generated from such businesses in accordance with Section VI.B.

B. Determination of Base and Calculation of EATS

1. TIF Plans/Projects approved prior to or during October 2005 – The TIF Commission, together with the City Finance Department, upon verification of the information provided pursuant to Section VI.A., shall establish the Base, and each year thereafter, during the term of the TIF Plan/Project, calculate EATS by aggregating the incremental increase of such taxes identified in Section V, by separate tax category, without regard to any decremental decrease in any one category. As such, decremental decreases will not be considered in calculating EATS for any TIF Plans/Projects approved prior to or during October 2005.
2. TIF Plans/Projects approved after October 2005 - The TIF Commission, together with the City Finance Department, upon verification of the information provided pursuant to the Section VI.A., shall establish the Base for each tax category identified in Section V, and each year thereafter, during the term of a TIF Plan/TIF Project, calculate EATS by (a) adding the aggregate amount of all incremental increases occurring with respect to each tax category and (b) subtracting from such amount the aggregate amount of all decremental decreases occurring with respect to each tax category identified in Section V. As such, decremental decreases will be considered in calculating EATS for any TIF Plans/TIF Projects approved after October 2005.

VII. Procedures for Documentation and Collection of Economic Activity Taxes

A. Construction Activity

1. Developer & TIF Commission Directed Construction Activities
 - (a) Sales Taxes: Unless the sales tax on construction materials was generated and paid within the TIF area, the tax is not a reimbursable item. In the event the sales tax was generated and paid within the TIF area, documentation consisting of the invoices of actual taxes paid must be sent to the TIF Commission on a semi-annual basis. The TIF

Commission will then submit all documentation to the City Finance Department.

- (b) Earnings Taxes: The Developer and TIF Commission shall include in all contracts and subcontracts, and require as a condition in all subcontracts, that all contractors and subcontractors shall submit to the Developer or the TIF Commission documentation of the amount of earnings taxes withheld or paid which are attributable to the project site. This documentation will consist of copies of all earnings tax returns filed during the construction period and a cover sheet stating the total amount of earnings taxes directly attributable to the project site. All submissions shall be done on a semi-annual basis. The TIF Commission will then submit all documentation to the City Finance Department.
 - (c) Net Profits Taxes: The Developer and TIF Commission shall include in all contracts and subcontracts, and require as a condition in all subcontracts, that all contractors and subcontractors shall submit to the Developer or the TIF Commission documentation of the amount of net profits taxes paid which are attributable to the project site. This documentation will consist of copies of net profits tax returns filed during the construction period and a cover sheet stating the total amount of earnings taxes directly attributable to the project site. Submissions shall be done on an annual basis. The TIF Commission will then submit all documentation to the City Finance Department.
 - (d) Food and Beverage Taxes: Not applicable during construction.
 - (e) Utility Taxes: The Developer shall provide to the TIF Commission on a semi-annual basis, copies of all utility bills and a cover sheet showing the total amount paid to each utility over the six month period for the project. The TIF Commission will then submit all documentation to the City Finance Department.
2. Construction Activity by Parties other than TIF Commission or Developer. If a party other than the TIF Commission or Developer are involved with development activities within the project area, they shall also be required to provide documentation and follow the same procedures as those set forth for the Developer and the TIF Commission. Examples of parties other than the Commission or Developer may include, but are not limited to, the City's Central Relocation Authority and City's Public Works Department.

B. Completed Development

1. Single Owner/User

- (a) Sales Taxes: The user/owner shall submit to the TIF Commission on a semi-annual basis documentation of the amount of sales taxes which

are attributable to the Redevelopment Project. Typically, this documentation will consist of copies of all sales tax returns and a cover sheet stating the total amount of sales taxes paid over the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event a business is located within a TIF plan area, such business is required to submit annually an appropriate form provided by the TIF Commission, which requests the business' MITS number as well as the business' location code. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

(See Exhibit 1 attached hereto)

- (b) Earnings Taxes: The user/owner shall submit to the TIF Commission on a semi-annual basis documentation of the amount of earnings taxes withheld or paid which are attributable to the Redevelopment Project. This documentation will consist of copies of all earnings tax returns (including Corporate Profits Taxes) and a cover sheet stating the amount of earnings taxes directly attributable to the project site over the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event a business is located within a TIF plan area, such business is required to submit annually an appropriate form provided by the TIF Commission, which requests the business' Federal Identification number as well as the percentage of earnings tax generated by the business within the TIF plan area. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (c) Net Profits Taxes: The user/owner shall submit to the TIF Commission on an annual basis documentation of the amount of net profits taxes paid which are attributable to the Redevelopment Project. This documentation will consist of copies of the net profits tax returns and a cover sheet stating the amount of earnings taxes directly attributable to the project site over the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event a business is located within a TIF plan area, such business is required to submit annually an appropriate form provided by the TIF Commission, which requests the business' Federal Identification number as well as the percentage of net profits tax generated by the business within the TIF plan area. The appropriate

form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (d) Food and Beverage Taxes: The user/owner shall submit to the TIF Commission on a semi-annual basis documentation of the amount of food and beverage taxes which are attributable to the Redevelopment Project. This documentation will consist of copies of all food and beverage tax returns and a cover sheet stating the total amount of food and beverage taxes paid over the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event a business is located within a TIF plan area, such business is required to submit annually an appropriate form provided by the TIF Commission, which requests the business' Federal Identification number as well as the percentage of food & beverage tax generated by the business within the TIF plan area. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (e) Utility Taxes: The Developer/owner shall provide to the TIF Commission on a semi-annual basis copies of all utility bills and a cover sheet showing the total amount paid to each utility over the six month period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event a business is located within a TIF plan area; such business is required to submit semi-annually copies of all utility bills. The TIF Commission will then submit the documentation to the City Finance Department.

2. Multiple Users/Multiple Ownership

- (a) Sales Taxes: The Developer/owner shall include as a part of all assignments, sales and lease agreements entered into during the life of the redevelopment project, and require for inclusion in any subsequent assignments, sales, leases and subleases, the provision that all users of the project site shall submit to the TIF Commission documentation of the amount of sales taxes paid at that site. Typically, this documentation will consist of copies of all sales tax returns filed and a cover sheet stating the total amount of sales taxes paid during the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event businesses located within a TIF plan area are subject to this Policy, such businesses are required to submit annually an

appropriate form provided by the TIF Commission which requests the businesses' MITS number as well as the businesses' location code. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (b) Earnings Taxes: The Developer/owner shall include as a part of all assignments, sales and lease agreements entered into during the life of the redevelopment project, and require for inclusion in any subsequent assignments, sales, leases and subleases, the provision that all users of the project site shall submit to the TIF Commission documentation of the amount of earnings taxes withheld or paid at that site. This documentation will consist of copies of all earnings tax returns filed and a cover sheet stating the total amount of earnings taxes paid for that site during the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event the businesses located within a TIF plan area are subject to this Policy, such businesses are required to submit annually an appropriate form provided by the TIF Commission, which requests the businesses' Federal Identification number as well as the percentage of earnings tax generated by the businesses within the TIF plan area. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (c) Net Profits Taxes: The user/owner shall submit to the TIF Commission on an annual basis documentation of the amount of net profits taxes paid which are attributable to the Redevelopment Project. This documentation will consist of copies of the net profits tax returns and a cover sheet stating the amount of earnings taxes directly attributable to the project site over the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event the businesses located within a TIF plan area are subject to this Policy, such businesses are required to submit annually an appropriate form provided by the TIF Commission, which requests the businesses' Federal Identification number as well as the percentage of net profits tax generated by the businesses within the TIF plan area. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (d) Food and Beverage Taxes: The Developer/owner shall include as a part of all assignments, sales and lease agreements entered into during the life of the redevelopment project, and require for inclusion in any subsequent assignments, sales, leases and subleases, the provision that all users of the project site shall submit to the TIF Commission documentation of the amount of food and beverage taxes paid at that site. This documentation will consist of copies of all food and beverage tax returns filed and a cover sheet stating the total amount of food and beverage taxes paid during the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event the businesses located within a TIF plan area are subject to this Policy, such businesses are required to submit annually an appropriate form provided by the TIF Commission, which requests the businesses' Federal Identification number as well as the percentage of food & beverage tax generated by the businesses within the TIF plan area. The appropriate form will assist the City's Finance Department in determining the reimbursable increment. The TIF Commission will then submit the documentation to the City Finance Department.

- (e) Utility Taxes: The Developer/owner shall include as a part of all assignments, sales and lease agreements entered into during the life of the redevelopment project, and require for inclusion in any subsequent assignments, sales, leases and subleases, the provision that all users of the project site shall submit to the TIF Commission documentation of the amount of utility taxes paid at that site. This documentation will consist of copies of all utility bills paid and a cover sheet stating the total amount of utility taxes paid during the reporting period. The TIF Commission will then submit all documentation to the City Finance Department.

In the event the businesses located within a TIF plan area are subject to this Policy, such businesses are required to submit semi-annually copies of all utility bills. The TIF Commission will then submit the documentation to the City Finance Department.

3. The conditions set forth herein shall be made a part of the property record. This will be accomplished by filing for record a memorandum of agreement with respect to the developer's agreement which will become a part of the real estate records pertaining to all the property within the TIF district and will serve to put any subsequent taker of such property, either lessee or purchaser, of the existence of the developer's contract and of its provisions. In addition, at the time of any sale or lease, the Commission shall be apprised of said sale or lease of property during the life of the Redevelopment Plan.

VIII. Schedule for Reporting and Verification of EATs

All documentation, which is required to be submitted pursuant to this Policy (the “EATs Documentation”), shall be submitted semi-annually to the TIF Commission. Each year, the EATs Documentation shall be submitted by July 31st for the period beginning January 1 and ending June 30 and by January 31st for the period beginning July 1 and ending December 31. One (1) copy of the EATS Documentation shall be submitted to the TIF Commission and two (2) copies of the EATS Documentation shall be submitted, under separate cover, to the City Finance Department. Upon receipt of such EATS Documentation, the City Finance Department will deposit all required funds into the Special Allocation Account.

(See Exhibit 2 attached hereto.)

IX. Procedure for Tenants and Property Owners Who Fail to Submit EATs Documentation

- A. In the event a tenant or property owner within a Redevelopment Project Area fails to submit EATs Documentation to the TIF Commission within the time periods set forth in Section VIII, then the TIF Commission, in accordance with Ordinance No. 010710, shall notify such tenant or property owner, in writing, that the TIF Commission has not received such EATs Documentation.
- B. In the event the TIF Commission does not receive the EATs Documentation from any tenant or property owner within thirty (30) days after the TIF Commission has notified such tenant or property owner in accordance with Section IX.A., the TIF Commission will deliver a letter to the City Attorney’s Office of the City of Kansas City, Missouri, which shall request that the City Attorney deliver a letter to such tenant or property owner, informing such tenant or property owner of its failure to submit the EATs Documentation, as required by Ordinance No. 010710.
- C. In the event the TIF Commission does not receive the EATs Documentation within _____ (___) days after the City Attorney notifies, in writing, such tenant or property owner, then the TIF Commission shall request, in writing, that the City Attorney notify the City Prosecutor’s Office of such tenant’s or property owner’s violation of Ordinance No. 010710.

X. Monitoring of Future Lease of Property

The Developer/owner of the property shall provide to the TIF Commission on an annual basis a certified list of businesses within the Redevelopment Project Area. The certified list shall list the name of the business, the address, the business identification number, and the date of occupancy if such has occurred within the last year.

The TIF Commission and City staffs will work together to monitor and check the certified list provided by the Developer/owner. The TIF Commission will work with the City regarding the modification of the City Finance Department’s computer system in order to facilitate the ongoing monitoring of business and Economic Activity Taxes.

XI. Declaration of Surplus Funds and Termination of Plan

The Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.850 provides for the declaration of surplus funds and termination of the special allocation fund in the event all redevelopment project costs have been paid. The following is the language from Section 99.850 regarding declaration of surplus and termination of the special allocation fund.

1. When such redevelopment project costs, including, but not limited to, all municipal obligations financing redevelopment project costs incurred under sections 99.800 to 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be paid by the municipal treasurer to the county collector who shall immediately thereafter pay such funds to the taxing districts in the area selected for a redevelopment project in the same manner and proportion as the most recent distribution by the collector to the affected districts of real property taxes from real property in the area selected for a redevelopment project.
2. Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys pursuant to section 99.845 and this section, the municipality shall adopt an ordinance dissolving the special allocation fund for the redevelopment area and terminating the designation of the redevelopment area as a redevelopment area. Thereafter, the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment financing.”

XII. Confidentiality

All documentation will be held confidential by the TIF Commission to the extent allowed by law. Documentation of Economic Activity Taxes received by the TIF Commission will be treated as follows:

1. If studies and documents are presented to the TIF Commission for this purpose marked “Confidential,” they will be so treated by the Commission and staff;
2. Confidential studies and documents shall be shared with staff members and TIF Commission only on a “need-to-know” basis;
3. The information shall be kept in a special confidential file separate from the Commission’s public records;
4. Staff members violating the confidentiality of any such material will be disciplined.

XIII. Modeling

Staff shall work with City staff to enhance existing TIF models and to develop a model to provide more accurate means of projecting and documenting EATs generated by the Tax Increment Financing plans and projects approved by the TIF Commission. The purpose of this model is to ensure that the TIF Commission shall have available to it the most accurate revenue projections and be able to most effectively document, budget and collect the EATs being generated by approved TIF projects.

Policy Name: **Environmental Policy**

Date Approved: **February 11, 2004**

Resolution No.: **2-1-04**

Policy Statement: The purpose of this Environmental Policy is to require redevelopers of Redevelopment Plans (“Redevelopers”) to disclose to the Tax Increment Financing Commission (the “TIF Commission”) any environmental hazardous conditions on any property owned or operated by the Redeveloper that is located within any Redevelopment Area which the Redeveloper intends to develop in connection with a Redevelopment Plan. (All capitalized terms not defined herein shall have the respective meaning ascribed to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri as amended, the “Act”).

1. As a condition to the approval of any Redevelopment Agreement to implement a Redevelopment Plan, the Redeveloper shall represent and warrant to the Commission that (a) he/she/it has complied at all times with all applicable Environmental Laws⁴ with respect to the real estate currently owned or operated by the Redeveloper which is located within the Redevelopment Project Area (the “Real Estate”) (including soils, groundwater, surface water, buildings or other structures) and; (b) to the knowledge of the Redeveloper, the Real Estate has not been contaminated with any Hazardous Substances at levels above applicable cleanup standards; (c) the Redeveloper has not received notice that he/she/it is subject to liability for any Hazardous Substance disposal or contamination on the Real Estate; and (d) the Redeveloper has not received notice that he/she/it is subject to liability for any release or threat of release of any Hazardous Substance.

2. As a condition to the consummation of any Redevelopment Agreement to implement a Redevelopment Plan, the Redeveloper shall agree to submit to the Commission any notice, demand, letter, claim or request for information the Redeveloper receives

⁴ As used herein, the term “Environmental Law” means any applicable federal, state or local law, regulation, order, decree, permit, authorization, opinion, common law relating to: (A) the protection, investigation or restoration of the environment, health, safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance, (C) noise, odor, wetlands, pollution, or contamination or (D) standards of conduct concerning protection of human health (including, without limitation, employee health and safety), in each case as amended and as now or hereafter in effect, and the term “Hazardous Substance” means any substance that is: (i) oil or other petroleum products, (ii) “hazardous wastes,” as defined by the Resource Conservation and Recovery Act, as amended, (RCRA), 42 U.S.C. § 6901 *et seq.*, or similar state or local law, ordinance, regulation or order, (iii) “hazardous substances,” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (CERCLA), 42 U.S.C. § 9601 *et seq.*, or similar state or local law, ordinance, regulation or order, (iv) “hazardous materials,” as defined by the Hazardous Materials Transportation Act, as amended, (HMTA), 49 U.S.C. § 1802, or similar state or local law, ordinance, regulation or order, (v) radioactive materials subject to the Atomic Energy Act, as amended, (AEA), 42 U.S.C. § 2014 *et seq.*, or similar state or local law, ordinance, regulation or order, and (vi) any other pollutant, contaminant, chemical, or substance whose presence creates or could create a hazard to health or the environment or a violation of any federal, state or local law.

indicating that it may be in violation of or liable under any Environmental Law with respect to the Real Estate.

