

## TAX CONTRIBUTION AND DISBURSEMENT AGREEMENT

THIS TAX CONTRIBUTION AGREEMENT (the “**Agreement**”) is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ (the “**Effective Date**”) by and between the **CITY OF KANSAS CITY, MISSOURI** (the “**City**”), the **TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI** (the “**Commission**”), and **800 GRAND KCMO LLC**, a Missouri limited liability company (the “**Redeveloper**”).

### RECITALS

WHEREAS, the 800 Grand Tax Increment Financing Plan (the “**TIF Plan**”), was approved by the Council of the City of Kansas City, Missouri (the “**Council**”) by its passage of Ordinance No. [REDACTED] (the “**TIF Ordinance**”); and

WHEREAS, the TIF Plan designated a redevelopment area (the “**Redevelopment Area**”) within the meaning of the Real Property Tax Increment Allocation Redevelopment Act, §§ 99.800 to 99.865 (the “**TIF Act**”); and

WHEREAS, the City Council intends to designate, by ordinance, a redevelopment project described by the TIF Plan (the “**Redevelopment Project**”) and, upon such designation, authorize tax increment financing within the area encompassed by the Redevelopment Project (the “**Redevelopment Project Area**”); and

WHEREAS, the TIF Plan provides for the construction of a new 24-story, approximately 645,000 square foot mixed-use residential building with approximately 319 multi-family residential units, approximately 28,000 square feet of commercial/retail space, an approximately 1,600 seat theater designed to host a wide variety of entertainment events, and approximately 574 parking spaces (collectively, the “**Residential Building Improvements**”), and the rehabilitation of the adjacent Scarritt and Arcade buildings, which rehabilitation shall provide for an approximately 174,00 square foot hotel that shall contain approximately 169 guest rooms, approximately 10,500 square feet of meeting space, and approximately 16,000 square feet of food, beverage and commercial/retail spaces (the “**Hotel Improvements**” and together with the Residential Building Improvements, the “**Project Improvements**”), along with related public and private infrastructure and site improvements, including but not limited to, roads, streets, curbing, sidewalks and any other similar public improvements that support the Project Improvements (collectively, the “**Public Improvements**”); and

WHEREAS, the TIF Plan is a comprehensive program intended to eliminate blight and redevelop substandard property, increase employment opportunities, stimulate construction and commercial development, and enhance the tax base within the Redevelopment Area through, inter alia, the implementation of the Project Improvements and the Public Improvements; and

WHEREAS, the TIF Plan anticipates the amount to implement the Project Improvements and Public Improvements is approximately \$533,796,653 (the “**Redevelopment Project Costs**”) and TIF Plan further anticipates the reimbursement of certain Redevelopment Project Costs described by the TIF Plan, which are certified (the “**Certified Costs**”) in accordance with the Redevelopment Agreement (as hereinafter defined) in an amount up to \$108,968,075, which are defined as “Reimbursable Project Costs” in the TIF Plan, and described on **Exhibit A**, attached

hereto, from Economic Activity Taxes in an amount up to \$42,774,943, Additional City EATs in an amount up to \$54,217,989, and CID Revenue in an amount up to \$11,975,146 (collectively, the “**TIF Revenue**”) as each are defined in the TIF Plan and as each shall be generated and collected within the Redevelopment Project Area and deposited into the Special Allocation Fund established in connection with the Redevelopment Project Area and maintained by or on behalf of the Commission (the “**Special Allocation Fund**”); and

WHEREAS, Redeveloper and its affiliates intend to privately fund approximately \$424,828,575 of the remaining Redevelopment Project Costs through a combination of an Equity Investment (as defined in the Redevelopment Agreement) in the amount of \$123,921,133, construction and conventional debt in the amount of \$151,025,733, and commercial property assessed clean energy loans in the aggregate amount of \$149,881,709, as more specifically identified on **Exhibit A**, attached hereto; and

WHEREAS, the Commission and Redeveloper intend to enter into an agreement (the “**Redevelopment Agreement**”), which shall provide, among other things, for the implementation of the Project Improvements and Public Improvements and, subject to certain conditions in the Redevelopment Agreement, for the payment of Certified Costs; and

WHEREAS, in accordance with the Redevelopment Agreement and the policies and procedures of the Commission, all Reimbursable Project Costs must be certified for payment or reimbursement in order to be paid from the TIF Revenue; and

WHEREAS, as indicated on **Exhibit A**, attached hereto, it is expected that TIF Revenue deposited into the Special Allocation Fund will be used to fund, or finance through the issuance of Obligations, Redevelopment Project Costs identified under the columns “EATS”, “Additional City EATS” and “CID Revenue” on **Exhibit A**, attached hereto (the “**TIF Improvements**”); and

WHEREAS, the parties hereto now desire to set forth their agreements regarding the utilization of the Tax Contributions for the payment of Certified Costs.

