

**REDEVELOPMENT AGREEMENT**  
**BETWEEN**  
**THE TAX INCREMENT FINANCING COMMISSION**  
**OF KANSAS CITY, MISSOURI,**  
**AND**  
**THE CITY OF KANSAS CITY, MISSOURI,**  
**FOR THE CONSTRUCTION OF CERTAIN TRAILS**  
**AS PROVIDED FOR BY THE**  
**PLATTE PURCHASE DEVELOPMENT PLAN**

**Dated: March 20, 2020**

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## REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “**Agreement**”) dated March 20, 2020, by and between the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI (the “**Commission**”) and THE CITY OF KANSAS CITY, MISSOURI, (“**City**”) with respect to the following facts and objectives:

A. Pursuant to the Real Property Tax Increment Financing Allocation Act, Section 99.100 RSMo. 1988, et seq., as amended (“**Act**”), on July 21, 2016, the City Council of Kansas City, Missouri (the “**Council**”), by way of Ordinance No. 160415, approved the Platte Purchase Development Plan and designated the area described therein as a redevelopment area (the “**Redevelopment Area**”).

B. The Platte Purchase Development Plan was subsequently amended by the Council’s passage of a series of Ordinances (the Platte Purchase Development Plan, as amended, is hereafter referred to as the “**Plan**”).

C. The Plan provides for, among other things, the design and construction of certain roadways and trails within and adjacent to the Redevelopment Area, as more specifically described on **Exhibit A**.

D. The City has agreed to design and construct trails along Second Creek between Line Creek Parkway and NW 97<sup>th</sup> Street (the “**TS1 Trail Improvements**”) pursuant to the Plan, subject to the Commission’s agreement to reimburse the City from “**Available Funds**” (as hereafter defined) for certain costs related thereto in accordance with the terms and conditions of this Agreement.

E. The City and the Commission desire to enter into this Agreement to set forth their mutual understanding relative to the financing and implementation of the TS1 Trail Improvements.

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

1. **TS1 Trail Improvements**. The City shall implement or cause to be implemented the TS1 Trail Improvements. The final design and construction plans for the TS1 Trail Improvements shall be approved by the City of Kansas City, Missouri, through the Director of Public Works and all such approvals shall be communicated in writing to the Commission prior to the City submitting to the Commission for certification any costs related to the TS1 Trail Improvements. All projected costs associated with the TS1 Trail Improvements, which are estimated to be \$1,338,000, are set forth on **Exhibit B**, attached hereto.

2. **Date of Completion**. Subject to the other provisions of this Agreement including, without limitation, **Section 18**, the City shall comply with the development schedule attached hereto as **Exhibit C** for the implementation of the TS1 Trail Improvements and cause the **TS1 Trail Improvements** to be substantially completed by December 31, 2022.



3. Reimbursement to City. To the extent City and its contractors have completed the TS1 Trail Improvements and, in doing so, have complied with:

a. Ordinance No. 180535, as further amended (the “**MBE/WBE Ordinance**”). The MBE/WBE Ordinance is intended to provide an equal opportunity for minority owned business enterprises, women-owned business enterprises, minorities and women to participate in the development of TIF-assisted redevelopment projects (“**Minority Participants**”). The MBE/WBE Goals for the TS1 Trail Improvements shall be established in accordance with the MBE/WBE Ordinance. The City will adhere to all such reasonable rules, regulations, reporting procedures and forms which the Commission may from time to time promulgate for the purpose of facilitating uniform, orderly and efficient compliance with this Section,

b. the City Code of General Ordinances, Chapter 3, Article IV, Division 2, Sections 3-501 through 3-525,

c. Section B of the Commission’s Review, Approval and Direct Payment Policy, attached hereto as **Exhibit D** (For purposes of the Review, Approval and Direct Payment Policy, City shall be deemed the “**Developer**” under such Policy),