3. As a condition to the consummation of any Redevelopment Agreement to implement a Redevelopment Plan, the Redeveloper shall agree and certify that he/she/it shall fully protect, defend, indemnify, and hold harmless in full the Commission and its officers, directors, agents, representatives and employees (collectively, the "Commission's Indemnified Parties"), from and against, and shall reimburse the Commission's Indemnified Parties for, any and all losses, claims, actions instigated by a governmental agency, liabilities, damages, injunctive relief, injuries to persons, property or natural resources, fines, penalties, costs, expenses (including, without limitation, attorneys' fees, consultants' fees, expenditures, expenses and court costs), causes of action and sums paid in settlement of litigation arising directly or indirectly, in whole or in part, from any violation of any Environmental Law with respect to the Real Estate, as well as any Release⁵, threatened Release, presence, Clean-up⁶, treatment, transport, handling or disposal, of any Hazardous Materials at, on, under, in or from the Real Estate or in the air, land surface, subsurface strata, soil, surface water, groundwater or soil vapor on, under, in or from all or any part of the Real Estate, or resulting from the migration or the alleged or potential migration of Hazardous Materials from the Real Estate (collectively, "Environmental Costs"). Without limiting the foregoing, Environmental Costs shall include (i) all costs of Clean-up, including remediation, testing, monitoring and restoration of any kind, and any disposal of Hazardous Materials, (ii) all costs and liabilities associated with claims for, damages to, and remedial action related to Hazardous Materials on, at, in or from the Real Estate, or impacting natural resources wherever located, (iii) all fines and other penalties associated with claims of noncompliance with any Environmental Laws which are related to Hazardous Materials at the Real Estate.
4. In the event a redeveloper requests that the Commission condemn any property located within a Redevelopment Area, the Redeveloper, prior to the Commission initiating condemnation proceedings, shall conduct all such environmental audits and testing to the satisfaction of the TIF Commission. The redeveloper shall furnish to the Commission a copy of all such environmental reports, audits and tests.

⁵ "Release" shall mean the spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping, or any other release or threatened release, however defined, and whether intentional or unintentional, of any Hazardous Material.

⁶ "Clean-up" shall mean removal and/or remediation of, or other response to (including, without limitation, testing, monitoring, sampling or investigating of any kind) any Release of Hazardous Materials or contamination, to the satisfaction of all applicable governmental agencies, in compliance with Environmental Laws and in compliance with good commercial practice.

Policy: Ethical Guidelines for Advisory Committees

Date Approved: 2-11-04

Resolution Number: 2-1-04

Policy Statement: The purpose of this policy is to provide ethical guidelines that should be entrusted to each advisory committee member

Members of advisory committee are requested to adhere to the following:

1. To make impartial decisions, free of bribes, unlawful gifts, narrow political interests, and financial and other personal interests that may impair independence of judgment or action.
2. Conflicts of Interest:
 - a. If any member, employee or consultant of an Advisory Committee owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, he or she shall disclose the same in writing to the Secretary of the Committee and the clerk of the municipality, and shall also disclose the dates, terms and conditions of any disposition of any such interest. If an individual holds such an interest then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area.
 - b. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project or (b) the first public notice of such plan, project or area is made, whichever first occurs.
3. To extend equal opportunities and due process to all parties in matters under consideration.
4. To show respect for persons, confidences, and information designated as “confidential.”
5. To be attuned to, and care about, the needs and issues of citizens, public officials, and city workers.
6. To make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the City, especially its financial stability.
7. To demonstrate concern for the proper use of City assets (e.g., personnel, funds) and follow established procedures.

8. To make good financial decisions that seeks to preserve programs and services for City residents.
9. To act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
10. To be respectful of established City processes and guidelines.
11. To consider the broader regional and statewide implications of the City's decisions and issues.

MEMORANDUM

TO: PROSPECTIVE DEVELOPER

FROM: TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MO

DATE: SEPTEMBER 13, 1995

**RE: GUIDELINES FOR PRESENTATION OF EVIDENCE RELATING TO
BLIGHT AND THE "BUT FOR" TEST**

I. INTRODUCTION

This memorandum provides general guidelines to be followed by prospective developers when presenting evidence regarding the presence of blight in a proposed TIF District and the "but for" test in connection with the consideration of a redevelopment plan.

Persons proposing to establish a TIF district must present evidence to the TIF Commission at a public hearing which can serve as the basis for the Commission's decision to officially find that blight exists. Evidence sufficient to meet this standard must be of a kind that, if credible, would support the conclusion reached by the commission. If reasonable minds could differ, the decision will generally not be overturned by a court.

II. STATUTORY REQUIREMENTS

Section 99.810 of the Tax Increment Financing Legislation sets forth eight facts which must be included in every proposed plan and four "findings" that must be made prior to plan adoption. The necessary facts which must be provided include:

- a. The estimated redevelopment project costs;
- b. the estimated sources of funds to pay the costs;
- c. Evidence of the commitments to finance the project costs;
- d. The anticipated type and term of the sources of funds to pay costs;
- e. The anticipated type and term of obligation to be issued;
- f. The most recent assessed valuation of the property;
- g. An estimate of the assessed valuation of the property after redevelopment; and
- h. The general land uses for the redevelopment area.

Additionally, any proposed TIF plan must include similar information before the Commission will consider adoption of such plan.

The necessary "findings" mandated by Statute include the following:

1. The redevelopment area is a blighted area, conservation area, or an economic development area as defined by the statutes; and has not been subject to development

privately in the past; and the redevelopment area is not likely to be developed without adoption of the plan.

2. The plan conforms to the comprehensive plan of the city;
3. The plan will be completed within 23 years;
4. The plan includes a plan for relocation assistance

Whether the plan conforms to the comprehensive plan of the City, whether the plan will be completed within 23 years, and whether the plan includes a plan for relocation assistance (findings 2, 3 & 4 above) are easily supported in the usual case. Most developers should have little difficulty providing sufficient evidence related to these items.

A. Findings related to blight.

As to the findings related to blight within the redevelopment area, a detailed factual presentation is required by the Commission. To accomplish this, the Commission may require the developer to submit a professional study related to the same. Such a report should contain a detailed summary of the current conditions existing within the area emphasizing the conditions referenced by the statute. Obviously, the emphasis will necessarily change depending on the area designation sought (i.e., whether a designation that the area is blighted, it is a conservation area, etc.). Many areas of the City have been subject to such studies in the past and these studies are relevant so long as additional evidence is submitted showing that conditions have not materially changed to date, eliminating the basis for the earlier determinations.

When a report is prepared for the purpose of documenting blight, the Commission expects it to include analysis related to a number of items. Namely, under the Tax Increment Financing Legislation, at least one of the following factors must presently exist within the redevelopment area:

1. The predominance of defective or inadequate street layout;
2. Unsanitary or unsafe conditions;
3. Deterioration of site improvements;
4. Improper subdivision or obsolete planning; and
5. Conditions which endanger life or property by fire or other cause.

In addition to the above, the existence of such factor or factors must be shown to either:

1. Retard the provision of housing accommodation;
2. Constitute an economic or social liability, or
3. Constitute a menace to the public health, public safety, public morals, or public welfare (Section 99.815 RSMo 1994).

Therefore, a blight study must be considered to have two parts. First, there must be factual evidence showing that at least one of the five blighting factors currently exists within the area as a whole. Second, a casual connection between such blight factor(s) and one of the three referenced

conditions must be shown to exist. Obviously, this analysis may be very fact intensive and whether a finding of blight is appropriate will vary with the facts of each situation.

A particularly challenging fact pattern in this regard, relates to a finding of blight in an area of unimproved property. It is possible, in some cases, that blight may be found to exist in such an area if adequate factual support is established. The mere fact that land is vacant does not necessary preclude it from being declared blighted, although the burden of proof may be somewhat greater. Such land may be vacant because it no longer meets the economic or social needs of the modern city life in progress. The purpose of urban redevelopment is to cure “urban ills” and, as such, areas that re stagnant and underutilized may need rehabilitation as contemplated by the Tax Increment Financing Legislation. Notwithstanding the potential need for assistance in such a circumstance, redevelopment law is not meant to endorse redevelopment (i.e. development) of virgin territory or pristine wilderness which might be put to use; rather, the use of TIF redevelopment assistance is limited solely to that land which is unimproved or unused because of one of the development defects listed in the defining statute. Therefore, when called upon to consider a proposal involving unimproved and, underutilization alone will not adequately support a finding of blight unless the developer presents credible evidence establishing the existence of at least one blight factor referenced in the statute.

When a report is prepared of the purpose of establishing a conservation area or an economic development area, a concise presentation of the determinative facts is also advised Section 99.805(2) & (3) of the TIF Statute sets out a number of conditions that musts be established by factual support, and like in the case of showing blight, a professional study for this purpose may be required to address all the elements and factors referenced in the Statute.

B. Findings related to the lack of private investment within the area.

As to whether the redevelopment area has been subject to development b private enterprise in the past, the commission expects the developer to submit a study stating that records were reviewed, inspections were made, comparisons were made or tasks undertaken demonstrating that the property has not been developed through private enterprise over a period of time. Such a study should be signed by a responsible party or some party should otherwise be designated as being responsible for its representations. Furthermore, the study should be such that the Commission staff con conduct whatever investigation necessary in order to confirm the findings contained therein.

C. Findings related to the “but for” test.

Whether the redevelopment is not likely to be developed without adoption of the plan is commonly referred to as the “but for” test. The “but for” test is to be construed in two parts. The first part is “whether” development may reasonably be anticipated and the second is “how much”. Clearly, the “how much” question is largely an economic tests which can be restated as follows: Is the project, or land, economically feasible, standing on its own so as to attract investment from the private sector? If the answer is no, then how much and what kind of public assistance is required of the project to become economically attractive to private investors?

Particularly with respect to income properties, in order to provide sufficient information regarding this test, the Commission expects the developer to present a pro forma financial statement showing

a return on investment that could be expected without public assistance to support its position. The statement should contain the assumptions on which it is based. There should also be a pro forma statement analysis demonstrating the amount of assistance required to bring the return into a range that would be attractive to a private investor. This amount would equal the estimated reimbursable project costs. Of necessity, the format would vary from project to project depending upon the kind of project involved (i.e., hotel, shopping center office park, apartments, etc).

Policy Name: Interest Policy

Date Approved: January 14, 2004 (Revised 3-10-04; 12-8-04)

Resolution Number: 1-1-04 (Revised by Resolution # 3-1-04; # 12-1-04)

Policy Statement: This Interest Policy describes the amount of interest that may accrue upon:

- (i) Payments in Lieu of Taxes (PILOTs) and Economic Activity Taxes (EATs) deposited within checking and investment accounts of the Special Allocation Fund,
- (ii) Redevelopment Costs incurred by redevelopers in connection with the implementation of a Redevelopment Plan or Redevelopment Project, or
- (iii) Redevelopment Costs incurred by redevelopers in connection with the implementation of infrastructure improvements that the Tax Increment Financing Commission (“TIF Commission”) may reimburse pursuant to and in accordance with the Certification of Cost and Reimbursement Policy, as adopted by Resolution Number 1-1-04. (All capitalized terms not defined herein shall have the respective meanings ascribed to them under the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, the “Act”). Each is summarized below:

1. Accrued Interest on PILOTs and EATs deposited into checking or other investment accounts within the Special Allocation Fund.

- a. The TIF Commission shall reimburse a redeveloper from the principal amount of PILOTs and EATs deposited within designated accounts of the Special Allocation Fund, together with any interest that may accrue on such principal amounts, for all Redevelopments Costs incurred by the redeveloper and certified by the TIF Commission, pursuant to the Certification of Costs and Reimbursement Policy, as adopted by the TIF Commission by Resolution No. 1-1-04.
- b. Upon the full reimbursement of all Certified Redevelopment Costs incurred by the redeveloper, the TIF Commission shall use any remaining or surplus principal amount of PILOTs and EATs, together with any interest thereon, for any such purpose that is consistent with the Act.

2. Accrued Interest as a Reimbursable Redevelopment Cost.

- a. In order to reimburse financing costs, including interest incurred by the redeveloper in connection with the implementation of a Redevelopment Plan, Redevelopment Project or public improvement, the redeveloper must (i) reference interest as two line items within the budget of estimated Redevelopment Costs within the Redevelopment Plan, one line item for

construction period interest (interest incurred prior to a Certificate of Completion and Compliance) and the second for permanent financing interest (interest incurred after the issuance of a Certificate of Completion and Compliance); (ii) submit all documentation required by the TIF Commission's Certification of Cost and Reimbursement Policy or reasonably requested by the TIF Commission or the independent certifier of the TIF Commission (the "Cost Certifier").

- b. In the event a redeveloper incurs financing costs, including interest, on amounts such redeveloper was loaned for the purpose of implementing a Redevelopment Plan from a "Non-Affiliate" third party in an arms-length transaction, the TIF Commission shall reimburse such redeveloper the *actual* financing costs incurred and substantiated by documentation submitted by the redeveloper to the TIF Commission up to an amount that is not in excess of the prime rate established by United Missouri Bank, N.A. (the "Prime Rate"), plus 3%.
- c. In the event a redeveloper incurs financing costs, including interest, on amounts such redeveloper was loaned for the purpose of implementing a Redevelopment Plan from an Affiliate⁷ of such redeveloper, the TIF Commission shall reimburse the redeveloper the actual financing costs incurred and substantiated by documentation submitted by the redeveloper to the TIF Commission up to an amount that is not in excess of the Prime Rate, plus .5%.
- d. Unless otherwise agreed to by the TIF Commission, the TIF Commission shall not reimburse a redeveloper for any interest that may accrue on such redeveloper's equity investment in a Redevelopment Project.

⁷ Affiliate shall have the meaning provided by Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

Policy Name: Notice Policy

Date Approved: January 14, 2004

Resolution Number: 1-1-04

Policy Statement: This Notice Policy outlines the manner in which the Tax Increment Financing Commission (the “TIF Commission”) must notify Taxing Districts and property owners affected by Redevelopment Plans and Redevelopment Projects of public hearings and public meetings. (All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, the “Act”).

A. **Notice for Public Hearings to consider original Redevelopment Plans** – Notice of public hearings required by the Act must be given by publication and mailing in the following manner:

5. **Publications** – The staff to the TIF Commission (“TIFC Staff”) shall publish the first notice not more than thirty (30) days and second notice not more than ten (10) days prior to the date set for the public hearing in a newspaper of general circulation in the area of the proposed redevelopment.

6. **Taxing Districts** – Not less than forty-five (45) days prior to the date set for the public hearing, TIFC Staff shall notify, by certified mail, all taxing districts from which taxable real property is included in the Redevelopment Area, Redevelopment Project or Redevelopment Plan to be considered at the public hearing.

7. **Property Owners** – Not less than ten (10) days prior to the date of the Public Hearing, TIFC Staff shall notify, by certified mail, those person(s) in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the Redevelopment Project or Redevelopment Area and which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes.

8. **Content of Notices for Public Hearings** – Each Notice for a Public Hearing must contain the following:

- (i) the time and place of the public hearing;
- (ii) the general boundaries of the proposed redevelopment area or redevelopment project by street location, where possible;
- (iii) a statement that all interested persons shall be given an opportunity to be heard at the public hearing;

- (iv) a description of the proposed Redevelopment Plan or Redevelopment Project and a location and time where the entire Redevelopment Plan or Redevelopment Project may be reviewed by any interested party; and
- (v) such other matters as the commission may deem appropriate.

B. Notices for Open Public Meetings – Notice of open public meetings required by Sections 610.010 to 610.032, inclusive, of the Revised Statutes of Missouri (the “Sunshine Law”) shall be given in the following manner:

1. TIFC Staff shall provide notice of the time, date and place of each public meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered. Reasonable notice shall include making available copies of the notice to any representative of the news media who requests notice of meetings of the TIF Commission and posting the notice on the bulletin board of the Economic Development Corporation (EDC) or other prominent place which is easily accessible to the public.
2. Notice conforming with all of the requirements of Section B.1. shall be given at least twenty-four (24) hours, exclusive of weekends and holidays when the EDC is closed, prior to the commencement of any Public Meeting of the TIF Commission unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. When it is necessary to hold a Public Meeting on less than twenty-four (24) hours notice, the nature of good cause justifying that departure from the normal requirements shall be stated in the minutes of the Public Meeting.

C. Notices for Closed Meeting – Notices of closed meetings, which are permitted by Section 610.021 of the Sunshine Law, shall be given in the following manner:

1. TIFC Staff shall provide notice of the time, date and place of closed Public Meetings and the reason for holding it by specific reference to the specific exception allowed pursuant to the provisions of Section 610.021 of the Sunshine Law.
2. The procedures for notices of closed meetings shall comply with procedures for open meetings set forth in Section B.

Policy Name: **Proactive TIF Plan Policy for Public Improvement Projects Only**

Date Approved: **February 9, 2005**

Resolution Number: **2-3-05**

Policy Statement: The purpose of this Proactive Tax Increment Financing (TIF) Plan Policy is to outline certain exemptions to Tax Increment Financing Commission (the “Commission”) policies, as such policies relate to the implementation of Tax Increment Financing Plans (“TIF Plans”) or Redevelopment Project(s) identified therein (“Redevelopment Projects”), which are initiated by the Commission or the City of Kansas City, Missouri (the “City”), and whereby the City or the Commission shall be the designated developer for such TIF Plan or, in the alternative, the Commission selects a developer for a TIF Plan for the sole purpose of that developer constructing public improvements (as determined by the Commission in its sole discretion).