### **Agreement**

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby 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**: Estimated Redevelopment Project Costs

**Exhibit B**: Economic Activity Tax Documentation and Collection Policy

(b) All capitalized words or terms used in this Agreement shall have the meanings set forth in the Recitals or as set forth herein. All other capitalized words or terms used, but not defined, in this Agreement and defined in the TIF Plan shall have the meaning

ascribed to them in the TIF Plan.

(c) Unless the context clearly indicates to the contrary or unless otherwise provided herein, the following rules of interpretation shall apply to this Agreement:

(i) 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 the express terms of this Agreement.

(ii) 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.

(iii) 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, limited liability companies, partnerships, joint ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

(iv) The 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.

(v) To the extent one or more of the terms and conditions set forth in this Agreement conflict with any one or more of the terms and conditions provided in the Redevelopment Agreement, the terms and conditions of this Agreement shall supersede the Redevelopment Agreement and prevail.

2. Mutual Assistance and Conditions. The parties hereto agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

3. Estimated Redevelopment Project Costs. The total estimated costs to the Redeveloper to implement the Project Improvements and Public Improvements are approximately \$533,796,653, as set forth in detail on Exhibit A attached hereto. The TIF Plan provides for the reimbursement to the Redeveloper of Certified Costs from Economic Activity Taxes in an amount up to \$42,774,943, Additional City EATs in an amount up to \$54,217,989, and CID Revenue in an amount up to \$11,975,146. Notwithstanding anything to the contrary in this Agreement, (a) the Economic Activity Taxes shall not be used to reimburse any Certified Costs, other than those

which are specifically identified on **Exhibit A** under the Column “EATS”, the Additional City EATS shall not be used to reimburse any Certified Costs, other than those which are specifically identified on **Exhibit A** under the column “Additional City EATS” and the CID Revenue shall not be used to pay any Certified Costs, other than those which are specifically identified on **Exhibit A** under the column “CID Revenue”. The Redeveloper will comply with the Commission’s Cost Certification Policy, as IT may be in effect at the time.

4. **Additional City EATs.** In accordance with the TIF Ordinance and in furtherance of the objectives of the TIF Plan and Redevelopment Agreement, the City agrees to redirect and deposit into an account designated within the Special Allocation Fund (the “**Additional City EATS Account**”) the Additional City EATs to be used to finance a portion of the Certified Costs. The Commission agrees that the Additional City EATs shall only be used to pay those costs that are identified on **Exhibit A**, under the column “Additional City EATs.” Notwithstanding anything to the contrary in this Agreement, City’s obligation shall be limited to the Additional City EATs actually generated and collected within the Redevelopment Project Area, such that if the Additional City EATs actually generated and collected within the Redevelopment Project Area are less than projected, the City shall not be obligated to fund the difference from any other source. Such additional amount is identified in this Agreement as the Additional City EATs and shall include the following:

Upon the authorization of Tax Increment Financing (as defined by the TIF Plan) within the Redevelopment Project Area, the revenue from taxes which are imposed by the City and which are generated by economic activities within the Redevelopment Project Area, which are not captured pursuant to the Act, but, subject to the satisfaction of all legal requirements, may be appropriated or budgeted by the City to reimburse Redevelopment Project Cost, which shall include only (A) One-hundred percent (100%) of the incremental increase in the City’s 1.0% capital improvements sales tax paid by transient guests of hotels and motels and fifty percent (50%) of the incremental increase in the City’s 1.0% capital improvements sales tax for all other sales, (B) One-hundred percent (100%) of the incremental increase in the City’s 0.25% public safety sales tax paid by transient guests of hotels and motels and fifty percent (50%) of the City’s 0.25% public safety sales tax for all other sales, (C) fifty percent (50%) of the incremental increase in the City’s 2.0% food and beverage tax, (D) fifty percent (50%) of the incremental increase in the City’s 7.5% convention & tourism tax; provided, however, during years 24 through 30 after the Redevelopment Project Area is designated by an ordinance approved by the City Council, the City will continue to redirect the amounts described above. Such amounts will be determined based on information supplied pursuant to **Section 9**. Notwithstanding the foregoing, any portion of Additional City EATs attributable to the capital improvements portion of the City’s sales tax shall only be used to reimburse public infrastructure improvements, and any portion of the Additional City EATs attributable to City’s conventions and tourism tax and food and beverage tax shall only be used to reimburse the costs of the Hotel Improvements and the 1,600 seat theater.

