

City of North Kansas City Economic Development Incentive Policy

Section 1. Purpose and Scope.

The purpose of this Economic Development Incentive Policy (the “**Policy**”) is to provide guidance to property owners and developers in North Kansas City on the use of public economic incentive tools. This Policy is also designed to provide direction and an understanding of the City’s expectations regarding the process, standards and policies that will be applied by the City to the use of economic development tools.

Section 2. Objectives.

The City is committed to the high quality and balanced growth and development of the community, to preserving the City's character and atmosphere and to revitalizing and redeveloping areas of the City. The City recognizes the importance of continued economic development to meet the needs of its residents, and its obligation to balance the demand for economic development with the judicious use of economic incentives, reserving the use of these incentives for projects that demonstrate significant public benefit. Accordingly, the City has established certain goals regarding the use of economic development incentives:

- A. To promote, stimulate and develop the economic growth of the City.
- B. To provide and maintain an attractive community that creates a positive public image and encourages individuals, families and businesses to locate and invest in the community.
- C. To encourage the use of public economic incentives in those locations and situations that provide the maximum public benefit and promote development that would not otherwise occur without the use of such incentives.
- D. To limit the use of public economic incentives for a reasonable duration while still providing for the desired level of public financial assistance. The City encourages the use of incentives only as necessary to fill financial gaps and limits them to reasonable and appropriate project expenses which have a public benefit, and which are essential to the successful completion of projects.

Fulfilling these goals is intended to lead to a substantial public benefit, including the construction of public improvements, the creation of new jobs, the retention of existing quality jobs, the elimination of blight or conditions that could lead to blight, the increase of property values, the increase of tax revenues, and the promotion of economic stability throughout the City.

It is the policy of the City that any decision regarding the use of public economic incentives will be made in accordance with the guidelines, criteria, and procedures set forth in this Policy. Nothing in this Policy shall imply or suggest that the City is under any obligation to approve or support the use of a public

economic incentive tool for any applicant. The City reserves the right to modify or waive, on a case-by-case basis, any of the elements of this Policy, if all the applicable state statutory requirements are satisfied.

Section 3. Threshold Requirements for Any Economic Development Incentive

- A. The project must make a minimum development investment of \$3,000,000 (three million dollars).
- B. Projected revenues representing City taxes or other quantifiable City revenues must exceed the amount of investment over the term of the incentive agreement.
- C. For incentives involving the issuance of debt, the City will not provide direct or indirect financial support of such bonds.

Section 4. Guidelines for the Consideration of Incentive Applications.

- A. The Applicant must provide evidence acceptable to the City of the ability to secure private financing for the Applicant's share of project costs.
- B. Projects must not use the City's credit support or annual appropriation funding guarantee to secure the issuance of public debt to fund project incentives. Debt must be repaid only from specified project revenues.
- C. **"But for" Test:** The Applicant must provide evidence that the project for which economic development incentives are requested would not proceed but for the requested incentive. (Note: Economic development incentives approved pursuant to RSMo Chapter 353 or the TIF Act must meet statutory requirements regarding the "but for" test. As a matter of policy, the City also requires that applicants for property tax abatement pursuant to RSMo Chapter 100 provide that the project for which incentives are requested would not proceed but for the requested incentive). The City requires that such "but for" test be prepared in the form of financial model using appropriate rate of return models. Such "but for" test is normally provided by the applicant and reviewed by City staff and the City's financial advisor.
- D. It is the City's policy to offer the least amount of public incentives necessary to attract a project deemed to be in the public interest. The maximum amount of property tax abatement the City will consider in any year will be 75% (i.e. the City will require a minimum 25% payment in lieu of tax (PILOT). Under extraordinary circumstances the City may consider tax abatement exceeding these parameters. Such extraordinary circumstances must be explained in detail by the applicant and such consideration will be at the sole discretion of the City.
- E. It is the City's policy that projects will not involve incentives in which the public contributes more than 33% of the total project costs (including all public and private costs, all hard and soft costs, and all developer fees and contingencies).
- H. **Relocation of Existing City Businesses:** Consideration should not be given to incentives that will encourage businesses which are already located within the City to relocate within the City limits. If the proposed Project involves the continued location in place or relocation of an existing

business already in the City, the Applicant must provide evidence that the business would otherwise leave the City without the requested public incentive.