To the extent the City or the Commission is the developer for a TIF Plan or Redevelopment Project or, in the alternative, the City and the Commission select a developer for the sole purpose of constructing public improvements (as determined by the Commission in its sole discretion), the following shall apply to such developers:

- (1) The developers shall not be required to make or maintain a deposit in connection with any funding agreement by and between the Commission and such developer, but the developer shall, in any event, be required to pay all costs and expenses of the Commission, including professional fees and costs, in connection with the administration of such TIF Plan or Redevelopment Project and the preparation of all agreements required to administer such TIF Plan or Redevelopment Project.
- (2) To the extent the Developer shall only be constructing public improvements, as determined at the sole discretion of the Commission, in connection with the implementation of a TIF Plan, there shall be no provision within a Redevelopment Agreement that requires the Developer to share with the Commission the Developer’s return on investment.

RELOCATION ASSISTANCE PLAN

(a) Definitions. The following terms, whenever used or referred to herein, shall have the following meanings:

(i) Designated Occupants. "Designated Occupants" shall mean handicapped displaced occupants and those displaced occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon standards established by the Department of Housing and Community Development of Kansas City, Missouri.

(ii) Displaced Business. "Displaced Business" shall mean any business that moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMo. 99.800 et. seq., as amended.

(iii) Displaced Occupant. "Displaced Occupant" shall mean any occupant who moves from real property within the development area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property, by the Tax Increment Financing Commission pursuant to RSMO. 99.800 et. seq., as amended.

(iv) Handicapped Occupant. "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.

(v) Occupant. "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant.

(vi) Person. "Person" shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in a urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

(b) Plan Requirement. Every person approved by the Commission as a developer of property subject to be acquired by the Tax Increment Financing Commission if furtherance of a Tax Increment Financing plan shall submit to the Commission a relocation plan as part of the developer's redevelopment plan.

(c) Contents of Plan. The relocation plan shall provide for the following:

(i) Payments to all displaced occupants and displaced businesses in occupancy at least ninety (90) days prior to the date said displaced occupant or said displaced business is required to vacate the premises by the developer, its assigns or any person seeking acquisition powers under the Tax Increment Financing plan pursuant to RSMo. 99.800 et. seq., as amended; and

(ii) Program for identifying needs of displaced occupants and displaced businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities; and

(iii) Program for referrals of displaced occupants and displaced businesses with provisions for a minimum of three (3) suitable referral sites, a minimum of ninety (90) days notice of referral sites for handicapped displaced occupants and sixty (60) days notice of referral sites for all other displaced occupants and displaced businesses, prior to the date such displaced occupant or displaced business is required to vacate the premises; and arrangements for transportation to inspect referral sites to be provided to designated occupants.

(iv) Every displaced occupant and every displaced business shall be given a ninety (90) day notice to vacate; provided, however, that the developer may elect to reduce the notice time to sixty (60) days if the developer extends the relocation payments and benefits set forth in subsections (d), (e) and (f) below to any displaced occupant or displaced business affected by said reduction in time.

(d) Payments to Occupants. All displaced occupants eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon one of the following, at the option of the occupant:

(i) A \$500.00 payment to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or

(ii) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage or personal property up to one month, utility transfer and connection fees, and other initial rehousing deposits including first and last month's rent and security deposit.

(e) Handicapped Displaced Occupant Allowance. In addition to the payments provided in subsection (d) hereof, an additional relocation payment shall be provided to handicapped displaced occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars (\$400.00).

(f) Payment to Businesses. All displaced businesses eligible for payments under subsection (c)(i) hereof shall be provided with relocation payments based upon the following, at the option of the business:

(i) A \$1,500.00 payment to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or

(ii) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installing all personal equipment and costs for relettering signs and replacement stationery.

(g) Waiver of Payments. Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.

(h) Notice of Relocation Benefits. All occupants and businesses eligible for relocation benefits hereunder shall be notified in writing of the availability of such relocation payments and

assistance, such notice to be given concurrent with the notice of referral sites required by subsection (c)(iii) hereof.

(i) Persons Bound by the Plan. Any developer, its assigns or transferees, provided assistance in land acquisition by the Tax Increment Financing Commission, is required to comply with the Executive Director of the Commission. Such certification shall include, among other things, the addresses of all occupied residential buildings and structures within the redevelopment plan area and the names and addresses of occupants and businesses displaced by the developer and specific relocation benefits provided to each occupant and business, as well as a sample notice provided each occupant and business.

(j) Minimum Requirements. The requirements set out herein shall be considered minimum standards. In reviewing any proposed redevelopment plan, the Commission shall determine the adequacy of the proposal and may require additional elements to be provided therein.

**AGREEMENT
BETWEEN THE**

**TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI**

AND

[_____]

**FOR THE IMPLEMENTATION ON OF THE
[_____] TAX INCREMENT FINANCING PLAN**

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Exhibits

- Exhibit A: A copy of Commission Resolution _____
- Exhibit B: A copy of the Plan
- Exhibit C: A copy of the Ordinance No. _____
- Exhibit D: Project Improvements Description
- Exhibit E: Annual Assessment Form
- Exhibit F: Economic Activity Tax Policy and Procedures
- Exhibit G: Form Letter of Transferees
- Exhibit H: Affirmative Action Policy
- Exhibit I: Public Participation and Commission Share Calculations

AGREEMENT

[for DRAFT purposes only - contact Staff for current form]

THIS AGREEMENT is made as of April ___, 2003 between the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI (the "Commission"), and _____, a _____ limited liability company (the "Redeveloper"), with respect to the following facts and objectives:

A. The Commission was created pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 1982, as amended (the "Act"), and by Ordinance No. 54556 of the City Council of Kansas City, Missouri, adopted on November 24, 1982, and amended by Ordinance No. 911076 adopted on August 29, 1991.

B. On February 13, 2003 the Commission adopted Resolution _____, attached hereto as **Exhibit A**, approving the _____ Tax Increment Financing Plan (the "Plan"), attached hereto as **Exhibit B**, designating the Redeveloper as the developer of the Plan and recommending the Plan to the City Council of Kansas City, Missouri (the "Council") for approval.

C. On _____, 2003, the Council adopted Ordinance No. _____, attached hereto as **Exhibit C** (the "Ordinance"), approving the Plan pursuant to the authority granted the Council by the Act.

D. The Commission and the Redeveloper now desire to set forth their agreements regarding the implementation of the Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the Commission and the Redeveloper agree as follows:

1. Items Incorporated, Definitions, and Rules of Interpretation.
 - a. Attached hereto and made a part hereof as if fully set out herein are:
 - Exhibit A: A copy of Commission Resolution _____
 - Exhibit B: A copy of the Plan
 - Exhibit C: A copy of the Ordinance No. _____
 - Exhibit D: Project Improvements Description
 - Exhibit E: Annual Assessment Form
 - Exhibit F: Economic Activity Tax Policy and Procedures

Exhibit G: Form Letter to Transferees

Exhibit H: Affirmative Action Policy

Exhibit I: Public Participation and Commission Share Calculations

b. All capitalized words or terms used, but not defined, in this Agreement and defined in the Plan shall have the meaning ascribed to them and in the Plan.

c. Unless the context clearly indicates to the contrary, the following rules of interpretation shall apply to this Agreement:

(1) Unless the context otherwise requires or unless otherwise provided herein, the terms defined in this Agreement which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document; provided, that, nothing contained in this sentence shall be construed to authorize any such renewal, extension, modification, amendment or restatement other than in accordance with Section 24.

(2) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection and exhibit references are to this Agreement unless otherwise specified. Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

(3) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, joint ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

(4) The table of contents, captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

2. Redevelopment Plan Area and Redevelopment Project Areas. The Redevelopment Plan Area and the areas selected for each Redevelopment Project (collectively, “Redevelopment Plan Area” or, individually, a “Redevelopment Project Area”), within which redevelopment is to take place in accordance with the Plan, are fully described in Exhibit 1 to the Plan. Tax Increment Financing for each Redevelopment Project within the Redevelopment Plan Area will become effective upon approval thereof by a separate ordinance of the Council (each, an “Effective Date”);

provided, however, that any such ordinance may be changed, modified and/or amended only in accordance with the Act by appropriate ordinance passed by the Council, upon the recommendation of the Commission.

3. Project Improvements. In accordance with the Act and subject to the provisions of the Plan and this Agreement, to ameliorate, eliminate or satisfy those conditions which are the basis for eligibility and designation of the Redevelopment Area as a blighted area, the Redeveloper shall make or cause to be made improvements within each Redevelopment Project Area more particularly set out on **Exhibit D** (the “Project Improvements”).

4. Design Criteria and Review Procedures.

a. The Redeveloper shall construct all Project Improvements in accordance with the plans and designs approved by the City Development Department, the City Plan Commission and the Commission (the “City Departments”), with any alterations that may be required or approved by the City Departments (the “Approved Plans”).

b. In order to insure that the Project Improvements and their construction will be in accordance with the provisions of this Agreement and the Approved Plans, and in substantial agreement with proposals made by the Redeveloper to the Commission, the parties agree as follows:

(1) No Project Improvements shall be commenced or made unless and until all the construction plans therefore, in the detail herein required, or any changes thereto, shall have been submitted to and approved in writing by the City Departments.

(2) The City Departments shall have the absolute right in their judgment and discretion at any time to approve a variance from conformance to or a waiver of compliance with the Approved Plans.

(3) Subsequent to commencement of Project Improvements and until said Project Improvements have been completed, the Redeveloper shall, as part of the report required by Section 7, describe in such detail as may reasonably be required by the Commission, the progress of the Redeveloper in construction.

(4) Neither the Commission, nor any officer, director, commissioner, member, employee or agent of the same, shall be liable to the Redeveloper with respect to construction plans or modifications submitted to the City Departments for approval, or for any other action in connection with its or their duties hereunder. The Redeveloper agrees that it will not bring any action or suit to recover any damages against the Commission or any officer, director, commissioner, member, employee, or agent of any of them arising or in any way connected with the approval of or failure to approve any construction plans or changes submitted by the Redeveloper.

(5) In order to monitor the status of compliance with the Approved Plans, the Commission or the City Departments, or their respective designated representatives, may, upon providing 24 hours notice to the Redeveloper, inspect the Project Improvements.

5. Plan of Finance and Financing Commitments.

a. It is acknowledged that prior to approval of the Plan by the Commission, the Redeveloper in accordance with the Act, submitted (1) the anticipated sources of funds to pay the Redevelopment Project Costs as estimated in the Plan and (2) evidence of commitments to finance the Redevelopment Project Costs (all of the foregoing information in (1) and (2) hereinafter collectively referred to as the “Project Financing”). The Redeveloper shall immediately notify the Commission of any material changes in the Project Financing that occur after the Commission’s approval of the Plan.

b. The Redeveloper warrants and represents to the Commission that, to the best of its present knowledge and belief, the Project Financing will enable the Redeveloper to timely implement the Project Improvements as required in this Agreement and the Plan and the information and statements contained therein, taken as a whole, are accurate in all material respects and complete for the purposes for which used and made and do not fail to state any material facts necessary in order to make the statements or representations made therein, in light of the circumstances under which they were made, not misleading. The Redeveloper’s warranty as set forth herein shall be deemed to be ongoing until termination or expiration of this Agreement.

6. Development Schedule. If the Redeveloper does not comply with the Development Schedule as set forth in Exhibit 9 to the Plan (the “Redevelopment Schedule”) and the Redeveloper fails to seek an amendment of such Redevelopment Schedule prior to such violation, the Commission may require the Redeveloper to appear before the Commission to show cause why this Agreement shall not be terminated in accordance with Section 20 hereof.

7. Progress Reports.

a. At the first regularly-scheduled meeting of the Commission following the first anniversary of the execution of this Agreement and each anniversary of said execution thereafter until the Project Improvements are completed, the Redeveloper shall report to the Commission the progress of its implementation of the Plan, pursuant to the Annual Assessment Form, attached hereto as Exhibit E. At the first regularly-scheduled meeting of the Commission following the fifth anniversary of said execution and on each five-year anniversary thereafter, the Redeveloper shall prepare and present to the Commission a detailed report on the progress of implementation of the Plan. Such report shall include at least the following information and may contain such other information with regard to the Plan as the Redeveloper wishes to present or the Commission may reasonably require:

- (1) status of construction of the Project Improvements;

(2) actual assessed value of each Redevelopment Project Area before and after completion of the Project Improvements as compared to Plan estimates;

(3) actual payments in lieu of taxes as compared to Plan estimates;

(4) actual Redevelopment Project Costs for the Redevelopment Project Area compared to Plan estimates;

(5) actual start and completion dates of Project Improvements in the Redevelopment Project Area compared to Plan estimates; and

(6) estimated start date of Project Improvements not yet commenced at date of report.

b. The Redeveloper shall from time to time furnish such other reports on specific matters not addressed by the foregoing as the Commission may reasonably require.

8. Compliance with Laws. At all times during the term of this Agreement and until termination of the Plan, but subject to the Redeveloper's rights to contest the same in any manner permitted by law, the Redeveloper, its officers, directors and principals, at its sole cost and expense, shall comply in every respect with all applicable laws, ordinances, rules and regulations of all federal, state, county and municipal governments, agencies, bureaus or instrumentalities thereof now in force or which may be enacted hereafter which pertain to the ownership, occupancy, use and operation of each Redevelopment Project Area.

9. Certificate of Completion and Compliance. Upon the completion of the Plan, the Redeveloper shall submit a report certifying that the Project Improvements have been completed in accordance with the Plan and that it is in compliance with all other provisions of this Agreement. The Redeveloper shall, as part of its report, submit its certificate setting forth (a) the total cost of completing the Project Improvements, (b) the Redevelopment Project Costs incurred which are eligible for reimbursement pursuant to the Plan, and (c) the actual private equity and debt used to complete the Project Improvements, which may include capitalized interest during construction, but not during any "lease-up" period. The Commission may conduct an investigation, and if the Commission determines that the Plan or such phase thereof, has been completed in accordance with the provisions of the Plan and this Agreement, as evidenced by a Certificate of Occupancy where appropriate and other required governmental approvals, then it shall issue a Certificate of Completion and Compliance and certify the Redevelopment Project Costs as eligible for reimbursement ("Certified Costs"). If the Commission determines that the Plan or any part thereof has not been completed in accordance with the provisions of the Plan and this Agreement, or that Redevelopment Project Costs have not been incurred as certified or exceed the projections set forth in the Plan by an amount greater than ten percent (10%), or that the Redeveloper is not in

compliance with the terms of this Agreement, then it shall not issue a Certificate of Completion and Compliance and shall specify in writing the reason or reasons for withholding its certification. Upon the request of the Redeveloper, the Commission shall hold a hearing at which the Redeveloper may present new and/or additional evidence.

a. The certification by the Commission shall be a conclusive determination of the satisfaction and termination of the covenants in this Agreement, with respect to the obligations of the Redeveloper to complete the Project Improvements within the dates for the beginning and completion thereof and in accordance with the criteria applicable thereto as herein set forth.

b. Each such certificate issued by the Commission shall contain a description of the real property affected thereby and shall be in such form as will enable such certificate to be accepted for recording in the Office of the Recorder of Deeds in the county in which such property is located.

10. Payment of Redevelopment Project Costs - "Pay As You Go Basis". If the Redevelopment Project Costs are to be financed on a "Pay As You Go Basis", then as funds are available in accordance with the Plan and subject to the issuance of a Certificate of Completion pursuant to Section 9, the Commission shall reimburse the Redeveloper from "payments in lieu of taxes" ("PILOTS") accruing during the Term (as defined hereafter) and fifty percent (50%) of the total additional revenues which are derived from taxing districts and are generated from economic activities within each Redevelopment Project Area ("EATS") from the Effective Date of each Redevelopment Project and continuing until twenty-three (23) years thereafter (the "Term") for Certified Costs. Such payments shall come from the Special Allocation Fund of the Plan (the "Fund"), so long as the Redeveloper is not in breach of this Agreement or this Agreement is not otherwise terminated. Commission agrees to monitor the distribution of PILOTS and EATS by contacting the appropriate City and county officials not less frequently than semi-annually. To the extent TIF revenues are available in the Special Allocation Fund, the Commission shall distribute the same to the Redeveloper for reimbursement of Certified Costs, if any, not less frequently than every six (6) months.

11. Payment of Redevelopment Project Costs - Issuance of Obligations. At any time after the execution of this Agreement, the Commission may issue obligations as provided for in the Act payable from PILOTS and EATS as described in the Plan (the "Obligations") for the purpose of financing Certified Costs upon such terms and conditions as may be agreeable to the parties.