City or its contractors or subcontractors shall be paid for up to \$338,000 of the TS1 Trail Improvement Costs (as defined in **Section 3**) from available Economic Activity Taxes generated within the Redevelopment Area (“**EATS Revenue**”) which are not utilized to secure the Revenue Bonds (Platte Purchase Project A) Series 2019 that were issued by The Industrial Development Authority of the City of Kansas City, Missouri in the original principal amount of \$19,500,000 (the “**Platte Purchase Bonds**”) and/or (b) available proceeds from Platte Purchase Bonds, which are secured, in part, with EATS Revenue (collectively, “**Available Funds**”); provided however, the Commission shall not be obligated to certify or reimburse any costs related to the design and construction of the TS1 Trail Improvements, unless and until the City has received a Certificate of Completion and Compliance from the Commission as required by **Section 11.**

4. Certification of Redevelopment Costs. The Commission may independently verify any request for payments or reimbursement of any TS1 Trail Improvements Costs, utilizing the services of employees of the Commission or other qualified individuals and such costs, which have been certified by the Commission pursuant to its Review, Approval and Direct Payment Policy, shall be deemed “**TS1 Trail Improvements Certified Costs**” and paid from Available Funds. The City or its contractors or subcontractors shall provide such information as is reasonably necessary to facilitate such verification and shall require the same of all its designated contractors and subcontractors. The Commission shall make a good faith effort to complete its verification of payment requests prior to the meeting at which a request is to be considered.

5. Bids Required. The City agrees to solicit bids from qualified contractors for the construction of the TS1 Trail Improvements and select the lowest qualified and best bidder for the construction of the TS1 Trail Improvements, which shall include compliance with the MBE/WBE Ordinance. The City shall communicate in writing to the Commission the amount of

such bids and the name of the party selected by the City to construct the TS1 Trail Improvements.

6. Control of Redevelopment Area. The City shall have complete and exclusive control over the construction of the TS1 Trail Improvements, subject, however, to all applicable laws, rules and regulations, including, but not limited to, all ordinances, rules and regulations of the City, such as zoning ordinances. The Commission, its agents or employees seeking to access and inspect the TS1 Trail Improvements shall provide notice to the City of not less than two (2) business days prior to being provided with access to the TS1 Trail Improvements so that the City can coordinate such entry with its project manager.

7. Compliance with Laws. At all times during the term of this Agreement, but subject to the City's rights to contest the same in any manner permitted by law, the City, at its sole cost and expense, shall comply in every respect with all applicable laws, ordinances, rules and regulations of all federal, state, county and municipal governments, agencies, bureaus or instrumentalities thereof now in force or which may be enacted hereafter which pertain to the construction of the TS1 Trail Improvements.

8. Payment of Prevailing Wages. The City shall cause its contractors and subcontractors involved in the construction of the TS1 Trail Improvements to (a) pay prevailing wage rates as established under RSMo. §290-210 through §290-340, inclusive, (b) comply with the procedures set forth on **Exhibit E**, attached hereto, and (c) cause its contractors and subcontractors to indemnify, protect and defend the Commission and its officers, members, agents and employees 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 whatever kind or character (including consequential and punitive damages) occurring or allegedly occurring as a result of such contractor's or subcontractor's failure to comply with this Section.

9. Payment Bond. The City shall cause each of its contractors engaged to construct the TS1 Trail Improvements (a) to furnish a payment bond, with good and sufficient sureties, which among other conditions, shall be conditioned for the payment of any and all materials, incorporated, consumed or used in connection with the construction of the TS1 Trail Improvements and all insurance premiums, both for compensation and for all other kinds of insurance required by the construction contract, and for all labor performed in such work whether by subcontractor or otherwise, and (b) cause its contractors and subcontractors to indemnify, protect and defend the Commission and its officers, members, agents and employees 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 whatever kind or character (including consequential and punitive damages) occurring or allegedly occurring as a result of such contractor's or subcontractor's failure to comply with this Section. The payment bond shall remain in effect for a period consistent with standards established by the Public Works Department of the City of Kansas City, Missouri ("**Public Works**") and until the date the TS1 Trail Improvements receive a Certificate of Completion and Compliance from the Commission.



10. Performance and Maintenance Bond. The City (a) shall cause its designated contractor engaged to construct the TS1 Trail Improvements to furnish, or cause to be furnished, a performance and maintenance bond in the full amount of each contract relating to the TS1 Trail Improvements with good and sufficient sureties, and (b) cause its contractors and subcontractors to indemnify, protect and defend the Commission and its officers, members, agents and employees 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 whatever kind or character (including consequential and punitive damages) occurring or allegedly occurring as a result of such contractor's or subcontractor's failure to comply with this Section. The performance and maintenance bond shall remain in effect for a period consistent with Public Works standards and until the date the TS1 Trail Improvements receive a Certificate of Completion and Compliance from the Commission.