- I. The most favorable consideration of the requested economic development incentive will be given to applications which:
 1. Fulfill one or more of the following Vision Themes from the City's 2016 Master Plan:
 - a. Grow and attract new and innovative business opportunities to create jobs, support the local economy, and increase the City's tax base. (In particular, the City seeks creation of jobs similar to the wage and benefit targets in the Missouri Works program.)
 - b. Attract new residents and increase homeownership rates that support sustainable economic and social benefits.
 - c. Establish memorable destinations to create authentic and diverse public spaces, while expanding the range of attractions and economic development opportunities.
 - d. Build a safe multimodal network and enhance the pedestrian-scaled environment.
 - e. Preserve and enhance the local identity, uniqueness, and arts and culture assets of the North Kansas City community.
 2. Attract or retain existing businesses of significant and sustainable public financial impact and/or significant community benefit.
 3. Finance extraordinary costs for property redevelopment and/or expansion.
 4. Remove blight or rehabilitate deteriorating or obsolete properties.
 5. Significantly renovate and/or repurpose obsolescing aging industrial and warehouse properties.
 6. Preserve historic features of existing buildings.
 7. Improve community character, quality, image and reputation.
 8. Provide financing for desirable public improvements.
 9. Upgrade older neighborhoods or areas.

Section 5. Eminent Domain.

The City does not encourage the use of eminent domain in conjunction with the use of public financing incentives. In extraordinary circumstances the City may approve the use of eminent domain in accordance with applicable law and only to the extent deemed necessary to make the approved project viable. In any

case where eminent domain is proposed, the Applicant must prove, and the City Council must find that the Applicant has attempted, in good faith, to acquire the property privately. Although in some cases the expenses associated with the use of eminent domain qualifies as an eligible project cost under state law, the Applicant shall be required to pay the costs associated with the condemnation proceedings, including court and litigation costs, attorney's fees and the final condemnation awards. Approval of the use of eminent domain will be at the City's discretion.

Section 6. Application Process – Applications filed pursuant to RSMo Chapter 100 or RSMo Chapter 353.

- A. Applications. Applicants will submit information on a form to be supplied by the City. If no such form is supplied, then the applicant shall submit its own applications which shall include, at minimum, the following information:
1. All requirements of the applicable Missouri statutes governing the proposed economic incentive.
 2. Description of the Project for which economic development assistance is requested.
 3. Description of economic need for the public funding assistance including: (i) the facts and circumstances that create the need for public funding assistance; (ii) the amount and type of assistance desired; and (iii) a pro forma establishing that the project is not financially feasible and would not be constructed as proposed without the use of the requested public assistance (the "but for" test).
 4. Evidence that the Applicant: (i) has the financial ability to complete and operate the proposed Project; (ii) can provide adequate assurance (e.g. letter of credit, personal guaranty, performance bond, etc.) to the City for project completion, and (iii) has thoroughly explored alternative financing methods.
- B. Initial Review of Application. The City's application is divided into two parts: A Preliminary Application and a Full Application. Initial review of the Preliminary Application will be conducted by City staff, including input from appropriate City departments. The Application may be forwarded to the City's Financial Advisor and/or Special Legal Counsel for review. The scope of the initial review is intended to determine whether the Application substantially meets the requirements of this Policy and generally is an appropriate request for economic development assistance.

In the event an Application does not substantially meet the requirements of this Policy or is not otherwise an appropriate request for economic development assistance as determined by City staff, the Application will be returned to the Applicant together with a written statement of the reasons the Application was deficient. Applications may be resubmitted upon cure of the reasons for rejection.