12. Payments in Lieu of Taxes.

a. Pursuant to the provisions of the Plan and the Act, including, but not limited to, Section 99.845 thereof, when tax increment financing is established by ordinance for the Redevelopment Project Area, the real property located therein is subject to assessment for PILOTS. PILOTS shall be due November 30 of each year in which said amount is required to be paid and will be considered delinquent if not paid by

December 28 of each such year; if delinquent, such PILOTS shall bear the same penalties as determined by the Commission with regard to administrative fees and costs as set forth in Section 28. The obligation to make said PILOTS shall be a covenant running with the land and shall create a lien in favor of the Commission on each such tax parcel as constituted from time to time that would otherwise be obligated to pay taxes had the City not adopted tax increment allocation financing and shall be enforceable by the Commission against the Redeveloper and its successors and assigns, as they case may be.

b. Failure to pay PILOTS as to any property that would otherwise be obligated to pay taxes had the City not adopted tax increment allocation financing in the Redevelopment Project Area shall constitute a default by the owner of such property of the provisions of Section 12(a) hereof, and shall entitle the Commission, the City, the County Collector or any other government official or body charged with the collection of any such sums (any one or more of such persons hereinafter individually or collectively referred to as the “Collection Authority”) to proceed against such property and/or the owner thereof in each Redevelopment Project Area as in other delinquent property tax cases or otherwise as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Authority to seek all other legal and equitable remedies it may have to insure the timely payment of all such sums or of the principal of and interest on any outstanding Obligations (including notes or bonds) secured by such payments; provided, however, that the failure of any property in each Redevelopment Project Area to yield sufficient PILOTS because the increase in the current equalized assessed value of such property is or was not as great as expected, shall not by itself constitute a breach or default. The Commission shall use all reasonable and diligent efforts to notify the County Collector, the City Director of Finance, the City Treasurer and all other appropriate officials and persons and seek to fully implement the PILOTS and reimbursements of Certified Costs as provided in this Agreement and in the Plan.

c. Notwithstanding anything to the contrary, herein, the lien on property within each Redevelopment Project Area shall be deemed (1) released as to any public street or other public way included within any plat proposed by the Redeveloper, effective upon the passage of an ordinance by the City approving the same, and (2) subordinated to the lot lines, easements and other matters established by any such plat, effective upon the passage of ordinance by the City as aforesaid, and to any easement or like interests granted to the City or any public utility for public facilities or utilities or connection(s) thereto.

13. Reporting of Economic Activity Taxes.

a. Pursuant to the provisions of the Plan and the Act, when tax increment financing is established by ordinance for each Redevelopment Project Area within the Plan, EATS shall be allocated and, when collected, shall be paid by the collecting officer to the City Treasurer for the purpose of reimbursement or payment of Certified Costs. The Redeveloper shall furnish to the Commission such documentation as is required by the Commission’s Economic Activity Tax Policy and Procedures (“EATS Documentation”), attached hereto as **Exhibit F**, and shall contractually require

purchasers, lessees or other transferees or possessors of property, whose property interest or occupancy becomes effective subsequent to the execution of this Agreement (the “Prospective Transferees”), to comply with such obligation. Such obligations of the Redeveloper and Prospective Transferees shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties as if they were in every case specifically named and shall be construed as a covenant running with the land and shall be enforceable as if such Prospective Transferee thereof was originally a party to and bound by this Agreement.

b. Failure to furnish to the Commission EATS Documentation as to any property in any Redevelopment Project Area shall constitute a default by the Redeveloper or Prospective Transferee, as the case may be, of the provisions of Section 13(a) hereof, and shall entitle the Collection Authority to proceed against the Redeveloper or Prospective Transferee in any Redevelopment Project Area as in other delinquent tax cases or otherwise as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Authority to seek all other legal and equitable remedies it may have to ensure the timely payment of all such sums of the principal and interest on any outstanding bond secured by such payments; provided, however, that the failure of the Redeveloper or any Prospective Transferee in any Redevelopment Project Area to yield sufficient EATS to pay Certified Costs shall not by itself constitute a breach or default. The Commission shall use all reasonable and diligent efforts to promptly notify the county collector, the city director of finance, the city treasurer and all other appropriate officials and persons and seek to fully implement collection of the EATS and reimbursement of Certified Costs as provided in this Agreement and in the Plan.

c. Prior to the issuance of any Certificate of Completion and Compliance, the Redeveloper shall (i) furnish, or cause all Prospective Transferees within the Redevelopment Project Areas to furnish their business name, address, and federal and state identification numbers, MITS number and location code, if applicable (the “Business Information”); (ii) provide a list of all tenants and/or business owners located within the Redevelopment Project Areas (the “Tenant List”); and (iii) use its best faith efforts to obtain and deliver to the Commission the Business Information and EATS Documentation of each tenant appearing on the Tenant List, which shall include, but shall be limited to distributions of a letter to each such tenant appearing on the Tenant List in a form substantially similar to Exhibit G, attached hereto.

14. Sale or Disposition of Project Property.

a. Continuation of Payments In Lieu of Taxes. Subject to Section 15(b), the Redeveloper, or any Prospective Transferee, may sell, transfer, convey, lease or otherwise dispose of real property within the Redevelopment Project Areas. In the event of the sale, lease or other voluntary or involuntary disposition of any or all of the real property of the Redeveloper or any Prospective Transferee in the Redevelopment Project Areas, PILOTS with respect to the real property so sold or otherwise disposed of shall continue and shall constitute a lien against the property from which they are derived, and such obligations shall inure to and be binding upon the heirs, executors, administrators,

successors and assigns of the respective parties as if they were in every case specifically named and shall be construed as a covenant running with the land and enforceable as if such purchaser, tenant, transferee or other possessor thereof were originally a party to and bound by this Agreement.

b. Obligation to Ameliorate Existing Conditions. The Redeveloper's undertakings pursuant to Section 2 hereof, unless earlier satisfied and certified pursuant to Section 9 hereof, shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties as if they were in every case specifically named and shall be construed as a covenant running with the land and enforceable against Prospective Transferees as if such Prospective Transferees were originally a party to and bound by this Agreement.

c. Incorporation. From and after the effective date of this Agreement, the restrictions set forth above in subsections (a) and (b) of this Section 14 as well as those set forth in Section 12 and 13 and those set forth in subsection (a) of Section 17 hereof, shall be incorporated into any lease, deed or other instrument conveying a majority interest in real property within the Redevelopment Project Areas and shall provide that said obligations or restrictions shall constitute a benefit held by both the Redeveloper and the Commission. Failure of the Redeveloper to require that such restrictions be placed in any such lease, deed or other instrument shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to each Redevelopment Project Area.

d. Notification to Commission of Transfer. From and after the date of this Agreement, the Redeveloper or Prospective Transferee, as the case may be, shall notify the Commission in writing of any sale, lease or other disposition of any or all of the real property in the Redevelopment Project Areas. Such notice shall be provided 30 days prior to the effective date of the sale, lease or other disposition in a manner as described in Section 25 hereof and shall include a (i) copy of the instrument effecting such sale, lease or other disposition to enable the Commission to confirm that the requirements set forth in this Section 18 have been fulfilled, and (ii) Business Information of such Prospective Transferees. The provisions of this subsection (d) are not intended to apply to the lease of individual or groups of parking spaces, to the extent such lease does not constitute a transfer of a majority interest in real property within any Redevelopment Project Area in any transaction or related transactions.

15. Assignment.

a. The Redeveloper represents that its undertakings pursuant to this Agreement are for the purpose of redevelopment and not for speculation.

b. Without limiting the rights of the Redeveloper or any third party under Section 15(a) hereof, the Redeveloper agrees that this Agreement and the rights, duties and obligations hereunder may not and shall not be assigned by the Redeveloper except upon terms and conditions agreeable to the Commission. Any proposed assignee shall have the qualifications and financial responsibility, as determined by the Commission,

necessary and adequate to fulfill the obligations of the Redeveloper, and, if the proposed transfer relates to a portion of any Redevelopment Project Area on which Project Improvements are underway, such obligations to the extent that they relate to such property. Any proposed assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the Commission, assume all of the obligations of the Redeveloper under this Agreement and agree to be subject to all the conditions and restrictions to which the Redeveloper is subject (or, in the event the transfer is of or relates to a portion of any Redevelopment Project Area, such obligations, conditions and restrictions to the extent that they relate to such portion). In the event this Agreement is assigned in whole or part, the Redeveloper shall not be relieved from any obligations set forth herein unless and until the Commission specifically agrees to release the Redeveloper.

16. Affirmative Action Policy. The Redeveloper will comply with the Commission's Affirmative Action Policy as amended from time to time and attached hereto as **Exhibit H** (the "Policy") and incorporated herein by this reference. The Policy is intended to provide an equal opportunity for minority-owned business enterprises, women-owned business enterprises, minorities and women to participate in the development of TIF-assisted redevelopment projects ("Minority Participants"). The parties hereto and their successors and assigns expressly agree that the Minority Participants shall be third party beneficiaries with respect to the enforcement and performance of this Section 16. The Policy supports and implements the affirmative action policy of the City of Kansas City by establishing the same goals set forth in the Code of General Ordinances, Article II, Chapter 38, Sections 38-84 through 38-100 and requiring a good faith effort, as determined by the Commission, to meet them. The Redeveloper will adhere to such reasonable rules, regulations, reporting procedures and forms which the Commission may from time to time promulgate for the purpose of facilitating uniform, orderly and efficient compliance with the Policy and which do not alter the goals set forth in the Policy or any other substantive provision, except to the extent such goals are modified by ordinance of the Council.

17. Permitted Uses.

a. The Redeveloper shall take such action as is from time to time necessary to permit only such uses within each Redevelopment Project Area which conform to and are permitted by the Plan, or this Agreement.

b. The provisions of this Section 17 shall be covenants running with the land and shall remain in effect for the duration of the Plan and any renewal period or periods of the Plan at the end of which time they shall cease. They shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and be enforceable by, the Commission, its successors and assigns, against the Redeveloper and its Prospective Transferees, their successors and assigns, and every successor in interest to the subject real property, or any part of it or any interest in it and any party in possession or occupancy of the real property or any part thereof (provided, subject to the provisions of Section 15(b) hereof, that any such covenants shall be binding on the Redeveloper itself,

such successor in interest to the subject property, and every part of the subject real property, and each party in possession or occupancy of the subject real property or any part thereof, only during their period of ownership.)

18. Environmental Compliance and Indemnification.

a. The Redeveloper represents and warrants that it has materially complied at all times with all applicable Environmental Laws with respect to the real estate currently owned or operated by the Redeveloper which is located within any Redevelopment Project Area (the "Real Estate") (including soils, groundwater, surface water, buildings or other structures) and to the knowledge of the Redeveloper, the Real Estate has not been contaminated with any Hazardous Substances at levels above applicable cleanup standards. The Redeveloper has neither received notice that it is subject to liability for any Hazardous Substance disposal or contamination on the Real Estate, nor has the Redeveloper received notice that it is subject to liability for any release or threat of release of any Hazardous Substance.

b. The Redeveloper hereby agrees to submit to the Commission any notice, demand, letter, claim or request for information the Redeveloper receives indicating that it may be in violation of or liable under any Environmental Law with respect to the Real Estate.

c. As used herein, the term "Environmental Law" means any applicable federal, state or local law, regulation, order, decree, permit, authorization, opinion, common law relating to: (A) the protection, investigation or restoration of the environment, health, safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance, (C) noise, odor, wetlands, pollution, or contamination or (D) standards of conduct concerning protection of human health (including, without limitation, employee health and safety), in each case as amended and as now or hereafter in effect, and the term "Hazardous Substance" means any substance that is: (i) oil or other petroleum products, (ii) "hazardous wastes," as defined by the Resource Conservation and Recovery Act, as amended, (RCRA), 42 U.S.C. § 6901 et seq., or similar state or local law, ordinance, regulation or order, (iii) "hazardous substances," as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (CERCLA), 42 U.S.C. § 9601 et seq., or similar state or local law, ordinance, regulation or order, (iv) "hazardous materials," as defined by the Hazardous Materials Transportation Act, as amended, (HMTA), 49 U.S.C. § 1802, or similar state or local law, ordinance, regulation or order, (v) radioactive materials subject to the Atomic Energy Act, as amended, (AEA), 42 U.S.C. § 2014 et seq., or similar state or local law, ordinance, regulation or order, and (vi) any other pollutant, contaminant, chemical, or substance whose presence creates or could create a hazard to health or the environment or a violation of any federal, state or local Environmental Law.

d. The Redeveloper shall fully protect, defend, indemnify, and hold harmless in full the Commission and its officers, directors, agents and employees (collectively, the "Commission's Indemnified Parties"), from and against, and shall reimburse the

Commission's Indemnified Parties for, any and all losses, claims, actions instigated by a governmental agency, liabilities, damages, injunctive relief, injuries to persons, property or natural resources, fines, penalties, costs, expenses (including, without limitation, attorneys' fees, consultants' fees, expenditures, expenses and court costs), causes of action and sums paid in settlement of litigation arising directly or indirectly, in whole or in part, from any violation of any Environmental Law with respect to the Real Estate, as well as any Release, threatened Release, presence, Clean-up, treatment, transport, handling or disposal, of any Hazardous Materials at, on, under, in or from the Real Estate or in the air, land surface, subsurface strata, soil, surface water, groundwater or soil vapor on, under, in or from all or any part of the Real Estate, or resulting from the migration or the alleged or potential migration of Hazardous Materials from the Real Estate (collectively, "Environmental Costs"). Without limiting the foregoing, Environmental Costs shall include (1) all costs of Clean-up, including remediation, testing, monitoring and restoration of any kind, and any disposal of Hazardous Materials, (ii) all costs and liabilities associated with claims for, damages to, and remedial action related to Hazardous Materials on, at, in or from the Real Estate, or impacting natural resources wherever located, (iii) all fines and other penalties associated with claims of noncompliance with any Environmental Laws which are related to Hazardous Materials at the Real Estate.

- (i) "Clean-up" shall mean removal and/or remediation of, or other response to (including, without limitation, testing, monitoring, sampling or investigating of any kind) any Release of Hazardous Materials or contamination, to the satisfaction of all applicable governmental agencies, in compliance with Environmental Laws and in compliance with good commercial practice.
- (ii) "Release" shall mean the spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping, or any other release or threatened release, however defined, and whether intentional or unintentional, of any Hazardous Material.

