

Details

period (the 5-year exemption applies to each year's new or replacement equipment, such that equipment purchased in Year 1 would be exempt for Years 2-6, beginning in 2016, and equipment purchased in Year 6 would be exempt for Years 7-11 beginning in 2021). The City's portion of this tax abatement is approximately \$887,622. Pursuant to the City's Chapter 100 policy, Cerner will make annual payments in lieu of taxes (PILOTS) equal to 50% of the personal property taxes to the affected taxing jurisdictions that would have been payable had the personal property been fully taxed.

Cerner, as the City's contractor, will purchase and install personal property on the project site in accordance with the lease agreement. The City shall be the sole owner of the personal property during the lease term. While the personal property is owned by the City and is subject to the lease, Cerner's leasehold interest will be exempt from all ad valorem property taxes, while Cerner will make PILOT payments. During the lease term, Cerner has agreed to both earnings tax and investment thresholds. Each item of personal property shall be conveyed by the City to Cerner on the 5th anniversary of Cerner's conveyance to the City (or sooner at Cerner's option).

The cost/benefit report for the project shows a net positive benefit for all the affected taxing jurisdictions as follows:

- City: \$3,846,068
- North Kansas City School District: \$3,184,158
- Clay County: \$992,414
- Metropolitan Community College \$115,997

The affecting taxing jurisdictions were given notice of the project by certified mailing in accordance with Section 100.059.1 of the Revised Statutes of Missouri on April 27, 2015.

Policy/Program Impact

Policy or Program Change	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Operational Impact Assessment	None

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	Any future bond issuance associated with this project would be considered "conduit debt" of the City solely repaid by Cerner's resources. The bond issue will not count against the City's debt capacity and will only appear on the City's financial statements as a footnote.
Fund Source (s) and Appropriation Account Codes	
Is This Ordinance or Resolution Good for the Children?	Yes. The Cerner Corporation Project is an important economic development to the City because it is expected to generate additional investment in the City and the creation of 2 jobs and the retention of 16 jobs.

Applicable Dates:

Fact Sheet Prepared by:

Katherine Carttar, City Planning and Development Department

Reviewed by:

Reference Numbers

CONTRACT

Ordinance Fact Sheet



Brief Title

Approval Deadline

Reason

Details

Reason for Contract

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Roles and Responsibilities

Sponsor	
Department or Programs Affected	
Recommended Awardee	
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input type="checkbox"/> Yes
Opponents	Groups or Individuals Reason for Opposition
Responsibilities	Design Engineering: Inspections: Construction or Project Management: Service Monitoring:

Policy/Program Impact

Policy or Program Emphasis Change	<input type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

(Continued on reverse side)

BUDGET ADJUSTMENT

Ordinance Fact Sheet

Ordinance Number

Brief Title

Approval Deadline

Reason

Details

Reason for Adjustment

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Department, Program, or Accounts Affected

Sponsor

From/Transferor(s) or Fund Title(s)

To/Transferee(s) or Fund Title(s)

Policy / Program Impact

Policy or Program
Emphasis Change

No Yes

Operational
Impact
Assessment

Council Committee Actions

Do Pass Hold
 Do Pass (as amended) w/o Recommendation
 Committee Sub. Do Not Pass

Fact Sheet prepared by: _____ Date _____

Fact Sheet reviewed by: _____ Date _____

Reference Numbers