- C. Application Review Conference. If an initial application is deemed to meet the minimum requirements of this Policy and is generally an appropriate request for economic development

assistance, then the next step will typically be for the Applicant to attend an application review conference with appropriate City staff. The purpose of an application review conference is to:

1. Acquaint the Applicant with the procedural requirements of this Policy;
 2. Provide for an exchange of information regarding the Applicant's request;
 3. Advise the Applicant of any public sources of information that may aid the Application and identify issues that create opportunities or pose significant restraints for the Application;
 4. Review the Application and provide the Applicant with opportunities to enrich the request to mitigate any undesirable consequences of the proposed Project;
 5. Review compatibility with current City planning; and
 6. Provide general assistance by City staff on the plan for the Application and the proposed Project.
- D. Following the application review conference, the applicant shall submit a Complete Application, an executed Preliminary Funding Agreement in substantial compliance with the form attached as **Attachment A**, and the required deposit.
1. Preliminary Funding Agreement. The City does not have a source of funds for costs incurred for additional legal, financial and other consultants or for direct out-of-pocket expenses and other costs resulting from services rendered by or to the City to review, evaluate, process and consider applications. Therefore, an Applicant who desires assistance from the City through the use of public incentives shall demonstrate the financial ability to allow for the full and fair evaluation by the City of the proposal. For the City to fully consider and evaluate an Application, the City requires that, in lieu of an application fee, the Applicant shall deposit funds with the City pursuant to a Preliminary Funding Agreement between the City and the Applicant. The funds deposited with the City pursuant to a funding agreement will be used by the City to pay for actual out-of-pocket expenses incurred to perform a full evaluation of the Application and engage consultants as needed for such evaluation.
 - a. The duties and obligations of the Applicant and the City to process an Application shall be set forth in the Preliminary Funding Agreement.
 - b. The Preliminary Funding Agreement shall require the Applicant to make an initial deposit of funds in the amount established by the City. It shall also provide for additional funding to be deposited as necessary after drawdowns to ensure that the minimum cash balance available for each Project is equal to the initial deposit.
- E. City Council Initial Consideration. The Complete Application and Preliminary Funding Agreement and a Resolution of Intent shall then be submitted to the City Council for formal consideration. Submittal to the City Council shall not occur until the executed Complete Application and Preliminary Funding Agreement and the required deposit have been submitted by the Applicant to the City.

- F. Full Review of Application. Upon approval of the Preliminary Funding Agreement and Resolution of Intent by the City Council, City staff will review the request using the criteria set forth in this Policy and requirements set forth in applicable state statutes.
- G. Review by North Kansas City School District. Property tax abatement granted by the City has an effect on other taxing entities. It particularly has a significant effect on the North Kansas City School District. Accordingly, as part of the process of consideration of an economic development incentive that involves property tax abatement, the Applicant shall meet with persons designated by the School District to explain the project and the impact of the requested incentive to the School District. The City shall consider any requests or suggestions made by the School District regarding the proposed incentive before final consideration by the City Council.
- H. Final Consideration by the City Council. City staff shall prepare a written report to be submitted to the City Council when the City Council considers formal final action on the application. The report shall contain, at a minimum, comments regarding each of the applicable criteria set forth in the *Guidelines for the Consideration of Incentive Applications* Section of this Policy and the specific statutory requirements applicable to the request.
- I. Finalization of Incentive. Upon approval by the City Council, the City will proceed to finalize the approved economic development incentive. The City shall have the final decision on the method(s) of financing and the selection of the underwriter, financial advisor and bond or note counsel.

Section 7. Tax Increment Financing (TIF)

A. TIF Process.

1. Initial Evaluation: The City will use the following process for initial evaluation and consideration of any proposed TIF plan:
 - a. Pre-application meeting between Applicant and City staff.
 - b. Negotiation and execution of a Preliminary Funding Agreement.
 - c. Submission of draft TIF Plan.
 - d. City initial review of TIF plan to determine compliance with the TIF Act and any issues. The City will provide the Applicant a written response to the draft TIF Plan.
 - e. Applicant shall revise the draft TIF plan as required by the City's initial written response and file a revised Plan.
 - f. After initial issues that were raised by City staff have been addressed and after staff determines that the TIF Plan is complete and contains all the required elements pursuant to the TIF Act, the City will issue initial notices to the taxing districts. Thereafter, the TIF

Plan will be processed in accordance with the TIF Act requirements. The City may refuse to issue the initial notices if the TIF Plan is incomplete.