The City intends, on or before the last day of each City fiscal year, to budget, specifically with respect to this Agreement, money sufficient to pay to the Commission the Additional City EATs under this Agreement with respect to the next succeeding fiscal year. Notwithstanding the forgoing, the decision to budget funds shall be made in accordance with the City’s normal procedures for such decisions, including those required by or provided in the City’s Charter and Code; as either may be amended from time to time. The City shall deliver written notice to the

Commission no later than 15 days after the commencement of its fiscal year stating whether the Council has approved a budget that identifies funds sufficient for the purpose of paying the Additional City EATs estimated to become due during such fiscal year. Failure to deliver notice shall not constitute a breach, provided that the Additional City EATs shall have been budgeted. The City's obligation to budget the Additional City EATs shall remain in full force and effect until the earlier of thirty (30) years after the date of passage of an ordinance approving and designating the Redevelopment Project Area, or at such time as the City shall have budgeted and redirected \$54,217,989 to the Commission.

5. Annual Budget Request. The chief executive of the City or other officer of the City at any time charged with the responsibility of formulating budget proposals shall include in the budget proposals submitted to the Council, in each fiscal year in which this Agreement shall be in effect, a budgeted amount of the Additional City EATs to be paid under this Agreement for the ensuing fiscal year; it being the intention of the City that the decision to budget or not to budget under this Agreement shall be made solely by the respective governing body and not by any other official of the City. The City agrees, subject to the provisions above respecting the failure of the City to budget, to contribute the Additional City EATs in accordance with this Agreement. The City agrees to make provision for such amounts to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the City.

6. Restriction on Use of Proceeds. Notwithstanding any provision of this Agreement to the contrary, the parties acknowledge and agree that the Additional City EATs may include sums collected from sales taxes that are restricted in their use to such purposes as are included within the terms of those statutes and ordinances authorizing the imposition and collection of such sales taxes. In the event that a court of competent jurisdiction shall have finally determined that any portion of the Additional City EATs may not lawfully be made for the purposes of reimbursing or paying certain Certified Costs related to the implementation of the Project Improvements, then the proceeds of Obligations attributable to Additional City EATs shall not be used to fund such Certified Costs.

7. Additional City EATs to Constitute Current Expense. The parties acknowledge and agree that the Additional City EATs shall constitute currently budgeted expenditures of the City, and shall not in any way be construed or interpreted as creating a liability or a general obligation or debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of general credit, tax revenues, funds or money of the City. The City's payment obligations under this Agreement shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the then current fiscal year.

8. Obligations of Redeveloper. As required by the Commission's Economic Activity Tax Documentation and Collection Policy and Procedures, attached hereto as **Exhibit B** and as such policy may be adjusted pursuant to the Redevelopment Agreement (the "**EATs Policy**"), the Commission shall contractually obligate the Redeveloper to exert good faith efforts to furnish to the Commission the documentation identified by the EATs Policy that relates to the Redevelopment Project Area ("**EATs Documentation**"), which shall include a tenant list with contact information, as well as the amount of sales taxes, food and beverage taxes, utilities taxes,

earnings taxes, net profits taxes, as applicable, or other information reasonably necessary to calculate such taxes (i.e. tax account numbers), and which are attributable to the Redevelopment Project Area.

9. Certification of Costs. No cost or expense incurred by Redeveloper shall be a Certified Cost eligible for reimbursement under this Agreement, and no such cost or expense shall be payable to Redeveloper from any of the Tax Contributions described in this Agreement, until such cost or expense has been certified pursuant to the Commission's Certification of Costs and Reimbursement Policy attached to the Redevelopment Agreement and as may be amended from time to time.