11. Certificate of Completion and Compliance. Within sixty (60) days of the completion of the TS1 Trail Improvements, the City shall submit to the Commission a report certifying that the TS1 Trail Improvements have been completed in accordance with Exhibit A and that the City is in compliance with all provisions of this Agreement and that it has provided to the Commission, or its independent cost certifier, all documentation required by the Commission's Review, Approval and Direct Pay Policy, attached hereto as Exhibit D. The City shall, as part of its report, (a) certify the total cost of completing the TS1 Trail Improvements, and (b) include such supporting documentation necessary for the Commission, or its independent certifier, to substantiate all the eligible TS1 Trail Improvements Costs, as described in the Plan, incurred by the City and presented to the Commission for certification. The Commission shall forward the City's report and request for reimbursement to the Commission's cost certifier and the Commission shall exert reasonable best efforts to cause the cost certifier to render a recommendation to the Commission as to whether costs referenced therein should be certified. The Commission may conduct an investigation, and if the Commission determines that the TS1 Trail Improvements have been completed in accordance with the provisions of the Plan and this Agreement, the Commission's Funding Schedule, attached hereto as Exhibit F, this Agreement, including, but not limited to, the following policies and procedures incorporated herein: the MBE/WBE Ordinance, Procedures for the Payment of Prevailing Wages, and other required governmental approvals and that all costs related to the TS1 Trail Improvements have been certified pursuant to the Commission's Review, Approval and Direct Pay Policy, the Commission shall issue a Certificate of Completion and Compliance and certify such costs (the "**Certified Costs**"). If the Commission determines that the TS1 Trail Improvements, or any phase or portion of the TS1 Trail Improvements, have not been completed in accordance with the provisions of this Section, or that any TS1 Trail Improvements Costs have not been certified, pursuant to the Commission's Review, Approval and Direct Pay Policy, then the Commission may, in its sole discretion, (x) not issue a Certificate of Completion and Compliance, (y) withhold reimbursement of TS1 Trail Improvements Costs and (z) specify in writing the reason or reasons for withholding its certification. Upon the request of the City, the Commission shall hold a hearing at which the City may present new and/or additional evidence.

a. The issuance of a Certificate of Completion and Compliance by the Commission shall be a conclusive determination of the satisfaction and termination of the covenants in this Agreement, with respect to the obligations of the City to complete the



TS1 Trail Improvements within the dates for the beginning and completion thereof and in accordance with the criteria applicable thereto as herein set forth.

b. Each such Certificate of Completion and Compliance issued by the Commission shall contain a description of the real property affected thereby and shall be in such form as will enable such certificate to be accepted for recording in the Office of the Recorder of Deeds in the county in which such property is located.

**12. Payment of Certified Costs.**

a. Subject to the conditions and obligations of the City under this Agreement, including **Section 3**, and the availability of Available Funds, the Commission shall reimburse the City for Certified Costs in an amount not to exceed \$338,000, as provided in this Section.

b. Requests for reimbursement shall be in writing and include adequate documentation as to the expenditure of funds and the quantity of work completed. Only requests for reimbursement presented to the Commission in a manner consistent with the Review, Approval and Direct Pay Policy shall be considered by the Commission. If the Commission does not approve all or part of a requested progress payment, it shall, if requested to do so by the City, specify in writing the reason or reasons for withholding its approval. Upon request of the City, the Commission shall promptly hold a hearing at which the City may present new and/or additional evidence.

c. The Commission may independently verify any request for progress payments, utilizing the services of employees of the City or other qualified individuals. The City shall provide such information as is reasonably necessary to facilitate such verification and shall require the same of all its designated contractors and subcontractors. The Commission shall make a good faith effort to complete its verification of progress payment requests prior to the meeting at which a request is to be considered.