19. Indemnification.

a. The Redeveloper and Prospective Transferees, as the case may be, (the "Indemnifying Parties") shall indemnify, protect, defend and hold the Commission and its officers, directors, members, commissioners, employees and agents (collectively, the "Indemnified Parties" or, individually, an "Indemnified Party") harmless from and against any and all claims, demands, liabilities and costs, including reasonable attorneys' fees, costs and expenses, arising from damage or injury, actual or claimed, of whatsoever kind or character (including consequential and punitive damages), to persons or property occurring or allegedly occurring as a result of any acts or omissions of the Indemnifying Parties, their respective constituent members or partners, their employees, agents, independent contractors, licensees, invitees or others acting by, through or under such Indemnifying Parties, in connection with its or their activities conducted pursuant to this Agreement and/or in connection with the ownership, use or occupancy and development

or redevelopment of any Redevelopment Project Area or a portion thereof and the Project Improvements.

b. In the event any suit, action, investigation, claim or proceeding (collectively, an "Action") is begun or made as a result of which the Indemnifying Parties may become obligated to one or more of the Indemnified Parties hereunder, the Indemnified Party shall give prompt notice to the Indemnifying Parties of the occurrence of such event, but the failure to notify the Indemnifying Parties will not relieve the Indemnifying Parties of any liability that it may have to an Indemnified Party. After receipt of such notice, the Indemnifying Parties may elect to defend, contest or otherwise protect the Indemnified Party against any such Action, at the cost and expense of the Indemnifying Parties utilizing counsel of the Indemnifying Parties' choice. The Indemnified Party shall have the right, but not the obligation, to participate, at the Indemnified Party's own cost and expense, in the defense thereof by counsel of the Indemnified Party's choice. In the event that the Indemnifying Parties shall fail timely to defend, contest or otherwise protect an Indemnified Party against such Action, the Indemnified Party shall have the right to do so, and (if such defense is undertaken by the Indemnified Party after notice to the Indemnifying Parties asserting the Indemnifying Parties' failure to timely defend, contest or otherwise protect against such Action), the Indemnified Party may submit any bills for reasonable fees and costs received from its counsel to the Indemnifying Parties for payment and, within five (5) business days after such submission, the Indemnifying Parties shall transfer to the Indemnified Party sufficient funds to pay such bills. The Indemnifying Parties acknowledge that such bills may be redacted to delete any information which would constitute attorney-client communication or attorney work product.

c. An Indemnified Party shall submit to the Indemnifying Parties any settlement proposal that the Indemnified Party shall receive. The Indemnifying Parties shall be liable for the payment of any amounts paid in settlement of any Action to the extent that the Indemnifying Parties consent to such settlement. Neither the Indemnifying Parties nor the Indemnified Party will unreasonably withhold its consent to a proposed settlement.

d. The Indemnifying Parties expressly confirm and agree that they have provided this indemnification and assume the obligations under this Agreement imposed upon the Indemnifying Parties, in order to induce the Commission to enter into this Agreement. To the fullest extent permitted by law, an Indemnified Party shall have the right to maintain an action in any court of competent jurisdiction to enforce and/or to recover damages for breach of the rights to indemnification created by, or provided pursuant to, this Agreement. If such court action is successful, the Indemnified Party shall be reimbursed by the Indemnifying Parties for all fees and expenses (including attorneys' fees) actually and reasonably incurred in connection with such action (including, without limitation, the investigation, settlement or appeal of such action).

e. The right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

20. Breach; Compliance.

a. If the Redeveloper or Commission, as the case may be, does not comply with provisions of this Agreement, including provisions of the Plan, within the time limits and in the manner for the completion of the Plan as stated therein, except for Excusable Delays (as defined in Section 22 hereof) (the “Breaching Party”), in that the Breaching Party shall do, permit to be done, or fail or omit to do, or shall be about so to do, permit to be done, or fail or omit to have done, anything contrary to or required of it by this Agreement or the Act, as it pertains to this Agreement, and if, within thirty (30) days after notice of such default by the Commission to the Redeveloper or the Redeveloper to the Commission, as the case may be (the “Non-Breaching Party”), the Breaching Party shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period, then the Non-Breaching Party may institute such proceedings as may be necessary in its opinion to cure the default including, but not limited to, proceedings to compel specific performance by the Breaching Party and, in the case of default by the Redeveloper, the Commission is granted the right to terminate this Agreement, the right to apply any deposit or other funds submitted by the Redeveloper to the Commission in payment of the damages suffered by it, the right to withhold or apply funds claimed by the Redeveloper from the Fund for reimbursement of Certified Costs incurred in connection with the Plan to such extent as is necessary to protect the Commission from loss or to ensure that the Plan and the Plan are fully and successfully implemented in a timely fashion, and the right to withhold issuance of a Certificate of Completion and Compliance for the Plan. If any action is instituted by the Non-Breaching Party hereunder, the Breaching Party shall pay any and all costs, fees and expenses, including attorneys’ fees incurred by the Non-Breaching Party enforcing this Agreement, if the Non-Breaching Party prevails on its claim.

b. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative and the exercise by Non-Breaching Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by Non-Breaching Party shall apply to obligations beyond those expressly waived.

c. The Redeveloper and/or Prospective Transferees (for themselves and their successors and assigns, and for all other persons who are or who shall become liable, by express or implied assumption or otherwise, upon or subject to any obligation or burden under this Agreement), waives to the fullest extent permitted by law and equity all claims or defenses otherwise available on the ground of being or having become a surety or guarantor, whether by agreement or operation of law. This waiver includes, but is not limited to, all claims and defenses based upon extensions of time, indulgence or modification of terms of contract.

d. Any delay by the Non-Breaching Party in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this paragraph shall not operate as a waiver of such rights or limit them in any way. No waiver in fact made by the Non-Breaching Party of any specific default by the Breaching Party shall be considered or treated as a waiver of the rights of the Non-Breaching Party with respect to any other defaults by the Breaching Party, or with respect to the particular default except to the extent specifically waived.

21. Modification. The terms, conditions and provisions of this Agreement can be neither modified nor eliminated except by written agreement between the Commission and the Redeveloper. Any such modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.

22. Effective Date. This Agreement shall become effective on the date set forth herein, and shall remain in full force and effect until the completion of all Project Improvements called for in the Plan, as described herein, and so long thereafter (i) obligations remain outstanding under this Agreement, (ii) there are any remaining Certified Costs, which have not been reimbursed to the Redeveloper in accordance with this Agreement from PILOTS and EATS generated from the Redevelopment Plan Area during the Term (the "TIF Revenue). At such time as all of the obligations and costs set forth in the preceding sentence have been satisfied and reimbursed, this Agreement shall terminate, provided that in any event, the obligations of the Redeveloper and Commission arising under the terms and conditions of this Agreement, with respect to the Plan, including, but not limited to, the reimbursement of Certified Costs, shall cease twenty-three (23) years after the Effective Date of the last Redevelopment Project within the Plan to be approved by ordinance.

23. Applicability. This Agreement shall apply only to the Project Improvements and the Redevelopment Project Areas referred to herein.

24. Delays. The parties understand and agree that the Redeveloper shall not be deemed to be in default or breach of this Agreement because of delays or temporary inability to proceed due in whole or in part to causes beyond the reasonable control or without the material fault of the Redeveloper (collectively, "Excusable Delays"). With the approval of the Commission, the time of performance hereunder shall be extended for the period of any Excusable Delays caused or resulting from any of the foregoing causes, it being understood that the Redeveloper is entitled to such extensions upon presentation of reasonable evidence and/or documentation of the periods of such Excusable Delays.

25. Notice. All written notices required by this Agreement shall be in writing and shall be served either personally or by certified mail, or by any other delivery service which obtains a receipt for delivery unless any such notice is required by law and such law provides a different form of delivery or service. Any such notice or demand served personally shall be delivered to the party being served (provided that such notice may be delivered to the receptionist or any other person apparently in charge of such party's office at its address hereinafter set forth), and shall be deemed complete upon the day of

actual or attempted delivery, as shown by an affidavit of the person so delivering such notice. Any notice so served by certified mail shall be deposited in the United States Mail with postage thereon fully prepaid and addressed to the party or parties so to be served at its address hereinafter stated, and service of any such notice by certified mail shall be deemed complete on the date of actual or attempted delivery as shown by the certified mail receipt. Service of any such notice by another delivery service shall be deemed complete upon the date of actual or attempted delivery as shown on the receipt obtained by such delivery service.

Any notice to the Commission shall be addressed to the Secretary of the Commission at:

Tax Increment Financing Commission of Kansas City,
Missouri
Suite 250
10 Petticoat Lane
Kansas City, Missouri 64106
Attn: Gary Carter, Executive Director

with a copy to:

Stephen S. Sparks, Esq.
and Wesley O. Fields, Esq.
Bryan Cave LLP
3500 One Kansas City Place
1200 Main Street
Kansas City, Missouri 64105

Notices to the Redeveloper shall be addressed to:

Attn: _____

with a copy to:

Attn: _____

Each party shall have the right to specify that notice be addressed to any other address by giving to the other party ten (10) days written notice thereof.

26. Recording. Upon full execution by the Redeveloper and the Commission, this Agreement or a memorandum thereof shall be recorded by the Commission in the County's Office of the Recorder of Deeds.

27. Headings. The headings or captions of this Agreement are for convenience and reference only, and in no way define, limit or describe the scope or intent of the contract or any provisions hereof.

28. Administrative Fees and Costs.

a. In order to reimburse the Commission for its administrative costs and expenses (including staff time) in connection with the preparation, development and implementation of the Plan and the performance of its obligations under this Agreement, the Commission and the Redeveloper have entered into a funding agreement (the "Funding Agreement"). Any of the Commission's actual and reasonable administrative costs and expenses which are not covered by the Funding Agreement for the services which shall include, but shall not be limited to the following: professional services, including outsourced services such as financial analysis, construction and/or engineering review, legal services, certification of funds , audits, staff time, notices, mailings and copies shall be paid by the Redeveloper within thirty (30) days of having been billed for same and may be claimed by the Redeveloper as Redevelopment Project Costs. If payment of said expenses has not been made in full within thirty (30) days of having been billed, a two percent (2%) fee will be applied to the unpaid balance as a late penalty. A 1.5 percent (1.5%) penalty fee will continue to accumulate monthly thereafter, up to a maximum cumulative penalty of eighteen percent (18%), until payment of all billed expenses and all penalties are paid in full.

b. Additional documented professional service costs and other expenses incurred by the Commission that are found by it to be reasonable and necessary for the Commission to discharge its duties but not directly attributable to the Plan shall be reimbursed from the Fund. However, in no event, shall such reimbursements exceed five percent (5%) of the PILOTS and EATS paid into such fund in any year.

c. Upon request of the Redeveloper, and at the sole cost of the Redeveloper, the Commission shall furnish appropriate documentation of the administrative costs and expenses as referred to in this Section 30 which are in its possession, and shall allow the Redeveloper or its representatives an opportunity to audit the accounts and records of the Commission with regard to such administrative costs and expenses, such audit to be at the sole cost and expense of the Redeveloper and conducted at such time as is mutually agreeable to the parties, but in no event more frequently than monthly.

29. Validity and Severability.

a. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this

Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

b. If this Agreement contains any unlawful provisions not an essential part of this Agreement and which shall not appear to have a controlling or material inducement to the making thereof, such provisions shall be deemed of no effect and shall be deemed stricken from this Agreement without affecting the binding force of the remainder. In the event any provision of this Agreement is capable of more than one interpretation, one which would render the provision invalid and one which would render the provision valid, the provision shall be interpreted so as to render it valid.

30. Time is of the Essence. Time and exact performance are of the essence of this Agreement.

31. Sole Agreement. This Agreement, including all exhibits, riders or addenda attached hereto, constitutes the sole agreement between the parties and supersedes any prior understandings or written or oral agreements between the parties with respect to the Plan .

32. Acknowledgments. The Redeveloper hereby represents, warrants, acknowledges and admits that (a) it and its officers have been advised by counsel on the negotiation, execution and delivery of this Agreement and any other instrument or document entered into in connection herewith; (b) it and its officers have made an independent decision to enter into this Agreement and such other instruments and documents, without reliance on any representation, warranty, covenant or undertaking by the Commission or its commissioners, members or staff, whether written, oral or implicit, other than as expressly set forth in this Agreement; (c) neither the Commission nor its commissioners, members or staff have made any representation, covenant or undertaking to the Redeveloper or its officers, employees, representatives or agents in connection with the rights and obligations of the Redeveloper pursuant to this Agreement and any such instruments or documents; (d) there are no representations, warranties, covenants, undertakings or agreements by the Commission or its commissioners, members or staff as to this Agreement or such instruments and documents except as expressly set forth herein or therein; (e) no joint venture exists between the Commission and the Redeveloper; (f) without limiting any of the foregoing, neither the Redeveloper nor its officers are relying upon any representation by the Commission or its commissioners, members or staff, and no such representation has been made that the Commission will at the time of a breach or default hereunder waive, negotiate, discuss or refrain from taking any action with respect to such breach or default or any other term of this Agreement or such instruments or documents; and (g) the Commission has relied upon the truthfulness of the foregoing acknowledgments in deciding to execute and deliver this Agreement.

33. Technical Amendments. In the event that there are minor inaccuracies contained herein or any Exhibit attached hereto or any other agreement contemplated hereby, or the parties agree that changes are required due to unforeseen events or

circumstances, or technical matters arising during the term of this Agreement, which changes do not alter the substance of this Agreement, the respective presiding officers of the Commission and the officers of the Redeveloper are authorized to approve such changes and are authorized to execute any required instruments and to make and incorporate such amendment or change to this Agreement or any Exhibit attached hereto or any other agreement contemplated hereby.

34. Choice of Law. The interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Missouri. Venue for any cause of action arising out of or in connection with this Agreement shall be in Jackson County, Missouri.

35. Multiple Counterparts. This Agreement may be executed in multiple counterpart copies, each of which will be considered an original and all of which shall constitute but one and the same instrument, binding on all parties hereto, even though all the parties are not signatory to the same counterpart. Any counterpart of this Agreement which has attached to it separate signature pages which together contain the signatures of all parties hereto shall be deemed for all purposes a fully executed original.

36. Continued Cooperation of Parties. Each party agrees that, upon the request of the other, it will provide such other information, documents or instruments and/or undertake such further actions as may be reasonably requested in order to give full force and effect to the intent of the provisions, terms and covenants of this Agreement.

37. Public Participation in Cash Flow.

a. The purpose of affording public assistance to the Plan is to accomplish the stated public purposes and not to subsidize an otherwise economically viable development project. While it has been determined by both the Commission and the City Council that they would not be undertaken but for the public assistance being provided, the parties recognize that the ongoing profitability of the Plan to the Redeveloper is based upon projections that may or may not be fulfilled. Therefore, in order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings for the Redeveloper, the parties agree that a reasonable level of earnings for the Plan is an annual cumulative rate of return on equity of ____%. Therefore, if at the end of any calendar year, the total cash flow exceeds the cash flow necessary to generate said cumulative ____% annual return on equity for the current and all previous calendar years, a percentage of such excess, calculated by dividing the Redevelopment Project Costs eligible for reimbursement by the total cost of completing the Project Improvements (the "Commission Share"), shall be contributed to the Commission, which shall be used by the Commission for any purpose consistent with the Act. The Commission Share, the total cost of completing the Project Improvements, the Redevelopment Project Costs eligible for reimbursement and the equity investment and private debt of the Redeveloper, as certified to by the Commission pursuant to Section 11 hereof and as estimated in the Plan, shall be submitted in a format as set forth on **Exhibit I**. For purposes of calculation of annual returns, the Plan will be included in calculations for a

period beginning upon the adoption of an ordinance approving the Plan and ending twenty-three (23) years after such adoption.

b. Redeveloper shall submit annually a complete written financial statement to the Commission in a format as set forth on **Exhibit I** showing in reasonable detail the calculation of actual earnings for the Plan. Such statement shall include all income attributable to all Project Improvements in the Plan and shall include only those expenses, which are reasonable and necessary to the operation of the Project Improvements and are directly attributable thereto and shall include no indirect general administrative expenses. The parties acknowledge that, for purposes of participation in cash flow, returns are calculated on the basis of the net cash flow of the Plan. All such statements shall be certified to by the Redeveloper's Chief Financial Officer and shall be accompanied by the payment required under this section. The Redeveloper shall provide such statements within one hundred twenty (120) days after the end of each calendar year following the execution of this Agreement.

c. In the event of a sale to a third party in a good faith, arms-length transaction (whether by purchase and sale agreement, whether for cash or cash equivalent, joint venture or similar agreement or merger/consolidation of the Redeveloper), or refinancing by the Redeveloper of the Plan within twenty-three (23) years of the adoption of any ordinance approving the Plan, the "Proceeds" of any of the foregoing shall be distributed as follows:

Step 1 - The Proceeds shall first be used to retire the existing private debt on or relating to the sale or refinance of the Plan, and to pay or reimburse the Redeveloper for the reasonable and customary out-of-pocket costs, fees and expenses incurred by the Redeveloper in achieving the sale or refinancing.

Step 2 - Any balance of the Proceeds after Step 1 shall be used to make up any then-existing deficit in the Redeveloper's achieving a cumulative annual rate of return on equity from the Plan , or a part thereof, for which a Certificate of Completion and Compliance has been issued of at least ____% through the date of the sale or refinancing.

Step 3 - Any balance of the Proceeds after Step 2 shall be used to return to the Redeveloper its cash equity investment in the Plan for which a Certificate of Completion and Compliance has been issued as of the date of the sale or refinancing.

Step 4 - Commission Share of any balance of the Proceeds after Step 3 shall be contributed to the Commission, which shall be used by the Commission for any purpose consistent with the Act.

d. After any sale or refinancing as described herein, the Redeveloper shall re-submit for certification its equity investment applicable to the Project Improvements remaining. The provision of this Section 40 (i.e., Public Participation in Cash Flow) shall

no longer be applicable to such Project Improvements sold. The Commission agrees to issue an estoppel certificate to such third party so confirming this fact within ten (10) days after such sale.

e. If, as a result of a refinancing, the Redeveloper has fully recovered 100% of its cash equity investment in the Plan for which a Certificate of Completion and Compliance has been issued as computed in Step 3, thereafter, on an annual basis, the Commission Share of all cash flow and the Commission Share of the proceeds of any sale or additional refinancing available after Step 1 shall be contributed to the Commission, which shall be used by the Commission for any purpose consistent with the Act. If, as a result of a refinancing or refinancings, the Redeveloper has recovered part, but not 100%, of its cash equity investment in the Plan for which a Certificate of Completion and Compliance has been issued as computed in Step 3 in Subsection C, thereafter, for purposes of computing the Commission's potential share in annual cash flow or any sale or refinancing Proceeds, the amount of the Redeveloper's cash equity investment in the Plan shall be reduced by the amount of such investment that has been returned to the Redeveloper under Step 3.

f. Upon ten (10) days prior written notice, the Commission may cause an audit of the Redeveloper's statements and calculations referred to herein by the Commission's staff or consultant. If, as a result of any such audit, the Commission believes that the Redeveloper owes the Commission more money than has been remitted by the Redeveloper as heretofore described, then the Commission shall inform the Redeveloper of its position in writing along with providing reasonable details of the Commission's position. Notwithstanding anything herein stated in this Agreement to the contrary, any unresolved dispute with respect to this section shall be submitted to binding arbitration by a single arbitrator. The arbitrator shall be a person located in the Kansas City metropolitan area agreed to by the parties. If the parties cannot agree to an arbitrator, the selection shall be made by the Presiding Judge of the Circuit Court of Jackson County, Missouri, on the application of either party. All expenses and fees of the arbitration and the arbitrator shall be assessed by the arbitrator as he or she finds equitable and just based on his or her findings with respect to the dispute arbitrated; provided, however, that each party shall bear the expenses and fees of any attorneys, accountants, expert witnesses or others appearing or submitting any materials on such party's behalf. Otherwise, the Commercial Arbitration Rules and Regulations of the American Arbitration Association, or any successor body, shall apply.