10. Deposit by the Commission. As soon as reasonably practicable after the receipt of the TIF Revenue, the Commission shall deposit or cause to be deposited the Additional City EATS into the Additional City EATS Account and the CID Revenue into the CID Revenue Account, which accounts (i) shall be segregated on the books and records of the Commission from all other money, revenue, funds and accounts of the Commission, (ii) the money therein, including all interest accruing thereto, shall be utilized to pay the Certified Costs the Commission is obligated to pay, pursuant to the terms and conditions of the Redevelopment Agreement and this Agreement.

11. Covenants of the City. Following the receipt of the EATS Documentation and on a semi-annual basis, the City, subject to budgeting, and, to the extent necessary, appropriation, shall deposit in the Additional City EATS Account an amount equal to the Additional City EATS which have been, budgeted, appropriated, and collected by the City during the previous six-month period.

12. Covenants of the Commission. The Commission hereby covenants and agrees:

(a) To exert good faith efforts to enter into a Cooperative Agreement with \_\_\_\_\_ Community Improvement District (CID), which shall provide, in part, that the CID, subject to appropriation, shall remit to the Commission CID Revenue, less CID Administrative Costs (as defined in the TIF Plan), no less than annually, for deposit into the CID Revenue Account of the Special Allocation Fund, which shall be used only for the reimbursement of costs identified in the "CID Revenue" column on **Exhibit A**, attached hereto.

(b) to pledge all right, title and interest in and to the Additional City EATS to the payment of the Certified Costs the Commission is obligated to disburse, pursuant to the terms and conditions of the Redevelopment Agreement and this Agreement or, if Obligations are issued, to the payment of Debt Service pursuant to the terms of the Redevelopment Agreement and any indenture related to such Obligations; and

(c) to pledge all right, title and interest in and to CID Revenue to the payment of the Certified Costs the Commission is obligated to disburse pursuant to the terms and conditions of the Redevelopment Agreement and this Agreement.

13. Term. This Agreement shall become effective on the Effective Date, and shall remain in full force and effect until the completion of all Project Improvements and Public Improvements contemplated by the TIF Plan and the Redevelopment Agreement, and so long thereafter as the later of (a) obligations remain outstanding under this Agreement and the



Redevelopment Agreement or (b) there are any remaining Certified Costs that are to be reimbursed using the Additional City EATs and which have not been reimbursed to the Redeveloper in accordance with this Agreement and the Redevelopment Agreement; provided however, the City shall have no obligation to contribute any sums attributable to the period commencing 30 years after the date the passage of an ordinance approving and designating the Redevelopment Project Area; and provided, further, that the City, except as may be limited by applicable law, agrees that the Additional City EATs generated within the Redevelopment Project Areas prior to the time the City's obligation to collect the same shall have expired shall be available for the payment of Redevelopment Project Costs as provided herein even if such revenues are not collected by the City during the 30-year period and for which the Redeveloper requested reimbursement within one (1) year of the expiration of the aforementioned 30-year period.

14. Modification. The terms, conditions and provisions of this Agreement can be neither modified nor eliminated except by written agreement between the parties.

15. Breach; Compliance. If any party does not comply with the provisions of this Agreement, in that a party shall do, permit to be done, or fail or omit to do, or fail or omit to have done, anything contrary to or required of it by this Agreement, and if within thirty (30) days after notice of such default by any party, the 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 any 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. If any action is instituted by any party hereunder, the non-prevailing party shall pay all costs, fees and expenses, including reasonable attorneys' fees incurred by the prevailing party in enforcing this Agreement; provided, however, that any financial obligation on the City is subject to appropriation of funds by City Council, and any and all costs incurred by the Commission shall be funded with TIF Revenue on deposit in the Special Allocation Fund.

16. Cumulative Rights; Waiver. 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 any 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 a party shall apply to obligations beyond those expressly waived.

17. Notice. All 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. Notices

shall be addressed as follows:

Notices to the City shall be addressed to:

Director of Finance  
City Hall, 3rd Floor  
414 E. 12<sup>th</sup> Street  
Kansas City, MO 64106

with a copy to:

City Attorney  
City Hall, 28<sup>th</sup> Floor  
414 E. 12<sup>th</sup> Street  
Kansas City, MO 64106

Notices to the Commission shall be addressed to:

TIF Commission of Kansas City, Missouri  
300 Wyandotte, Suite 400  
Kansas City, MO 64105  
Attn: Executive Director

with a copy to:

Bryan Cave Leighton Paisner LLP  
3800 One Kansas City Place  
1200 Main Street  
Kansas City, MO 64105  
Attn: Wesley O. Fields, Esq.