13. Assignment. The City agrees that this Agreement and the rights, duties and obligations hereunder may not and shall not be assigned by the City except upon terms and conditions agreeable to the Commission. In the event this Agreement is assigned in whole or part, the City shall not be relieved from any obligations set forth herein unless and until the Commission specifically agrees in writing to release the City.

14. MBE/WBE Ordinance. With respect to the TS1 Trail Improvements, the City will comply with the MBE/WBE Ordinance, as incorporated herein by this reference and contractually require its contractors and subcontractors to comply with the terms and provisions of the MBE/WBE Ordinance, exert best efforts to enforce such provisions to the maximum extent permitted by law and further provide that the Commission shall be a third-party beneficiary with respect to the compliance and enforcement of such provisions. The MBE/WBE Ordinance supports and implements the affirmative action policy of the City, by (a) establishing affirmative action goals with respect to the aggregate amount of all costs incurred in connection with the implementation of the TS1 Trail Improvements, (b) requiring the City and its

contractors to exert good faith efforts to meet such goals, (c) requiring the City and its contractors to deliver a professional services utilization plan and a construction services utilization plan to the Human Relations Department of the City for its approval and (d) requiring the City and its contractors to exert good faith efforts, in accordance with the MBE/WBE Ordinance, to comply with such utilization plans during the implementation of the TS1 Trail Improvements. The MBE/WBE Ordinance is intended to provide an equal opportunity for minority owned business enterprises, women-owned business enterprises, minorities and women to participate in the development of TIF-assisted redevelopment projects (“**Minority Participants**”). Prior to or simultaneously with the certification and reimbursement of any Project Costs incurred by the City in connection with the implementation of the TS1 Trail Improvements, the City shall report to the Commission the progress of the City’s utilization of Minority Participants in the implementation of the TS1 Trail Improvements and, within sixty (60) days of the completion of the TS1 Trail Improvements, the City shall provide a final report, which shall describe the utilization of Minority Participants in connection with the implementation of the TS1 Trail Improvements. The parties hereto and their successors and assigns expressly agree that the Minority Participants, who shall have demonstrated to the Commission’s satisfaction, financial harm or injury as a result of the City’s failure to comply with the MBE/WBE Ordinance, shall be third-party beneficiaries with respect to the enforcement and performance of this **Section 14**. The City will adhere to such reasonable rules, regulations, reporting procedures and forms which the Commission may from time to time promulgate for the purpose of facilitating uniform, orderly and efficient compliance with the MBE/WBE Ordinance and which do not alter the goals established by the Human Relations Department of the City and incorporated within utilization plans for professional services and construction services (“**Utilization Plans**”). Prior to any costs being incurred with respect to the TS1 Trail Improvements, Utilization Plans for the TS1 Trail Improvements will be submitted to and approved by the Human Relations Department of the City.

15. Work Force. With respect to the implementation of the TS1 Trail Improvements, the City, as required by City Code of General Ordinances Chapter 3, Article IV, Division 3, Section 3-401 through 3-525, and acting through its Human Relations Department, shall comply with the Commission’s Workforce Policy, as amended from time to time and attached hereto as **Exhibit G** (the “**Workforce Policy**”) and incorporated herein by this reference, and cause its contractors and subcontractors to comply with the terms and provisions of the Workforce Policy, exert best efforts to enforce such provisions to the maximum extent permitted by law and further provide that the Commission shall be a third party beneficiary with respect to the compliance and enforcement of such provisions. The Workforce Policy supports and implements City Code of General Ordinances, Chapter 3, Article IV, Division 3, Sections 3-501 through 3-525 (the “**Workforce Ordinance**”) and creates a construction employment program (“**Construction Employment Program**”) that establishes goals for the employment of minority, women and resident workers for certain construction contractors engaged by the City, its departments and agencies, including the Commission.