38. Special Terms and Conditions. In the event of a variance between the provisions of the Plan and this Agreement, the former shall supersede the latter, so long as the exterior boundaries of the Plan Area are not altered or the general land uses or the nature of the Plan as set forth in the Plan, are not substantially changed.

SECTION 37(f) OF THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to due authority as of the date first above set forth.

TAX INCREMENT FINANCING
COMMISSION OF KANSAS CITY, MO

ATTEST:

Secretary

By: _____
Peter Yelorda, Chairman

Approved as to form:

Counsel to the Commission

DEVELOPER

ATTEST:

Secretary

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2003, before me, a Notary Public in and for said State, personally appeared Peter Yelorda, Chairman of the Tax Increment Financing Commission of Kansas City, Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said Commission and such person duly acknowledged to me that he executed the same for the purposes therein stated, and that the execution of the same was the free act and deed of said Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year above written.

Notary Public

My Commission Expires:

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2003, before me, a Notary Public in and for said state, personally appeared _____, _____ of _____, a _____, personally known by me to be the person who executed the within instrument in behalf of said _____ as the _____, and acknowledged to me that he executed the same for the purposes therein stated.

[SEAL]

Notary Public

Printed Name: _____

My Commission Expires:

FUNDING AGREEMENT

[for DRAFT purposes only - contact Staff for current form]

THIS AGREEMENT is entered into this _____ day of ____, 200_ by _____
_____ (the "Applicant"), and the TAX INCREMENT FINANCING
COMMISSION OF KANSAS CITY, MISSOURI (the "Commission").

RECITALS

A. The Commission is a public governmental body, duly organized and existing by authority of the Real Property Tax Increment Allocation Redevelopment Act, Mo. Rev. Stat. Sections 99.800 et seq. (1982, as amended) (the "Act"), and Ordinance Number 54556, adopted by the City Council of Kansas City, Missouri ("the City"), on November 22, 1982, and amended by ordinance number 911076 adopted on August 29, 1991.

B. The Applicant is a _____.

C. The Applicant has requested that the Commission prepare a tax increment financing plan (the "Plan"), consider the Plan in accordance with the Act, and, if approved, implement and administer the Plan through its completion. In order to do so, the Commission must retain administrative and professional staff, outside counsel and consultants, and incur expenses, but is without a source of funds to pay such staff, counsel, consultants and expenses.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter expressed, the parties mutually agree as follows:

I. Services to be Performed by the Commission. The Commission shall retain administrative and professional staff, outside counsel and consultants, and incur expenses which it, in its sole discretion, deems necessary to:

A. Prepare and consider the Plan in accordance with the provisions of the Act, give all notices, make all publications and hold hearings as required by the Act;

B. If the Commission recommends approval of the Plan, prepare and present the required ordinances to the City and use its best efforts to gain approval thereof;

C. If the City approves the Plan, prepare and negotiate a definitive agreement between the parties for implementation of the Plan;

D. If a definitive agreement is entered into, administer the Plan and definitive agreement until terminated or completed.

II. Payment. The Applicant shall pay the Commission for its fees, the time of its administrative and professional staff computed at an hourly rate plus overhead as the Commission may from time to time deem appropriate, all charges for outside counsel and consultants, and all other expenses incurred in providing the services set forth in Section I (“the Charges”).

A. In order to insure the prompt and timely payment of the Charges, the Applicant shall establish a fund in the amount of Twenty Thousand Dollars (\$20,000.00) (the “Fund”) by paying such amount to the Commission contemporaneously with the execution of this Agreement, receipt of which is hereby acknowledged. The Commission shall pay the initial Charges from the Fund and shall promptly submit an itemized statement therefore to the Applicant to re-establish the Fund so that there is always a cash balance available against which additional charges and payments may be applied on a current basis. Thereafter, the Commission shall submit monthly statements itemizing the Charges paid from the Fund during the preceding month.

B All statements shall be payable within thirty (30) days of receipt thereof. If not so paid, the Commission shall be relieved of its obligations hereunder until paid, and the unpaid balance shall be subject to a penalty of 1.5 percent (1.5%) per month until paid, but in no event shall such penalty exceed eighteen percent (18%). Within sixty (60) days receipt of any statement (the “Period of Review”), Applicant shall notify the Commission, pursuant to Section VI hereof and the Commission’s Policy on Disputed Charges, attached hereto as Exhibit A, of any purported inaccuracy contained therein. At the conclusion of the Period Of Review, claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against the Commission of any of its members, employees, representatives or agents with respect to such statement or Charges referenced therein.

C. In the event the Commission determines that the total of the Charges will exceed the balance of the Fund in any month, the Commission may so notify the Applicant, and the Applicant shall promptly remit to the Commission an amount sufficient to re-establish the Fund so that the Commission may pay its obligations as they become due.

D. All payments made hereunder are eligible redevelopment costs under the Act and as such are eligible for reimbursement out of the Special Allocation Fund.

III. Affirmation Action. Applicant shall comply with the Commission’s Affirmative Action Policy attached hereto as Exhibit I. The Policy is intended to provide an equal opportunity for minority-owned business enterprises, women-owned business enterprises, minorities and women to participate in the redevelopment of Tax Increment Financing assisted redevelopment projects. The Policy supports and implements the Affirmative Action Policy of the City of Kansas City, Missouri by establishing the same goals and requiring a good faith effort to meet them. Redeveloper will adhere to such reasonable rules, regulations, reporting procedures and forms which the Commission may from time to time promulgate for the purpose of facilitating uniform, orderly and efficient

compliance with the Policy and which do not alter the goals set forth in the Policy or any other substantive provision.

IV. Termination.

A. The Commission may terminate this Agreement upon ten (10) days notice in the event the Applicant fails to comply with the Commission Affirmative Action Policy or make any payments when due.

B. The Applicant may terminate this Agreement in the event it determines not to proceed further to complete the Plan upon notice to the Commission thereof.

C. If either party terminates this Agreement, the Commission shall apply the balance of the Fund, if any, to outstanding Charges pursuant to this Agreement and any monies due and owing to the Commission pursuant to any other agreement and shall pay the remaining balance, if any, to the Applicant within thirty (30) days of such termination. In the event the balance of the Fund is insufficient to pay the outstanding Charges payable hereunder, the Applicant shall pay such Charges within thirty (30) days of such termination.

V. Subsequent Redevelopers. In the event the Commission selects another redeveloper pursuant to a request for proposals to carry out the Plan, the Commission shall require the subsequent redeveloper to assume all obligations of the Applicant under this Agreement as of the date it is designated as redeveloper and to reimburse the Applicant for its expenditures hereunder.

VI. Notice. Any notice, approval, request or consent required by or asked to be given under this Agreement shall be deemed to be given if it is in writing and mailed by United States mail, postage prepaid, or delivered by hand, and addressed as follows:

To the Commission:

With a copy to:

Jeff Kaczmarek, President and CEO Tax Increment Financing Commission of Kansas City, Missouri 10 Petticoat Lane, Suite 250 Kansas City, Missouri 64107	Bryan Cave LLP 3500 One Kansas City Place 1200 Main Street Kansas City, Missouri 64105 Attn: Stephen S. Sparks and Wesley O. Fields
--	--

To the Applicant:

With a copy to:

_____ _____ _____ Attn: _____	_____ _____ _____ Attn: _____
--	--

Each party may specify that notice be addressed to any other person or address by giving to the other party ten (10) days prior written notice thereof.

TAX INCREMENT FINANCING

DEVELOPER APPLICATION

PACKAGE

Please submit 10 copies of the completed application to:

Tax Increment Financing Commission
Suite 250
10 Petticoat Lane
Kansas City, Missouri 64106

PLAN APPLICATION FORM

1. APPLICATION INFORMATION

Applicant Name _____

Contact Person: _____

Business Phone _____ Fax _____ E-mail _____

Representative authorized to sign/execute documents _____

Address _____ Phone _____ Fax _____

General Contractor _____

Previous development projects or experience of the organization _____

2. LOCATION OF REDEVELOPMENT AREA

General Boundaries _____

County _____ Council District _____ Total Acreage _____

Please attach a legal description prepared by a qualified professional using bearings and distances. Also include a CD containing electronic maps of the legal descriptions for the entire redevelopment area and for each individual project area in either CAD or Arc View format.

3. DESCRIPTIVE SUMMARY OF PLAN AND PROJECTS

REDEVELOPMENT PROJECT AREAS

4. PROJECT DESCRIPTION

For each Project Area within the Redevelopment Area, please attach the following:

- A map showing the boundaries of each Project Area within the Redevelopment Area;
- Legal descriptions of each Project Area (also to be included on CD);
- Current land use and zoning for each Project Area, and a map indicating such;
- Proposed land use and zoning for each Project Area, and a map indicating such;
- Off-site public improvements to be made in each Project Area (i.e., infrastructure, streetscaping, signalization, etc.);
- A development schedule for the Plan, including when each Project Area will be developed;
- A list of any nationally or locally historical properties and/or districts within each Project Area (Call the City Landmarks Commission for information regarding local and national historical properties);
- Designs plans for each Project Area (including site plans & elevations);
- Evidence of the TIF Commission's statutory requirement of Blight, Conservation Area or Economic Development Area and "But For";
- A list of parcels in each Project Area by county ID and including current assessed value, separate land and improvement value, for each parcel.
- A list of all businesses within each proposed project area (by address).

5. PROJECT BUDGET

For each Project Area, please attach the following:

- A complete development pro forma indicating total development costs by Project;
- An operating pro forma indicating expected revenue and expenses over a 10-year period
- Amount and source of equity to be provided;
- Amount and terms of private financing;
- Name of Lender(s);
- A copy of the Developer's Loan Application provided to Lender(s);
- Evidence of commitment to provide funds from the lending institution(s) (signed by the Lender(s) and noting conditions and contingencies, if any);
- Itemized sources and uses of any public assistance to be used

CONSTRUCTION TOTALS BY PROJECT AREA* – PROJECT ONE

	New Construction	Existing Structures to REMAIN as is	Existing Structures to be REHABBED	Total	Existing Structures to be DEMOLISHED
Square feet of <u>Office</u> space					
Square feet of <u>Retail</u> space					
Square feet Institutional space					
Square feet <u>Industrial</u> Space					
Total Square Feet					

Number of Dwelling Units					
Number of Motel Rooms					
Number of Parking Spaces					

* - A Project Area is defined as a specific geographical area within the overall Plan Area that is developed during a specific timeframe.

EMPLOYMENT INFORMATION – PROJECT ONE

Please provide employment information for each Project Area. Reproduce this chart for each Project Area.

Permanent jobs to be CREATED IN Kansas City	
Permanent jobs to be RELOCATED TO Kansas City	
Permanent jobs to be RETAINED IN Kansas City	
TOTAL	
Anticipated Annual Payroll	
Estimated number of construction workers to be hired during construction phase	

8. ECONOMIC IMPACT

For each Project Area, please provide the following:

- Existing Economic Activity Taxes (EATS) (i.e., utilities, food & beverages, sales, hotel room, use, corporate profits and individual earnings taxes).
- Anticipated EATS;
- Anticipated Payments in Lieu of Taxes (PILOTS), which are 100% of the revenues derived from an increase in assessed value

9. CONTROL OF PROPERTY

If the Applicant owns the project site, indicate:

Date of Purchase _____ Mortgage(s) _____

Balance of existing Mortgage(s) _____

Submit copies of promissory note(s), deed(s) of trust and deed(s) for each mortgage.

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

Date purchase/option contract signed _____

Closing/expiration date _____

Submit a copy of purchase/option contract(s).

If the Applicant will lease the project site, indicate:

Legal Name of Owner _____

Owner's Address _____

Owner of land upon completion of the Project _____

10. LAND ACQUISITION

For each Project Area, please provide the following:

- A map showing all parcels to be acquired;
- Addresses of all parcels to be acquired;
- Current owners of all parcels to be acquired;

Is the use of Eminent Domain anticipated: _____

11. TAX ABATEMENT

For any property for which tax abatement is requested, please provide the following:

- Current or past tax abatement provided for the subject property;
- The purchase price of the land;
- Current assessed value of the land and improvements by parcel;
- Projected assessed value of the land and improvements upon completion of the project.

12. COMPLIANCE WITH THE AFFIRMATIVE ACTION POLICY

In accordance with the TIF Commission's Affirmative Action Policy, prior to a TIF Commission public hearing to consider the Applicant's TIF Plan or Project, the Applicant shall have:

- Obtained utilization goals from the Human Relations Department of the City of Kansas City, Missouri for such TIF Plan or Project; and
- Executed and delivered to the TIF Commission an Officer's Certificate, in a form acceptable to the TIF Commission, which certifies that the Applicant has read the TIF Commission's Affirmative Action Policy, has discussed it with the Human Relations Department of the City of Kansas City, Missouri and intends to comply with it.

Tax Increment Financing Commission

Procedure for Submission and Modification of Redevelopment Applications

1. Standard Forms: Requests for redevelopment approval (proposed redevelopment plan, response to request for proposals for designation as redeveloper, or other TIF Commission approval, collectively “Application”) shall be made pursuant to the forms available in the Redeveloper’s Packet. The TIF Commission may promulgate submittal requirements, instructions for completing applications and other forms, internal procedures for acceptance and filing of applications, and provisions for waiver, by establishing administrative guidelines. Additional information may be required for particular applications at the discretion of the responsible TIF Commission official.
2. Submission of Complete Application. All Applications shall be submitted to the Executive Director (“Director”) or the Director’s representative for a determination of completeness.
 - A. Applications will be considered complete when all items required by the TIF Commission Statute, the Redeveloper’s Packet, and other applicable TIF Commission regulations have been submitted by the Applicant to the Director.
 - B. An Application shall be deemed incomplete if any relevant information is not provided, if the Redeveloper’s Affidavit is not signed by the applicant, or if other information, as may be specified by the Director and which is necessary to adequately review the Application, is not supplied with the Application to the Director.
 - C. Written notice of an incomplete Application, specifying the deficiencies, shall be provided to the Applicant. The Director shall take no further action on the incomplete Application.
 - D. Complete Applications shall be processed according to TIF Commission Procedures for Consideration of Development Proposals. The Director shall not schedule an Application for hearing until such Application has been determined to be complete.
 - E. The Director shall make a determination of completeness within 10 calendar days of submission of the Application. The Director may extend his time period or a reasonable period of time, not to exceed 10 calendar days, by notifying the Applicant. Such notification shall include the reason for extension, the additional period of time needed for review, and the purpose for which the Application review will be conducted.

- F. If the Director fails to act within the specified time period, the Applicant may request that the Application be placed on the agenda of the next regularly scheduled TIF Commission public meeting.
 - G. Whenever the TIF Commission statute, procedures or regulations establish a time period from action regarding an Application, such time period shall not commence until the Director has made a determination of completeness regarding the Application.
 - H. A determination by the Director that an Application is incomplete may be appealed to the TIF Commission.
 - I. A determination of completeness shall not constitute a determination of compliance with the substantive requirements of the TIF Commission statute, procedures or regulations.
3. Modification of an Application
- A. An Applicant may modify an Application, without the approval of the Director, following a determination of completeness, but prior to the date, established by the public hearing notice, for public inspection; provided, however; such modified Application may be considered by the TIF Commission at the public hearing scheduled for that Application, but its approval shall be subject to the provisions of Section 3.B of this Policy.
 - B. Following the date established by the hearing notice for public inspection of an Application, modification of the Application:
 - i. Shall be subject to the provisions of Section 99.825(1) RSMo requiring seven days' notice of such changes to taxing jurisdictions;
 - ii. Shall be subject to any applicable TIF Commission procedures or regulations; and
 - iii. May require a continuance of the hearing to meet the notice provisions of 99.825(1) RSMo, which shall be indicated through a TIF Commission resolution directing that notice be given to the affected taxing districts and identifying those sections of the proposed redevelopment plan that have been modified or amended.
 - C. After the conclusion of a TIF Commission public hearing, at which time the TIF Commission approved the Application as a Redevelopment Plan or Project, any modifications to the approved Redevelopment Plan or Project shall be subject to the provisions of Section 999.825(1) RSMo.