2. TIF Commission consideration of a TIF Plan.

- a. After appropriate public notice, the TIF Commission shall conduct a public hearing on the proposed TIF Plan. The TIF Commission may hold one or more study sessions prior to the public hearing to discuss the process for considering a TIF Plan.
- b. At the public hearing, if the Plan has been prepared and proposed by a developer or landowner, the Applicant will present the proposed plan, followed by comments and recommendations from City staff. The Commission will take public testimony, and the applicant will be allowed time for a response. All questions from the Commission to an applicant, City staff or the public shall be held during the public hearing.
- c. The TIF Commission shall vote to make a recommendation on the TIF Plan to the City Council. The TIF Commission recommendation may include any additional changes, conditions or requirements that the Commission believes should be satisfied prior to approval of the TIF Plan or prior to implementation of the TIF Plan or a project or phase of the TIF plan.
- d. If the TIF Commission considers and votes on a resolution to recommend approval of the TIF plan but such resolution fails to receive a vote of approval, such action shall be deemed by the City Council to be a recommendation against the TIF plan.

3. City Council consideration of a TIF Plan.

- a. The City Council may consider each TIF Plan as a regular agenda item and is not required to hold a public hearing regarding the TIF Plan. The City Council may, at its discretion, allow public comments regarding the TIF Plan.
- b. The City Council may, at its discretion, hold one or more special meetings to consider the TIF plan.

4. Independent Studies. Independent studies may be obtained by the City through or at the request of City staff, the TIF Commission, or the City Council. Such studies may include a blight study, a financial feasibility study, a market analysis, a traffic study, or any other type of professional evaluation of the TIF Plan or any element of the TIF Plan. The costs of any study shall be paid by the applicant in accordance with the terms of the funding agreement.

B. Guidelines for Considering TIF Plans. Most favorable consideration will be given to those plans that satisfy the general guidelines applicable to all applications as set forth in the *Guidelines for the Consideration of Incentive Applications* Section of this Policy, and that satisfy the following additional guidelines:

1. The total amount of subsidy from TIF revenues should be no more than 33% of the total project costs. The measurement of total project costs shall include all site preparation

costs, building construction costs, hard costs, soft costs, developer fees, all professional fees of any type, and all project budget contingencies. Actual land costs incurred by the applicant will be considered as part of the total project costs. If land was purchased prior to preparation of the draft TIF plan, then the current market value as determined by an independent appraiser, approved by the City, may be considered as part of the total project costs.

2. TIF projects must not use the City's credit support or annual appropriation funding guarantee to secure the issuance of public debt. Debt must be repaid only from specified project revenues.
3. TIF projects which create jobs with wages that exceed the community average will be favored.
4. TIF plans that propose retail development should encourage the inflow of customers from outside the City and should not divert sales from or cannibalize existing retail in the City. If the TIF plan will cause or result in the relocation of one or more businesses already within the City, the Applicant must demonstrate that the business would leave or cease operations in the City without such relocation, and the base year of the business (for the purpose of calculating economic activity taxes and payments in lieu of taxes) shall be the 12-month period prior to closing at its prior location. The TIF contract shall implement these requirements for relocated businesses.
5. TIF plans that propose the redevelopment of existing residential neighborhoods and commercial and industrial areas will be favored. Projects to stabilize deteriorating or blighted residential neighborhoods and commercial and industrial areas will be favored.
6. The plan should provide for a mandatory declaration of surplus Payments In Lieu of Taxes (PILOTs) to the applicable taxing districts that impose real property taxes within the redevelopment area in the amount of 25% of all captured PILOTs. The declaration of mandatory surplus PILOTs shall be disbursed from the special allocation fund on a basis that is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment area.
7. A proposed TIF plan which does not meet the guidelines of this Policy may be viewed favorably by the City if the applicant clearly demonstrates that the project is of vital interest to the City and will significantly benefit the City through the elimination of blight, financing desirable public improvements, strengthening the employment and economic base of the City, increasing property values, reducing poverty, creating economic stability, upgrading and stabilizing older neighborhoods or developments and facilitating economic self-sufficiency.

C. TIF Contract.

1. The ordinance that approves a TIF plan will include a requirement that a redevelopment contract must be executed by the selected developer within a designated period, upon terms and conditions that are acceptable to the City.