Notices to the Redeveloper shall be addressed to:

800 Grand KCMO LLC  
12200 N. Ambassador Dr. STE 205  
Kansas City, MO 64163  
Attn: Ryan Sullivan

with a copy to:

Polsinelli PC  
900 W. 48<sup>th</sup> Place  
Kansas City, MO 64112  
Attn: Roxsen Koch, Esq.

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.

18. 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.

19. Time is of the Essence. Time and exact performance are of the essence of this Agreement.

20. 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.

21. 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.

22. Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and assigns; provided, however, that the Redeveloper shall not have the right to assign this Agreement without the consent of the City and the Commission, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Redeveloper shall have the right to assign this Agreement with notice to the City (a) as collateral to lenders providing financing or refinancing for the Project Improvements from time to time, and/or (b) to an entity to which Redeveloper is contemporaneously lawfully assigning the Redevelopment Agreement.

23. Estoppel. Each party agrees to provide from time to time to another party upon request certification in writing, for the benefit of the requesting party, and its actual or prospective lenders, transferees and other interested third parties (i) that this Agreement is in full force and

effect, (ii) that there are no defaults or unperformed obligations hereunder on the part of a party (or if such defaults or unperformed obligations are believed to exist, specifying the nature and extent thereof), (iii) a history of sums paid toward the Tax Contributions prior to such certification, and (iv) such other matters as may be reasonably requested to be certified, all in form and content as reasonably requested by the requesting party

24. Continued Cooperation of Parties. Each party agrees that, upon the request of the other from time to time, 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 or in order to allow, subject to applicable law, for confirmation that the Additional City EATs has been properly computed.

25. MBE/WBE.

(a) Redeveloper will comply fully with the City's Minority and Women's Business Enterprise Program (as codified in Chapter 3, Article IV, Divisions 2 and 3 of the Code) and with the Instructions for Tax-Incentivized Construction Contracts, a copy of which is attached hereto as Exhibit D. No reimbursement shall be provided under this Agreement until Redeveloper's Contractor Utilization Plan and Letters of Intent are submitted to and approved by the City's Civil Rights and Equal Opportunity Department ("CREO").

(b) Redeveloper will allow CREO (or its designee) to monitor the MBE/WBE achievement levels through reporting and onsite monitoring. This includes access to all books and records of Redeveloper at reasonable times.

(c) If the Redeveloper fails to make good faith efforts to achieve the goals for MBE/WBE, the City could sustain damages, the exact extent of which would be difficult or impossible to ascertain. Therefore, in order to liquidate those damages, the monetary difference between either (1) the amount of the MBE/WBE goals set forth in the Contractor Utilization Plan, as amended, or (2) the goals established (whichever is lower) and the amount actually paid to qualified MBEs and WBEs for performing a commercially useful function may at the City's option be deducted from the Redeveloper's payments as liquidated damages. In determining the amount actually paid to qualified MBEs and WBEs, no credit will be given for the portion of participation that was not approved by the Director, unless the Director determines that the Redeveloper acted in good faith. No deduction for liquidated damages will be made when, for reasons beyond the control of the Redeveloper, the MBE/WBE participation stated in the Contractor Utilization Plan, as amended and approved by the Director is not met. Such determination shall be subject to the provisions of the appeal procedure outlined in Chapter 3, Article IV, Division 2 of the Code.

26. Quality Services Assurance. The Redeveloper shall itself and shall require that all contractors working on the Redevelopment Project pay all employees who will work on this Contract in the city limits of Kansas City, Missouri at least \$15.00 per hour as provided in Code § 3-66.

27. Construction Workforce. Redeveloper agrees to comply with all requirements of City's Construction Employment Program as enacted in Code §§ 3-501 through 3-525 and as hereinafter amended. Redeveloper shall meet or exceed the construction employment goals. Redeveloper and its subcontractors will submit monthly workforce hour reports through the City's designated electronic reporting system. Redeveloper's compliance with this provision is a material part of this Agreement.

28. Affirmative Action.

(a) Redeveloper shall itself and shall require all contractors utilized in connection with this Agreement maintain in effect, throughout the duration of this Agreement, an Affirmative Action Program in accordance with the provisions of Chapter 3, Article IV, Division 1 of the Code and the rules and regulations relating thereto, as amended.