Tax Increment Financing Annual Report

Section 1 Description of Plan and Project

1. Name of City and/or county (entity that approved the TIF Plan or Project):
2. name of Plan or Project:
3. Report Period: May 1, 2002 to April 30, 2003
4. Name of the person who prepared this Annual Report:
5. **Contact Information**
 - a. City or County Contact Agency: EDC
 - b. Person:
 - c. Phone:
 - d. Fax:
 - e. E-mail Address
 - f. Private Sector Developer:
 - g. Person – PSD:
 - h. Phone – PSD:
 - i. Fax – PSD:
 - j. Email – PSD:
6. Original Date Plan/Project Approved:
7. Ordinance Number (if available):
8. Most Recent Plan Amendment (if any):
9. Ordinance Number:
10. State House District:
11. State Senate District
12. School District:
13. General Location of Area or Project Area (please attach copy of Redevelopment Area Boundary Map from Plan:
14. Description of Plan/Project:
15. Plan/Project Status (Check one which best describes status):
 - a. Starting-Up
 - b. Seeking Developer
 - c. Under Construction
 - d. Fully-Operational
 - e. Inactive
 - f. District DissolvedIf clarification is needed:
16. Area Type (Check All Applicable):
 - a. Blight
 - b. Conservation

- c. Economic Development
17. How was the “but-for” determination made:
 - a. Project had unusual/extraordinary costs that made the project financially unfeasible in the market place.
 - b. Project required significant public infrastructure investment to remedy existing inadequate conditions.
 - c. Project required significant public infrastructure investment to construct adequate capacity to support project.
 - d. Project required parcel assembly and/or relocation costs.
 - e. Other (describe)
 18. Major Development Obstacles to be Overcome:
 19. Briefly Describe the Project’s Public Benefits:
 20. Description of Agreements with Developer:
 21. Description of Any Agreements with the Affected Taxing Districts:
 22. Number of Relocated Residences
 23. Number of Relocated Businesses
 24. Number of Parcels Acquired Through the Use of Eminent Domain Power:
 25. Identify any businesses that have relocated to the Redevelopment Area:
 - Name
 - Address
 - Phone
 - Primary Business Line
 - Relocated from what City/County
 26. Estimated New Jobs:
 - Projected:
 - Actual to Date:
 27. Estimated Retained Jobs:
 - Projected:
 - Actual to Date:

Section 2 Tax Increment Financing Revenues

28. Amount of Revenue in the Special Allocation Fund as of 4/30/2003
 - a. Payments in Lieu of Taxes:

Total received since inception:
Amount on hand as of 4/30/2003:

- b. Economic Activity Taxes:
Total received since inception:
Amount on hand as of 4/30/2003:

29. Expenditures for Total Project Costs funded by TIF:
- | | Total Since Inception
Period Only | Report |
|---|--|---------------|
| a. Public Infrastructure
(streets, utilities, etc.): | | |
| b. Site Development | | |
| c. Rehab of existing building: | | |
| d. Other (specify): | | |
| e. Other (specify): | | |
| f. Total Investment | | |
30. Amount Paid on Debt Service: Total Since Inception Report Period Only
- a. Payments of principal and interest on outstanding bond debt:
 - b. Reimbursement to developer for eligible costs:
 - c. Reimbursement to city/county (or other public entity) for eligible costs:
31. Anticipated TIF Reimbursable Costs:
- a. Public Infrastructure and Site Development Costs:
 - b. Property Acquisition and Relocation Costs:
 - c. Project Implementation Costs (including Professional Fees):
 - d. Other (specify, as applicable):
 - e. Other (specify):
 - f. Other (specify):
 - g. Total Anticipated TIF Reimbursable Project Costs:
32. Anticipated Total Project Costs:
(Please attach copy of the budgets from the Redevelopment Plan for anticipated total project costs and anticipated reimbursable TIF costs.)
33. *TIF Financing Method*
- a. *Pay-as-you-go*
 - b. *General obligation bonds*
 - c. *TIF notes*
 - d. *Loan*

- e. *TIF bond*
- f. *Industrial Revenue Bond*
- g. *Other bond*
- h. *Other*

Maturity of TIF Obligations (term of TIF payout)

- 34. Original Estimate (# of Years to Retirement):
- 35. Current Anticipated Estimate (# of Years to Retirement):

Estimate Increase in Tax Generation

- 36. Original assessed value of the redevelopment project:
- 37. Assessed valuation added to the redevelopment project (as of the end of the report date):
- 38. Anticipated Assessed Value at Time of District Termination:
- 39. Total Amount of Base Year EATs:
- 40. Total Amount of Base Year Sales Taxes:
- 41. Total Amount of EATs Anticipated at Time of District Termination:
- 42. Total Amount of Sales Taxes Anticipated at Time of District Termination:
- 43. Percentage of EATs Captured:
- 44. Percentage of PILOTs Captured:
- 45. Total Years Anticipated to Capture PILOTs:

***Please include any before and after color photographs of the Redevelopment Area that are available. If the site has not yet been redeveloped, if possible please include a before picture and a rendering of what the site will look like after redevelopment.

Send Report to: Missouri Department of Economic Development
Attn: TIF Annual Report
PO Box 118, 301 W. High Street
Jefferson City, Missouri 65102
Fax: 573-751-0717

Further information: Angie Thompson 573-751-0717



State of Missouri
Department of Economic Development

XIV.

**State Supplemental
Tax Increment Financing**

*Program Summary,
Procedures and Forms*

Revised January, 2004



Missouri Department of Economic Development

*Program Summary,
Procedures and Application Forms*

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Exhibit B: Program Application and Submission Instructions



Section 1

PROGRAM SUMMARY

Introduction

Tax Increment Financing ("TIF") is authorized in Sections 99.800 to 99.865, RSMo. (the "TIF Act"). In 1997, the General Assembly amended the TIF Act to provide a mechanism that permits municipalities with qualifying projects to request that specified State tax revenues be used to supplement local TIF revenues. This mechanism is referred to as the "State Supplemental TIF Program" or the "Program". The revenues available under the State Supplemental TIF Program are required to be used to supplement payments in lieu of taxes, economic activity taxes and other local funds committed by the municipality (as defined in the TIF Act).

This document provides a brief overview of the State Supplemental TIF Program, certain definitions the State will use in administering the Program, the procedural steps the State will follow in considering applications, the requirements for submitting a Precertification Request Form, the Program Application and the various forms approved by the Department of Economic Development in connection with the Program. Capitalized words and terms used in this document are defined in Section 2 below.

Eligible Areas

To qualify for the State Supplemental TIF Program, a Redevelopment Project must be located in an eligible area. There are two types of eligible areas under the TIF Act: (1) blighted areas meeting certain criteria and (2) certain federally approved levee districts which may or may not be located in blighted areas.

Blighted Areas. Blighted areas must contain one or more buildings at least 50 years old and must be located in ***any*** of the following:

- a. Enterprise zones, pursuant to sections 135.200 to 135.256, RSMo,
- b. Federal empowerment zones (currently parts of the Cities of St. Louis, Kansas City and East Prairie);
- c. Central Business Districts; or
- d. Urban Core Areas of cities.

In addition, the blighted areas must meet *either* of the following:

a. Over the 20-year period immediately preceding the Redevelopment Area's designation as a project area by ordinance, the Redevelopment Area suffered from Declining Population or Property Taxes; or

b. The Redevelopment Area includes a historic hotel located in a first-class county without a charter form of government with a population according to the most recent federal decennial census in excess of 150,000 and containing a portion of a city with a population according to the most recent decennial census in excess of 350,000 (currently the Elms Hotel in Excelsior Springs).

Federally Approved Levee Districts. The TIF Act also identifies as an eligible area a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a first-class county without a charter form of government with a population between 50,000 and 100,000 which contains all or part of a city with a population in excess of 400,000 inhabitants (currently the Riverside-Quindaro Bend Levee District in Clay County).

Available Financial Assistance

General. A Municipality may request that up to 50% of the "new" or "incremental" state revenues (either State Sales Taxes or State Withholding Taxes, as described below) estimated for the businesses within the Redevelopment Area be used to pay for Eligible Project Costs. This request must document that the proposed project could not be financed without the use of state funds, and that the request is the minimum necessary to cause the project to be developed.

New State Revenues. New State Revenues may be **either** (a) the increase of the general revenue portion of State Sales Taxes **or** (b) the State Withholding Taxes created by the businesses within the Redevelopment Area over the amount in the Base Year. Ordinarily, the Base Year will be the year prior to the date on which an ordinance is passed approving the Redevelopment Project. The Department of Economic Development will, with the assistance of the Department of Revenue, evaluate the effect of "displaced" sales or withholding taxes. Generally, displaced taxes are those which are being moved from one area of the State to another as a result of the proposed development within the Redevelopment Area. The eligible State Withholding Taxes are those generated from "New Employees" who fill "New Jobs" within the Redevelopment Area.

State Annual Appropriation. The transfer by the State to the Municipality of New State Revenues is subject to annual appropriation each year by the General Assembly for the projects approved that year. DED currently intends to seek a single, aggregate appropriation for all projects approved that year, unless an Applicant requests a specific appropriation for its project. The state appropriation is limited to 50% of the New State Revenues, and also limited to the amount approved by DED on an annual basis. While it is anticipated that this commitment will

be for the term recommended by DED, the General Assembly is not legally bound to either approve the appropriation or continue the appropriation in future years.

Timing of Applications and Availability of New State Revenues. Precertification Request Forms and Program Applications may be submitted to DED at any time. Because of the State's appropriation process, however, applicants should comply with the following schedule to ensure that, assuming approval of the application by DED, the application will be submitted for appropriation in the next session of the General Assembly:

Action	Projected Date
Submittal of Precertification Request Form to DED	September 1st
Precertification by DED	November 1st
Submittal of Program Application to DED	November 1st
Final Approval by DED	January 15th

The first installment of New State Revenues (assuming any New State Revenues are available and the General Assembly appropriates such funds) will not be available until July 1 of the year in which the appropriation occurs.

Conditions and Limitations Relating to the TIF Program

Redevelopment Projects approved prior to January 1, 1998. Redevelopment Projects approved prior to January 1, 1998, that meet the criteria set forth above may be eligible **if** the Municipality has committed all of its Local TIF Revenues (50% of EATS and 100% of PILOTs), and demonstrates that additional funding is needed to: (a) cause additional development that otherwise would not occur (such that the State Supplemental TIF Program funds would be used for costs that have not yet been incurred or committed); or (b) provide funding support for debt obligations issued to the extent that actual Local TIF Revenues are less than the amount projected in the redevelopment plan, and that without the State Supplemental TIF Program funding, the project would fail.

Requirement of Local TIF Funding. Appropriations from the New State Revenues shall not be distributed in any year unless the redevelopment plan provides that 100% of PILOTs and 50% of EATS generated by the Redevelopment Project shall be used for Eligible Project Costs for the maximum time period allowed under the TIF Act. In addition, applicants will be required to waive any local administrative fees charged in connection with Redevelopment Projects.

No Replacement of Prior Committed Funds. No project costs will be reimbursed by the Program if such costs have been committed or incurred prior to DED's approval of an application, except for the project authorized by Section 99.845.9(2) of the TIF Act. For this purpose the term "costs" include any moneys of the municipality, developer, or other source that has been identified as a funding source in the Redevelopment Plan, redevelopment agreement, or other documents relating to the proposed Redevelopment Project.

No Displacement of Existing State Tax Revenues. As noted above, the Department of Economic Development and the Department of Revenue will make a factual determination as to whether any portion of the New State Revenues are expected to replace existing state tax revenues.

Sales Tax Reporting Requirements. Form 53-1 (Sales Tax Return) of the Missouri Department of Revenue provides the mechanism for a business to report the amount of sales tax for each business location. This form will be used to document the New State Revenues.

Precertification Requirements

Each potential applicant shall, prior to submitting a Program Application, submit a Precertification Request Form to DED. The Department of Economic Development encourages potential applicants to submit this form prior to the TIF Commission's public hearing regarding a redevelopment plan or Redevelopment Project. There is no charge for submitting a Precertification Request Form. The Precertification Request Form and instructions for completing the form are attached hereto as **Exhibit A**.

Application Requirements

Program Applications may only be submitted to DED following approval of the Redevelopment Plan by the TIF Commission and adoption of an ordinance by the Applicant approving the Redevelopment Project. This amount shall serve as a deposit securing reimbursement of the State's General Fund for the expenses of DED in administering the State Supplemental TIF Program. The Program Application and instructions for completing the application are attached hereto as **Exhibit B**.

Questions and Technical Assistance

Representatives of the Department of Economic Development, Incentives Section, can provide information and technical assistance, as requested by any Municipality, on the requirements of the Program and the general requirements of TIF. Further information can be obtained by contacting DED Incentives Section at 573-751-0717.



Section 2

PROGRAM DEFINITIONS

For purposes of interpreting this Program Summary, the TIF Act and submitting an Application, DED will use the following definitions::

"Applicant" means the Municipality submitting a Program Application to DED for assistance pursuant to the State Supplemental TIF Program.

"Appropriated New State Revenues" means New State Revenues collected by the DOR, appropriated by the General Assembly and deposited at the request of DED by the State Treasurer into a segregated account of the "Missouri Supplemental Tax Increment Financing Fund."

"Approved Application" means a Program Application that has received final approval by the Director of DED and the Commissioner of the Office of Administration.

"Base Year" means the calendar year prior to the adoption of the ordinance designating the area for a Redevelopment Project.

"Base Year Revenues" means the calendar year prior to the adoption of the ordinance by the municipality approving the redevelopment plan or project.

"Central Business District" means the generally accepted or designated primary downtown business area of a municipality.

"Cooperation and Development Agreement" means the Cooperation and Development Agreement among DED, the Applicant and the Developer setting forth the terms and conditions of the Approved Application.

"Declining Population or Property Tax" means a decline (i) in the population of the Redevelopment Area for the most recent calendar year prior to the designation by ordinance of an area for the Redevelopment Project when compared to the population as shown in the U.S. Census or other data for the 20 years prior to the designation by ordinance of an area for the Redevelopment Project, or (ii) the amount of real and personal property taxes collected within the Redevelopment Area for the most recent tax year prior to the designation by ordinance of an area for the Redevelopment Project when compared to the average annual real and personal property taxes collected within the Redevelopment Area for the 20 year period prior to the

designation by ordinance of an area for the Redevelopment Project, adjusted by DED to reflect changes, if any, in assessment classifications, tax rates and inflation.

"DED" means the Department of Economic Development.

"Developer" means the developer named in the Approved Application.

"DOR" means the Department of Revenue.

"EATS" means "economic activity taxes" as defined by the TIF Act.

"Eligible Project Costs" means the costs that DED has determined are eligible for reimbursement as provided in the Approved Application.

"Local TIF Revenues" means 100% of the PILOTS and 50% of the EATS.

"Net State Economic Impact" means the net state economic impact of the proposed projects set forth in the Program Application as determined by DED with the assistance of the DOR, with such adjustments as DED shall determine are necessary to provide a reasonable forecast of the net state economic impact.

"New Employees" means a person employed in a New Job who was not employed by the Reporting Business or a Related Taxpayer in the State at any time during the twelve-month period immediately prior to being employed in such New Job within the Redevelopment Area; provided, however, a person may have been employed by the Reporting Business or a Related Taxpayer during the twelve-month period immediately prior to being employed at the New Job within the Redevelopment Area if the Reporting Business or a Related Taxpayer does not eliminate the position which such employee held during such twelve-month month period and promptly replaces such employee within three months of the date such employee begins employment in the New Job within the Redevelopment Area.

"New Jobs" means a full-time position (averaging at least 35 hours per week over a twelve-month period) created within the Redevelopment Area. "New Jobs" does not include jobs of recalled workers or replacement jobs (jobs that formerly existed with the Reporting Business or a Related Taxpayer in the State). To qualify as a New Job, such New Job must be filled by a New Employee.

"New State Revenues" means the amount set forth in the Approved Application, which shall be an amount not to exceed 50% of (1) the State Sales Taxes; or (2) the State Withholding Taxes.

"PILOTS" means "payments in lieu of taxes" as defined by the TIF Act.

"Precertification Request Form" means the form (attached as **Exhibit A**) prepared by DED and submitted by a Municipality to obtain a statement regarding the likelihood that DED will approve or deny a Program Application, if one is submitted.

"Program Application" or **"Application"** means the form (attached as **Exhibit B**) prepared by DED and submitted by a Municipality for the consideration of requests under the Program.

"Redevelopment Area" means the **"redevelopment area"** as defined by the TIF Act and as further described in the Redevelopment Plan.