2. An ordinance to approve a TIF contract will not be placed on a City Council agenda until all outstanding contractual issues have been resolved to the satisfaction of City staff.
3. The contract may contain a list of pre-approved or prohibited land uses or tenants.
4. The TIF contract will provide that prevailing wages must be paid by the developer where required by law, and the developer will indemnify the City for failure to meet applicable prevailing wage laws.
5. The TIF contract will provide for an order of priority in which reimbursable project costs and other eligible costs shall be paid from the special allocation fund, on an as-collected basis or to repay bonds that have been issued pursuant to the TIF plan.
6. The TIF contract will provide for a City administrative fund to be funded by a portion of the TIF revenues, which will pay for costs incurred by the City, including financial, legal, traffic and other consultants and advisors to the City, to administer the TIF plan and enforce the contractual obligations of the developer and the developer's authorized successors, assignees and transferees in the redevelopment area. In addition to any other costs that are authorized to be funded from the administrative fund, the contract will authorize the City to withdraw 2% of the funds deposited in the special allocation fund through the first full calendar year, and 1% annually thereafter, to reimburse the City for costs incurred to manage the special allocation fund and provide for the collection and disbursement of TIF revenues. The TIF contract will also provide for reimbursement to the City from the special allocation fund for costs incurred by the City to conduct a 'component unit' audit of any special funding district that is established in furtherance of the TIF plan. Funding of the City administrative costs will be a higher priority than reimbursement of developer reimbursable project costs.
7. Interest on certified developer reimbursable project costs shall not accrue until the date of City approval and certification for payment. Interest shall not start to accrue until such date, even if the developer incurs such expense or submits a request for reimbursement to the City.

Section 8. Transportation Development Districts (TDDs)

- A. The City may file, or join as a co-petitioner, a petition for formation of a TDD where public transportation improvements to be funded by the TDD have been designated for construction on the City's Capital Improvements Plan or where the City Council decides that such improvements are primarily for the benefit of the public rather than for a particular development.
- B. To obtain favorable support for the formation of any TDD in the City, the petitioners should appear at a City Council meeting and make a presentation regarding the TDD prior to filing the petition. The City Council may express its support for or opposition to a proposed TDD through the adoption of a resolution or motion.
- C. If the petitioners have not obtained the support of the City Council prior to filing a TDD petition, then a copy of the petition shall be delivered to the City Council after the City is served with the petition by the court and the City Council will express its support for or opposition to the TDD by motion or resolution. A failure by petitioners to make a presentation to the City Council as set forth in paragraph B of this section, prior to filing the petition in court, will be considered when the City Council considers the City's response to the petition.

- D. If a TDD is proposed in coordination with approval of a TIF plan, the execution of a development agreement between the petitioners and the City, or in connection with any other package of public economic incentives, the City Council's support for formation of the TDD may be expressed in the TIF plan, the development agreement or other document or approval provided by the City Council in connection with the project. In this situation, a separate presentation to the City Council regarding the TDD petition is not required, and City staff will file an answer with the court in support of the TDD formation.

Section 9. Community Improvement Districts.

A. Nature of Applicant.

1. Residential projects. For those projects that are entirely or primarily residential development and that propose to use a Community Improvement District (CID) in place of a homeowners' association, most favorable consideration will be given to Applications that meet the following guidelines:
 - (a) The CID operates autonomously from the City, and the City is not required to manage or oversee CID funds or operations.
 - (b) The CID provides contractual indemnification to the City for the acts and omissions of the CID.
 - (c) The CID provides for the perpetual maintenance and upkeep of all common property within the CID and assumes obligations by contract to ensure that the City will not be required to undertake ownership or maintenance of common properties and open areas.
2. Commercial Project Size and Type. Most favorable consideration will be given to CIDs for commercial projects that are comprised of at least 35,000 square feet of new development or redevelopment.

- B. Timing of City's Review. Applicants should submit to the City a draft CID petition before formally filing the CID petition with the City Clerk, to provide the City with an opportunity to review and comment on such petition. This allows the City to identify concerns and issues before a CID petition is formally filed with the City Clerk, to avoid delay when the CID petition is formally filed with the City Clerk. If a draft CID petition is not submitted to the City for review and comment, the City may take more time to review the petition to determine whether the petition substantially complies with the requirements of the CID Act.