(b) If Redeveloper or their contractors fail, refuse or neglect to comply with the provisions of Chapter 3 and the rules and regulations relating thereto, then such action shall be deemed a total breach of this Agreement may be terminated, canceled or suspended, in whole or in part, and the contractor or developer may be declared ineligible for any further contracts funded by City for a period of one (1) year.

29. Prevailing Wage. Redeveloper acknowledges that the Residential Building Improvements and Public Improvements are subject to payment of prevailing wage pursuant to Code § 3-622. The Redeveloper shall (a) pay and cause all its contractors and subcontractors to pay prevailing wage rates set forth in the then existing applicable Annual Wage Order as established pursuant to RSMo § 290-210 through § 290-340, inclusive, for any scopes of work related to the Development Project for which costs are anticipated to be paid or reimbursed pursuant to the terms and conditions of this Agreement, (b) comply with all rules and regulations set by the City Civil Rights and Equal Opportunity Department with respect to the payment of prevailing wage and associated reporting, and (c) indemnify, protect, defend and hold the City and the Commission 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 occurring or allegedly occurring as a result of the Redeveloper's failure to comply with this Section .

30. Non-discrimination. Redeveloper shall itself not and shall require that any contractor working on the Redevelopment Project not discriminate against any employee or candidate for employment on the basis of an individual's race, hair texture or hair style associated with an individual's race, color, sex, religion, national origin, including limited English proficiency, or ancestry, disability, sexual orientation, gender identity or age in a manner prohibited by Chapter 38 of the Code. Redeveloper shall itself not and shall require that any contractor not engage in any discrimination as prohibited by Chapter 3 of the Code. Furthermore, Redeveloper shall comply with Title VI of the Civil Rights Act of 1964.

31. Ban the Box. Redeveloper shall itself and shall require that all subcontractors working on the Redevelopment Project comply with Code § 38-104 regarding criminal records in employment.

32. Construction Completion Timeline. Pursuant to Code § 74-12, all incentives granted pursuant to this agreement, are contingent on the Redeveloper substantially completing the Redevelopment Project on or before December 31, 2030. If the Development Project is not substantially complete by December 31, 2029, Redeveloper shall forfeit all right to any incentives authorized by this agreement and shall be required to pay to the City any funds that were previously paid for the Redevelopment Project. Such repayment shall be made within sixty (60) days of the City notifying Developer of their failure to substantially complete the project within the time provided by this Agreement.

33. ADA Accessible. The Redevelopment Project shall be constructed according to ADA accessibility requirements as outlined by the Fair Housing Act Design Manual.

**END OF DOCUMENT**

**SIGNATURE PAGE TO  
TAX CONTRIBUTION AND DISBURSEMENT AGREEMENT  
BY AND AMONG BY THE CITY OF KANSAS CITY, MISSOURI,  
TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY,  
AND 800 GRAND KCMO LLC**

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.

**CITY OF KANSAS CITY, MISSOURI**

By: \_\_\_\_\_  
William Choi,                      Director of Finance

Approved as to form:

\_\_\_\_\_  
Associate City Attorney

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TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY,  
AND 800 GRAND KCMO LLC**

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

By: \_\_\_\_\_  
Alissia R. Canady, Chair

ATTEST:

\_\_\_\_\_  
La'Sherry Banks, Executive Assistant

Approved as to form:

\_\_\_\_\_  
Counsel to the Tax Increment  
Financing Commission

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TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY,  
AND 800 GRAND KCMO LLC**

**800 GRAND KCMO LLC,**  
a Missouri limited liability company

By: \_\_\_\_\_

Name: Ryan Sullivan

Title: Chief Development Officer



**Exhibit A**

**ESTIMATED BUDGET OF REDEVELOPMENT PROJECT COSTS**

**Exhibit B**

**Economic Activity Tax Documentation and Collection Policy**

**Date Approved:**                      **November 20, 2010**

**Resolution Number:**              **11-31-10**

**Policy statement:** Establish a procedure for Developers to assist the Tax Increment Financing Commission of Kansas City, Missouri in collecting and documenting, on a timely basis, information necessary to determine the amount of Economic Activity Taxes, as defined by the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.845.3 (“EATs Revenue”), that is generated within redevelopment project areas implemented by such Developers (“Redevelopment Project Areas”).