"Redevelopment Plan" means the "redevelopment plan" as defined by the TIF Act that is referenced in the Program Application.

"Redevelopment Project" means the **"redevelopment project"** as defined by the TIF Act and as further described in the Redevelopment Plan.

"Related Taxpayer" means (i) a corporation, partnership, trust or association controlled by the Reporting Business; or (ii) a corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the Reporting Business or Related Taxpayer. For the purposes of this definition, "control of a corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote; "control of a partnership or association" shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association; and "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the U.S. Internal Revenue Code.

"Reporting Business" means each person required to report sales or income to DOR which is located or conducts business in the Redevelopment Area.

"State Sales Taxes" means the incremental (as defined below) increase in the general revenue portion (3%) of State Sales Taxes revenues received pursuant to section 144.020, RSMo, excluding State Sales Taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes specifically excluded from State Sales Taxes by law. For purposes of this definition, "incremental" means the amount by which the current State Sales Taxes revenue as described above exceeds the State Sales Taxes revenue in the Base Year.

"State Sales Taxes Reporting Forms" means Missouri DOR Form 53-1 which must be used by any Reporting Business for the purpose of declaring all State Sales Taxes. Each Reporting Business shall file a separate DOR Form 53-1 for each location identifying all State Sales Taxes collected within the Redevelopment Area. Reporting Businesses with multiple business operations within the Redevelopment Area shall separately identify each business operation by address.

"State Withholding Taxes" means the actual amount of state income tax withheld on behalf of New Employees by any Reporting Business pursuant to section 143.221, RSMo.

"State Withholding Taxes Reporting Forms" means Missouri DOR Form MO-TIF which must be used by any Reporting Business for the purpose of declaring all State Withholding Tax.

"Urban Core Area" means a Redevelopment Area in an urban area that has a predominance of buildings with an age of 50 years and older and in which little or no recent "greenfield" (unimproved) development has occurred, as determined by DED.



Section 3

FINDINGS AND DETERMINATIONS BY THE DEPARTMENT

- 1. Submission of Precertification Request Form.** A Precertification Request Form should be submitted to DED prior to the public hearing on any redevelopment plan or Redevelopment Project.
- 2. Determination of Completeness of Precertification Request Form.** Following receipt by DED of an executed Precertification Request Form, DED will determine whether the Form is complete. If the Form is incomplete, DED shall notify the Applicant of the information that is needed in order to complete the Form.
- 3. Due Diligence and Document Request Period.** Following the Determination of Completeness of the Precertification Request Form, DED will investigate the facts and circumstances covered by such Form and may request additional supporting information it deems necessary to complete its review of the Form. The due diligence period will last as long as DED determines to be necessary to adequately review and analyze the Form.
- 4. Preparation of Cost Benefit Analysis.** During the due diligence period DED will prepare a cost benefit analysis in cooperation with the Applicant.
- 5. Preliminary Determination of Project Qualification.** Based on the foregoing, DED will issue a statement regarding the likelihood that DED will approve or deny a Program Application, if one is submitted in substantially the form of the Precertification Request Form. If such statement indicates approval is likely, the statement shall contain the following information:
 - a. A preliminary determination that the proposed project is located within an area eligible for assistance by the Program, including a description of the factual basis upon which such determination was made.
 - b. A preliminary determination that the proposed project could not be financed without the use of state funds.
 - c. The amount and a description of Eligible Project Costs which DED is likely to approve for reimbursement or payment.
 - d. A determination of the Base Year and the estimated Base Year revenues for purposes of determining the New State Revenues.

- e. An estimate of the projected New State Revenues. A description of any businesses that will be excluded from the collection of New State Revenues.
- f. Dates by which the project must be commenced or completed in order to qualify for the Program.
- g. Any conditions or stipulations on such preliminary approval.

If the statement indicates approval is unlikely, the statement shall state the basis upon which DED has reached such concluded that the Program Application, if submitted in substantially the form of the Precertification Request Form, is likely to be denied.

6. Submission of Program Application. The Program Application should be submitted to DED following the recommendation of approval of the Redevelopment Plan by the TIF Commission and after the Applicant's adoption of an ordinance approving the Redevelopment Plan.

7. Determination of Completeness of Program Application. Following receipt by DED of an executed Application, DED will determine whether the Application is complete. If the Application is incomplete DED will notify the Applicant of the information that is needed in order to complete the Application.

8. Due Diligence and Document Request Period. Following the Determination of Completeness of Application, DED will investigate the facts and circumstances covered by such Application and may request additional supporting information it deems necessary to complete its review of the Application. The due diligence period will last as long as DED determines to be necessary to adequately review and analyze the Application.

9. Finalization of Cost Benefit Analysis. During the due diligence period DED will finalize the cost benefit analysis in cooperation with the Applicant.

10. Amendment of Application. Following completion of the due diligence period and completion of the cost benefit analysis DED shall notify the Applicant of any information DED has determined is necessary in order to complete the Application.

11. Determination of Project Qualification. Following receipt of any amendments or supplements to the Application, DED shall issue a notice indicating whether DED intends to approve or deny the Application. Each notice of intent to approve an Application shall contain the following:

- a. A determination that the proposed project is located within an area eligible for assistance by the Program, including a description of the factual basis upon which such determination was made.
- b. A determination that the proposed project could not be financed without the use of state funds.

- c. The amount and a description of Eligible Project Costs which DED intends to approve for reimbursement or payment.
- d. A determination of the Base Year and the estimated Base Year Revenues for purposes of determining the New State Revenues.
- e. An estimate of the projected New State Revenues. A description of any businesses that will be excluded from the collection of New State Revenues.
- f. Dates by which the project must be commenced or completed in order to qualify for the Program.
- g. Any conditions or stipulations on such approval.

Any notice of intent to deny an Application shall state the basis upon which DED has concluded that the Application should be denied.

12. Notice of Acceptance of Conditions and Stipulations. Following issuance by DED of a notice of intent, the Applicant and the Developer shall file with the Department written notice of concurrence with DED's findings, stipulations and conditions. Upon receipt of such concurrence, DED, the Applicant and the Developer shall proceed to negotiate the terms and conditions of the Cooperation and Development Agreement.

13. Preparation of Cooperation and Development Agreement. The Cooperation and Development Agreement shall be an agreement among the Applicant, the Developer and DED. Such agreement shall set forth the respective rights and obligations of the parties and shall include the conditions and stipulations included in DED's notice of intent. Such agreement shall include an obligation upon the Applicant and the Developer to require each Reporting Business to file with the DED and DOR the State Sales Taxes Reporting Forms and the State Withholding Taxes Reporting Forms.

14. Approval of Application and Certification of Base Year. Following receipt of a written request from the Applicant, the Director of DED and the Commissioner of the Office of Administration (or their designees) shall review the Application and shall determine whether (a) the conditions or stipulations set forth in the notice of intent have been satisfied and (b) the Cooperation and Development Agreement is in satisfactory form. If so, the Director of DED and the Director of the Office of Administration (or their designees) shall issue a certificate of approval.

The certificate of approval shall be the state's approval of (1) the base level of State Sales Taxes or State Withholding Taxes, (2) any businesses that will be excluded from collecting New State Revenues, and (3) amount and the term of state participation of New State Revenues.

The amount of funding approved by DED and the Commissioner of the Office of Administration shall be based upon (i) the dollar amount of local governmental

participation in the Project, (ii) the dollar amount of private participation in the Project (iii) the demonstrated basis of need for the State Supplemental TIF Program funds to cause the project to occur, (iv) the net state economic impact (benefit/cost ratio relative to other projects), (v) potential direct and indirect growth to be caused by the project, (vi) the level of economic distress within the municipality and within the Redevelopment Area, and (vii) the likelihood of successful commencement and completion of the project.

Generally, DED shall limit the time period for participation in the State Supplemental TIF Program to not more than 15 years. If a request for more than 15 years is made, DED will evaluate such request based upon the following factors: (i) direct fiscal impact to the State, (ii) project importance to the Applicant and (iii) the new jobs created. In no event shall participation in the State Supplemental TIF Program exceed 23 years.

15. Request for Annual Appropriation. Following final approval of the Application DED shall prepare a request for an appropriation of New State Revenues relating to the Application. Unless otherwise provided, the funds (if any) will be provided in one annual payment. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit the approved New State Revenues in a separate segregated account within the special allocation fund established pursuant to section 99.805. No municipality shall commit any state revenues for a project prior to an appropriation that has been approved by the General Assembly and signed by the Governor.

16. Approval of Debt Financing. Prior to the incurrence of any debt to pay for Eligible Project Costs, DED shall review the documents authorizing such debt to determine whether such documents satisfy the requirements of the TIF Act and are consistent with the terms of the Cooperative and Development Agreement.

17. Final Certification of Approved Project Costs. Promptly following completion of the Project the Applicant shall notify DED of the completion of the Project and shall provide DED with written evidence of the actual costs of the Project.



Section 4

PROGRAM PROCEDURES

1. **Reimbursement of DED Costs.** All personnel and other costs incurred by DED for the administration and operation of the Program shall be paid from the state general revenue fund. On an annual basis (on August 1 each year), the general revenue fund shall be reimbursed for the full amount of such costs by the developer(s) of the project(s) for which municipalities have made State Supplemental TIF Program applications. Failure to timely reimburse the state shall result in a Noncompliance Event.
2. **Determination of DED Costs.** The TIF Act requires that the amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the *Program Application* made by each municipality for a particular project by the total monetary amount of all applications received by the DED.
3. **Application Deposit.** On June 30 of each year, the determination of actual costs of DED will be performed as described in the preceding paragraph. If the actual amount of funds due DED is less or more than the amount paid at the time of application, DED will reconcile the amount within 30 days after June 30. A notice will be sent by DED to the developers regarding the amended amount.



Section 5

REPORTING REQUIREMENTS

1. Missouri TIF Projects :

- a. Hearing Notices:** Municipalities (or their TIF Commissions) must send a copy of any and all hearing notices required by section 99.825 and 99.830 to DED.
- b. Business Relocations:** By the last day of February each year, each municipality or TIF Commission shall report to DED the name, address, phone number and primary line of business of any business which **relocates** to the Redevelopment Area. DED shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.
- c. Annual Report:** Each municipality or TIF Commission shall submit an annual report to DED as specified in Section 99.865.1, RSMo., by October 30 each year. DED will post all annual reports on its web site upon completion.



Section 6

FORMS

**Exhibit A: Precertification Request Form
and Submission Instructions**

**Exhibit B: Program Application
and Submission Instructions**

EXHIBIT A



STATE SUPPLEMENTAL TAX INCREMENT FINANCING

PRECERTIFICATION REQUEST FORM AND SUBMISSION INSTRUCTIONS

PART I. Applicant

1. Name and address of Applicant: _____
(Name)

(Street) (P.O. Box) (City) (Zip Code)
2. Name of Applicant's spokesperson: _____
(Name) (Title) (Telephone)

PART II. Developer

1. Name and address of Developer: _____
(Name)

(Street) (P.O. Box) (City) (Zip Code)
2. Name of Developer's spokesperson: _____
(Name) (Title) (Telephone)

PART III. Project

1. Name of the Project: _____
2. General description of the Project: _____

PART IV. Submissions

The Applicant shall submit four copies of this Precertification Request Form, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:

Date: _____

RETURN TO:
Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102

SCHEDULE I TO
PRECERTIFICATION REQUEST FORM

1. Identification of the **Redevelopment Area** (by a map showing the specific boundaries and a legal description). Identify the following to indicate eligibility:
 - a. Address of property 50+ years old within the redevelopment area, and documentation of age of property.
 - b. Documentation of blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance.
 - c. Documentation of generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance
2. The names, addresses, federal ID number and state sales tax ID number of all existing **businesses** within the Redevelopment Area.
3. For each existing business within the Redevelopment Area during the base year:
 - a. The amount of **State Sales Taxes** paid by each business in the base year. This would be documented by written authorization (see Exhibit A) by each existing businesses within the project area (prior to approval of the Redevelopment Project) to authorize the Missouri Department of Revenue to provide DED access to the company's sales tax records; **or**
 - b. The amount of **State Withholding Taxes** on behalf of existing employees in the base year. This would be documented by written authorization by each company to allow the Missouri Department of Revenue to provide DED access to the company's withholding tax records.
4. The estimate of the **incremental increase** (for the proposed number of years that state funding is requested) in the general revenue portion of either 50% of the state sales tax revenue (1.5% of eligible retail sales) **or** the estimate for 50% of the state income tax

withheld by the employers in the Redevelopment Area on behalf of new employees expected to fill new jobs created within the Redevelopment Area after redevelopment. There should be adequate information provided to determine that the estimates are realistic.

5. The **cost-benefit analysis** required by section 99.810, which would include a study of the direct fiscal impact on the state of Missouri.
6. The **statement of election** between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the Redevelopment Area; and,
7. The **redevelopment plan** for the project, which includes the following elements:
 - a. The estimated Redevelopment Project costs;
 - b. The anticipated sources of funds to pay the costs;
 - c. Evidence of the commitments to finance the project costs;
 - d. The anticipated type and term of the sources of funds to pay costs;
 - e. The anticipated type and terms of the obligations to be issued;
 - f. The most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845;
 - g. An estimate as to the equalized assessed valuation after redevelopment; and
 - h. The general land uses to apply in the Redevelopment Area; and
 - i. A detailed description of the factors that **qualify** the Redevelopment Area or project.
8. An **affidavit** that is signed by the developer or developers attesting :
 - a. that the provisions of subdivision (1) of section 99.810 have been met;
 - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
 - c. that the developer will not proceed with the project without the appropriation of New State Revenues. (Narrative describing how this determination was made should be attached, including an analysis of the developer's return on investment with and without state TIF funding. The developer return on investment analysis may use generally accepted methods used by real estate developers, such as internal rate of return analysis assuming a sale of the property at a certain time depending on the nature of the project.)

9. The municipality shall include in the application the following items in addition to the items in section 99.810:

- (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
- (i) The street address of the development site;
- (j) The three-digit North American Industry Classification System number or numbers characterizing the development project;
- (k) The estimated development project costs;
- (l) The anticipated sources of funds to pay such development project costs;
- (m) Evidence of the commitments to finance such development project costs;

- (n) The anticipated type and term of the sources of funds to pay such development project costs;
- (o) The anticipated type and terms of the obligations to be issued;
- (p) The most recent equalized assessed valuation of the property within the development project area;
- (q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
- (r) The general land uses to apply in the development area;
- (s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;
- (t) The total number of full-time equivalent positions in the development area;
- (u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;
- (v) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty- first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;
- (w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- (x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;
- (y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;
- (z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;
- (aa) A list of other community and economic benefits to result from the project;
- (bb) A list of all development subsidies that any business benefitting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

(cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act** is being sought;

(dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;

(ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(ff) A list of competing businesses in the county containing the development area and in each contiguous county;

(gg) A market study for the development area;

(hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

10. The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval.

EXHIBIT B



STATE SUPPLEMENTAL TAX INCREMENT FINANCING

PROGRAM APPLICATION AND SUBMISSION INSTRUCTIONS

PART I. Applicant

1. Name and address of Applicant: _____
(Name)

(Street) (P.O. Box) (City) (Zip Code)
2. Name of Applicant's spokesperson: _____
(Name) (Title) (Telephone)

PART II. Developer

1. Name and address of Developer: _____
(Name)

(Street) (P.O. Box) (City) (Zip Code)
2. Name of Developer's spokesperson: _____
(Name) (Title) (Telephone)

PART III. Project

1. Name of the Project: _____
2. General description of the Project: _____

PART IV. Submissions

The Applicant shall submit four copies of this Program Application, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:

_____ Date: _____

RETURN TO:
Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102

SCHEDULE I TO
PROGRAM APPLICATION

Application Form and Instructions for Submission of the Application

1. Restate all information (updated as necessary) included in the Precertification Request Form.
2. An **affidavit** (updated to a date within 15 days of the Program Application) that is signed by the developer or developers attesting :
 - a. that the provisions of subdivision (1) of section 99.810 have been met;
 - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
 - c. that the developer will not proceed with the project without the appropriation of New State Revenues.
3. The **resolution** adopted by the TIF Commission recommending approval or disapproval of the redevelopment plan or Redevelopment Project.
4. The **ordinance** adopted by the governing body of the municipality, which shall include the findings required by Section 9.810 of the TIF Act.
5. The **time period** of state assistance with detailed justification for any request in excess of 15 years.

Statutory Reference for State TIF

Section 99.845, RSMo

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the **new state revenues**, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally

dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

- (2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

- (1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or
- (2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

- (1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:
 - a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
 - (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;

(c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;

(d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;

(e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;

(f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and

(g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of

the office of administration or his or her designee; except that, in no case shall the duration exceed twenty-three years.

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.