- C. District Term. Except in the case of CIDs established as a substitute for a homeowners' association, property owners association or business owners' association, most favorable consideration will be given to those CIDs that are limited to a term of twenty (20) years or less.

D. Financing of CIDs. Where a CID is not proposed in connection with a TIF plan, any debt issuance in connection with a CID shall be issued by the CID unless otherwise requested by the City and shall contain a disclosure that the City may reasonable specify.

Section 10. Neighborhood Improvement Districts.

- A. Neighborhood Improvement Districts (NIDs) are designed to finance public improvements that will benefit the district through assessments on properties within the district.
- B. Eligible Activities. Only public improvements or facilities may be financed by a Neighborhood Improvement District (NID). Such improvements must benefit property located within the district. However, the improvement may be located outside the district if the improvement benefits the property in the district.
- C. Bonds. Project improvements may be financed with general obligation bonds issued by the city. Maximum bond term is 20 years. The bonds are repaid by special assessments placed on the properties within the district. Property owners may make a one-time lump sum payment before assessments are imposed.
- D. Neighborhood Improvement District Policies:
 - 1. The sale of bonds authorized for an approved NID shall be determined by the city. All costs normally associated with the sale of bonds shall be considered project costs and shall be reimbursed through the special assessments.
 - 2. If development is to occur before bond sale, NID petitioners must provide a written commitment from an acceptable lending institution to finance the NID improvements for the district on an interim basis.
 - 3. The property in the district liable for the special assessment must have a value sufficient to service the debt. This determination will be made by City staff in consultation with the City's financial advisor.
 - 4. NID petitions must indicate the intent of each petitioner to dedicate without cost right-of-way and easements needed to carry out the NID projects.
 - 5. Each petitioner must certify that he does not have a financial interest in an existing development that has delinquent special assessments or taxes.
 - 6. NID petitioners will be financially responsible for any project cost overruns in excess of the maximum bonding amount authorized by City Council.

7. NID petitioners will be financially responsible for any costs involved in the preparation of preliminary plans regardless of the outcome of the district formation.
8. NID petitioners must provide an acceptable market analysis and feasibility study to establish economic viability of the project and the rate of development that can be supported.

FUNDING AGREEMENT

THIS FUNDING AGREEMENT (“Agreement”) is entered into this _____ day of _____, 20__, by and between the **CITY OF NORTH KANSAS CITY, MISSOURI**, a Missouri municipal corporation (the “City”), and _____ (the “Company” or the “Developer”).

RECITALS

A. The City is a third class city incorporated and exercising governmental functions and powers pursuant to the Constitution and the Statutes of the State of Missouri.

B. The Company is a Missouri _____ authorized to do business in the State of Missouri engaged in the business of _____.

C. The City has been requested by the Company to consider an application for approval of tax abatement (the “Tax Abatement Request”) under Chapter 100 of the Revised Statutes of Missouri (“Chapter 100 Act”). D. The City does not have a source of funds to finance costs incurred by it, in the form of additional City staff time, legal, fiscal, planning, direct out-of-pocket expenses and other costs, resulting from services rendered in connection with the review, evaluation, processing and consideration of the Tax Abatement Request.

E. It is the City’s policy that landowners and developers who desire assistance from the City in a public-private partnership or by economic incentive tools shall demonstrate the financial ability to allow for the full and fair evaluation by the City of all development proposals and requests for economic incentives from the City.

F. In order for the City to fully consider and evaluate the application, the Developer seeks to deposit funds with the City to be used by the City to pay for actual and reasonable out-of-pocket expenses necessary to perform a full evaluation of the incentive application.

AGREEMENT

1. Services to be Performed by the City. The City will engage the services of _____ (“Bond Counsel”), to provide the following services with respect to the issuance of bonds pursuant to the Chapter 100 Act (the “Bonds”):

a. Subject to the completion of proceedings to Bond Counsel’s satisfaction, Bond Counsel will render a legal opinion (the “Bond Opinion”) regarding the validity and binding effect of the Bonds, the tax-exempt status of the Bonds, as applicable, and such related matters as Bond Counsel deems necessary or appropriate.