I. Determination of the “Base” at the Time a Redevelopment Project Area is Approved by Ordinance

A. Section 99.845 RSMo. specifies that the base amount of economic activity taxes identified for the purpose of determining EATs Revenue is the amount of economic activity taxes identified in the calendar year prior to the adoption of a redevelopment project and the designation of a redevelopment project area by ordinance (the “Base”). Prior to the designation of a Redevelopment Project Area by the City Council, the Developer shall provide the Commission with the list of businesses located within the proposed Redevelopment Project Area and certify, to its actual knowledge, that such list is accurate.

B. In the event the Developer determines that certain businesses, whose base amount of economic activity taxes were not incorporated within the Base, but were located and operating within a Redevelopment Project Area at the time the Base was established, the Developer shall immediately notify the Commission of such businesses.

II. Procedures for Documentation and Collection of Economic Activity Taxes

A. Obligations of a Developer Owned and/or Occupied Redevelopment Project

1. Sales Taxes: The Developer shall submit to the Commission on a semi-annual basis documentation of the amount of sales taxes paid within the Redevelopment Project Area. Typically, this documentation will consist of copies of all sales tax returns and a cover sheet stating the total amount of sales taxes paid during the reporting period. Alternatively, a Developer may submit to the Commission the businesses’ MITS numbers as well as such businesses’ location codes. (See Exhibit 1 attached hereto).

2. Earnings Taxes: The Developer shall submit to the Commission on a semi-annual basis documentation of the amount of earnings taxes withheld or paid by workers whose jobs, at the time such earnings were withheld or paid, were located within the Redevelopment Project Area. 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 withheld from or paid by workers during a reporting period whose jobs, at the time such earnings taxes were withheld or paid, were located within the Redevelopment Project Area. Alternatively, the Developer may submit a form provided by the Commission, which sets forth the businesses’ Federal Identification numbers as well as the percentage of earnings taxes generated by workers of such businesses located within the Redevelopment Project Area.

3. Net Profits Taxes: The Developer shall submit to the Commission on an annual

basis documentation of the amount of net profits taxes paid by businesses operating within the Redevelopment Project Area. This documentation will consist of copies of the net profits tax returns and a cover sheet stating the amount of net profits taxes paid by businesses operating within the Redevelopment Project Area during the reporting period. Alternatively, the Developer may submit a form provided by the Commission, which sets forth the businesses' Federal Identification numbers as well as the percentage of net profits taxes generated by such businesses operating within the Redevelopment Project Area.

4. Food and Beverage Taxes: The Developer shall submit to the Commission on a semi-annual basis documentation of the amount of food and beverage taxes paid by businesses operating within the Redevelopment Project Area. 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 by businesses operating within the Redevelopment Project Area during the reporting period. Alternatively, the Developer may submit a form provided by the Commission, which sets forth the businesses' Federal Identification numbers as well as the percentage of food and beverage taxes generated by such businesses operating within the Redevelopment Project Area.

5. Utility Taxes: The Developer shall provide to the Commission on a semi-annual basis copies of all utility bills paid and a cover sheet showing the total amount paid to each utility provider for service provided within the Redevelopment Project Area during each six-month reporting period.

B. Obligations of Developer who sells or leases real property within a Redevelopment Project Area.

1. Sales Taxes: The Developer shall include as a part of all assignments, sales and lease agreements entered into prior to the termination of the Redevelopment Project Area, and contractually require for inclusion in any subsequent assignments, sales, leases and subleases, a provision that all businesses located within the Redevelopment Project Area shall submit to the Commission documentation of the amount of sales taxes paid within the Redevelopment Project Area. 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. Alternatively, a Developer may incorporate within its assignments, sales and lease agreements a provision that obligates all businesses located within the Redevelopment Project Area to submit to the Commission such businesses' MITS numbers as well as such businesses' location codes. (See Exhibit 1 attached hereto).

2. Earnings Taxes: The Developer shall include as a part of all assignments, sales and lease agreements entered into prior to the termination of the Redevelopment Project Area, and contractually require for inclusion in any subsequent assignments, sales, leases and subleases, a provision that all businesses located within the Redevelopment Project Area submit to the Commission documentation of the amount of earnings taxes withheld or paid by workers whose jobs, at the time such earnings taxes were withheld or paid, were located within the Redevelopment Project Area. This documentation will consist of copies of all earnings tax returns filed and a cover sheet stating the total amount of earnings taxes paid by workers during a reporting period whose jobs, at the time such earnings taxes were withheld or paid, were located within the Redevelopment Project Area. Alternatively, a Developer may incorporate a provision within its assignments, sales and lease agreements a provision that all businesses located within the Redevelopment Project Area shall submit to the Commission the businesses' Federal Identification numbers as well as the percentage

of earnings taxes generated by the businesses operating within the Redevelopment Project Area.