16. Breach; Compliance.

a. If the City does not comply with provisions of this Agreement, within the time limits and in the manner for the completion of the TS1 Trail Improvements as herein stated, except for Excusable Delays, in that the City shall do, permit to be done, or fail or



omit to do, or shall be about do, or fail or omit to have done, anything contrary to or required of it by this Agreement or the Act, and if, within thirty (30) days after written notice of such default by the Commission to the City, and the City shall not have cured such default or commenced such cure or be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period, then the Commission may institute such proceedings as may be necessary in its opinion to cure the default, including, but not limited to, proceedings to compel specific performance by the City of its obligations and the Commission is granted the specific right to terminate this Agreement, the specific right to withhold or apply funds claimed by the City to such extent as is necessary to protect the Commission from loss or to ensure that the TS1 Trail Improvements are fully and successfully implemented in a timely fashion and the specific right to withhold issuance of a Certificate of Completion and Compliance.

b. If the Commission fails to comply with the provisions of this Agreement, and within thirty (30) days after written notice of such default by the City to the Commission, the Commission shall not have cured such default or commenced such cure or be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period, then the City may institute such proceedings in law or in equity to cure the default.

c. 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 either 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 either party shall apply to obligations beyond those expressly waived.

d. Any delay by any party in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this **Section 15** shall not operate as a waiver of such rights or limit them in any way. No waiver made by any party of any specific default by any other party shall be considered or treated as a waiver of the rights of any party with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

17. Mediation. **NOTWITHSTANDING ANYTHING HEREIN STATED IN THIS AGREEMENT TO THE CONTRARY, ANY UNRESOLVED DISPUTE WITH RESPECT TO THIS AGREEMENT SHALL BE SUBMITTED TO MEDIATION BY A SINGLE MEDIATOR.** The mediator shall be a person located in the Kansas City metropolitan area agreed to by the parties. If the parties cannot agree to a mediator, the selection shall be made by the Presiding Judge of the Circuit Court of Jackson County, Missouri, on the application of either party. All expenses and fees of the mediator and the mediation shall be assessed by the mediator as he or she finds equitable and just based on his or her findings with respect to the dispute; provided, however, that each party shall bear the expenses and fees of any attorneys, accountants, expert witnesses or others appearing or submitting any materials on such party's behalf.

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

City. Any such modification to this Agreement as approved shall include an attachment of this Agreement, as approved and executed, for reference.

19. Effective Date. This Agreement shall become effective on the date set forth herein, and shall remain in full force and effect until the completion of the TS1 Trail Improvements called for in the Plan and this Agreement, and so long thereafter as (a) obligations remain outstanding under this Agreement, or (b) there are any remaining Certified Costs, which have not been reimbursed to the City in accordance with this Agreement from funds on deposit in the Project Account. At such time as all of the obligations and costs set forth in the preceding sentence have been satisfied and reimbursed, this Agreement shall terminate, provided that in any event, the obligations of the City and Commission arising under the terms and conditions of this Agreement, with respect to the TS1 Trail Improvements, including, but not limited to, the reimbursement or payment of Certified Costs, shall cease no later than December 31, 2020.

20. Excusable Delays. The parties understand and agree that the City shall not be deemed to be in default or breach of this Agreement because of delays or temporary inability to proceed due in whole or in part to causes beyond the reasonable control or without the material fault of the City or its contractors, including without limitation strikes, lockouts, the unavailability of necessary materials or labor, delays in the city inspection process and inclement weather (collectively "**Excusable Delays**"). The time of performance hereunder shall be extended for the period of any Excusable Delays caused or resulting from any of the foregoing causes, it being understood that the City is entitled to such extensions upon presentation of reasonable evidence and/or documentation of the periods of such Excusable Delays to the Commission.

21. 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 delivery 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 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 delivery as shown on the receipt obtained by such delivery service.

Notices to the Commission  
shall be addressed to:

Executive Director  
Tax Increment Financing Commission of Kansas City, Missouri  
300 Wyandotte, Suite 400  
Kansas City, Missouri 64105



with a copy to: Bryan Cave Leighton Paisner LLP  
3800 One Kansas City Place  
1200 Main Street  
Kansas City, Missouri 64105  
Attn: Wesley O. Fields

Notices to City shall  
be addressed to: Department of Public Works of Kansas City, Missouri  
20th Floor, City Hall  
414 E. 12<sup>th</sup> Street  
Kansas City, Missouri 64106  
Attn: Director

with copies to: Law Department  
28th Floor, City Hall  
414 E. 12<sup>th</sup> Street  
Kansas City, Missouri 64106  
Attn: City Attorney

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.