b. Examine applicable law as it relates to the authorization and issuance of the Bonds and Bond Counsel’s Bond Opinion and advise the parties regarding the legal authority for the issuance of the Bonds, the tax-exempt status of the Bonds, as applicable, and other legal matters related to the structure of the Bonds.

c. Prepare or review authorizing proceedings and other legal documents necessary or appropriate to the authorization, issuance and delivery of the Bonds and the lease of the property

included in the Tax Abatement Request to the Company and coordinate the authorization and execution of documents.

d. Draft the necessary public notice and proceedings for the required public hearing with respect to the Bonds.

e. Attend meetings and conferences related to the Bonds and otherwise consult with the parties to the transaction prior to the issuance of the Bonds.

f. Coordinate the closing of the transaction, and after the closing assemble and distribute transcripts of the proceedings and documentation relating to the authorization and issuance of the Bonds.

g. Undertake such additional duties as Bond Counsel deems necessary to complete the financing and to render Bond Counsel's Bond Opinion.

h. Prepare the plan and cost-benefit analysis required by the Chapter 100 Act (the Chapter 100 Plan"), and related documents and coordinate notice to the affected taxing jurisdictions and related matters.

The City will also obtain the services of _____ ("the Financial Advisor") to provide financial advisor services with respect to the Bonds and the Chapter 100 Plan.

2. Initial Deposit. The Company will be responsible for paying the legal fees of _____ and the fees of the Financial Advisor. It is anticipated that fees will be as follows: (a) \$ _____ for _____'s preparation of the Chapter 100 Plan and related work, which will be paid by the City to _____ from the Deposit within 10 days of the City Council consideration of the Chapter 100 Plan for approval and is not contingent upon approval of the Chapter 100 Plan, (b) \$ _____ for the services of the Financial Advisor with respect to the Plan and the Bonds, which will be paid by the City to the Financial Advisor from the Deposit within 10 days of the City Council consideration of the Chapter 100 Plan for approval and is not contingent upon approval of the Chapter 100 Plan, and (c) based upon an estimated principal amount of \$ _____, the fee of _____ as Chapter 100 Bond Counsel will be \$ _____ assuming the Company buys their own bonds and is contingent upon issuance of the Bonds. Should the Bonds be issued on a tax-exempt basis and purchased by a bank or other entity not affiliated with the Company, then the fee of _____ will be increased by \$ _____. The City acknowledges receipt of an initial deposit of funds (the "Deposit") from the Company in the amount of \$ _____.

3. Disbursement of Funds. The City will disburse the Deposit to pay Bond Counsel and the Financial Advisor the fees under Sections 2(a) and 2(b) above. Bond Counsel's fee as bond counsel under Section 2(c) will be paid at the closing of the transaction.

4. Termination.

a. In the event the Company fails to perform any of its obligations herein, the City may terminate this Agreement, and any other agreement between the parties, at its sole discretion upon ten (10) days written notice to the Company. Termination by the City shall also terminate any duties and obligations of the City with respect to this Agreement, including, but not limited to, the City's processing of Company's Tax Abatement Request. Upon such termination, the City shall retain the Deposit necessary to reimburse all outstanding expenses incurred by the City pursuant to this Agreement and shall pay all remaining refundable Deposit to the Company within ninety (90) days of such termination.

b. The parties hereto acknowledge that the Company may determine to abandon the

Tax Abatement Request. Upon notice of abandonment by the Company, this Agreement shall terminate and the City may terminate any other agreement between the parties and shall retain the Deposit necessary to reimburse outstanding expenses incurred pursuant to this Agreement and shall pay all remaining refundable Deposit to the Company within sixty (60) days of such termination.

5. Notice. Any notice, approval, request or consent required by or asked to be given under this agreement shall be deemed to be given if in writing and mailed by United States mail, postage prepaid, or delivered by hand, and addressed as follows:

To the City:

City of North Kansas City
Attention: City Administrator
2010 Howell Street
North Kansas City, MO 64116

With a copy to:

City of North Kansas City
Attention: City Counselor
2010 Howell Street
North Kansas City, MO 64116

To Developer:

With a copy to:

[ADD]

[ADD attorney]

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.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

**CITY OF NORTH KANSAS CITY,
MISSOURI**

By: _____

Its: _____

_____, (“Company” or
“Developer”)

By: _____

Its: _____