3. Net Profits Taxes: The Developer shall include as a part of all assignments, sales and lease agreements entered into prior to the termination of the Redevelopment Project Area, and contractually require for inclusion in any subsequent assignments, sales, leases and subleases, the provision that all businesses located within the Redevelopment Project Area submit to the Commission documentation of the amount of net profits taxes paid by businesses operating within the Redevelopment Project Area. This documentation will consist of copies of the net profits tax returns and a cover sheet stating the amount of net profits taxes paid by businesses operating within the Redevelopment Project Area during the reporting period. Alternatively, a Developer may incorporate a provision within its assignments, sales and lease agreements a provision that all businesses located within the Redevelopment Project Area shall submit to the Commission the businesses' Federal Identification numbers as well as the percentage of net profits taxes generated by such businesses operating within the Redevelopment Project Area.

4. Food and Beverage Taxes: The Developer shall include as a part of all assignments, sales and lease agreements entered into prior to the termination of the Redevelopment Project Area, and require for inclusion in any subsequent assignments, sales, leases and subleases, a provision that all businesses located within the Redevelopment Project Area submit to the Commission documentation of the amount of food and beverage taxes paid by businesses operating within the Redevelopment Project Area. 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 by businesses operating within the Redevelopment Project Area during the reporting period. Alternatively, the Developer may submit a form provided by the Commission, which sets forth the businesses' Federal Identification numbers as well as the percentage of food and beverage taxes generated by such businesses operating within the Redevelopment Project Area.

5. Utility Taxes: The Developer shall include as a part of all assignments, sales and lease agreements entered into prior to the termination of the Redevelopment Project Area, and require for inclusion in any subsequent assignments, sales, leases and subleases, a provision that all businesses located within the Redevelopment Project Area submit to the Commission documentation of the amount of utility taxes paid by such businesses located within the Redevelopment Project Area. This documentation will consist of copies of all utility bills paid and a cover sheet stating the total amount of utility taxes paid to each utility provider for service provided within the Redevelopment Project Area during each six-month reporting period.

The conditions set forth in this Section II.B. 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 Redevelopment Project Area described by a tax increment financing plan 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.

III. Developer Compliance with this Economic Activity Tax Policy and Procedure

The Developer shall not be deemed to be in compliance with this Policy unless:

- A. Ninety percent (90%) of all documentation, which is required to be submitted pursuant to this Policy (the “EATs Documentation”), is submitted semi-annually to the Commission. Specifically, 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 Commission.
- B. In the event all EATs Documentation is not submitted in accordance with Section III.A., the Developer has taken the following actions:
  - 1. delivered written notice, between May 15 and May 31 and November 15 and November 30, to all tenants located within all Redevelopment Project Areas that (a) the Developer has been designated to develop pursuant to a resolution or (b) are being improved by such Developer pursuant to a redevelopment agreement between the Developer and the Commission;
  - 2. visit all tenants within each Redevelopment Project Area, as requested by the Commission’s EATs compliance officer, between May 31 and June 30 and November 30 and December 31 and all tenants that are delinquent in submitting EATs Documentation at any time thereafter;
  - 3. (i) include in lease agreements entered into after the execution of a redevelopment agreement with the Commission an obligation that tenants provide all EATs Documentation required to be submitted to the Commission in accordance with this Policy and (ii) enforce such obligation to the maximum extent permitted by law;
  - 4. prior to July 15<sup>th</sup> and January 15<sup>th</sup>, made telephone calls or delivered emails to all tenants located within the Redevelopment Project Areas informing such tenants of their obligation to submit EATs Documentation to the Commission and maintain a log thereof, including date, time, and name or person talked to (Collectively, “Good Faith Efforts”); and
  - 5. provided the Commission with an annual certified list of businesses located within each Redevelopment Project Area, by February 15 of each year that the Plan/Project is active.

**As a condition to the certification of any redevelopment project costs to the Developer, the Commission EATs compliance officer must certify to the Commission that the Developer has complied with this Section of this Policy.**

IV. Monitoring of Future Lease of Property

The Developer of the property shall provide to the 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.

V. Confidentiality

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

1. If studies and documents are presented to the 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 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.