22. Headings. The headings or captions of this Agreement are for convenience and reference only, and in no way define, limit, or describe the scope or intent of the contract or any provisions hereof.

23. Validity and Severability. 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 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, other than the City's obligation to construct or cause the construction of the TS1 Trail Improvements in accordance with subsection a of **Section 1** of this Agreement, the Commission's obligation to reimburse the City for certain costs in accordance with **Section 3** of this Agreement and any other provision containing material benefits bargained for under the Agreement, the exclusion of which or deemed unenforceability of which would constitute a failure of consideration for a party to go forward with its obligations, 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.

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.

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

25. Sole Agreement. This Agreement and the Prioritization Agreement, including all exhibits, riders or addenda attached hereto and thereto, constitute the sole agreement between the parties and supersede any prior understandings or written or oral agreements between the parties.

26. Technical Amendments. In the event that there are minor inaccuracies contained herein or any Exhibit attached hereto or any other agreement contemplated hereby, or the parties agree that changes are required due to unforeseen events or circumstances, or technical matters arising during the term of this Agreement, which changes do not alter the substance of this Agreement, the respective presiding officers of the Commission, and the officers of the City, are authorized to approve such changes, and are authorized to execute any required instruments, to make and incorporate such amendment or change to this Agreement or any Exhibit attached hereto or any other agreement contemplated hereby.

27. Representations and Warranties. City hereby represents and warrants to the Commission the following:

a. City has all requisite power and authority to enter into, execute and deliver this Agreement, and to consummate the transactions contemplated hereby and to perform the obligations hereunder.

b. This Agreement has been duly executed and delivered by City, assuming the due execution and delivery hereof by the Commission and other parties thereto, constitute a legal, valid and binding obligation, of City, enforceable against City in accordance with their respective terms and conditions.

28. 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.

29. Multiple Counterparts. This Agreement may be executed in multiple counterpart copies, each of which will be considered an original and all of which constitute but one and the same instrument, binding on all parties hereto, even though all the parties are not signatories 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.

30. Continued Cooperation of Parties. Each party agrees that, upon the request of the other, it will provide such other information, documents or instruments and/or undertake such further actions as may be reasonably requested in order to give full force and effect to the intent of the provisions, terms and covenants of this Agreement.

*[The remainder of this page intentionally left blank. Signature pages to follow.]*



CITY OF KANSAS CITY, MISSOURI,

By: *Ernest Rouse*  
Ernest Rouse, Acting City Manager

ATTEST:

By: *Monica Sanders for*  
Marilyn Sanders, City Clerk

Approved as to form:

By: *[Signature]*  
*Assistant* City Attorney

STATE OF MISSOURI     )  
  ) ss.  
COUNTY OF JACKSON    )

On this 12 day of March, 2020, before me, a Notary Public in and for the state and county aforesaid, appeared Ernest Rouse, to me personally known, and who being by me duly sworn, did say that he is the Acting City Manager of the City of Kansas City, Missouri, a constitutional charter city, and that said instrument was signed on behalf of said city by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said city.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

*Terrie L. Smidt*  
Notary Public

My Commission Expires:

*January 12, 2022*



TERRIE L. SMIDT  
My Commission Expires  
January 12, 2022  
Platte County  
Commission #13440280

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to due authority as of the date first above set forth.

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

ATTEST:

By: [Signature]  
Heather A. Brown, Secretary

By: [Signature]  
Cynthia M. Circo, Chair

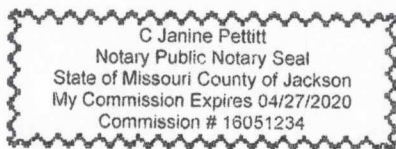
Approved as to form:

By: [Signature]  
Name: Wesley O. Fields  
Title: Counsel to the Commission

STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF JACKSON    )

On this 16<sup>th</sup> day of October, 2019, before me, the undersigned a Notary Public in and for the County and State aforesaid, came Cynthia M. Circo, the Chair of the Tax Increment Financing Commission of Kansas City, Missouri, a commission duly organized, incorporated and existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said commission, and such person duly acknowledged the execution of the same to be the act and deed of said commission.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.



[Signature]  
Signature of Notary Public

My Commission Expires:

April 27, 2020

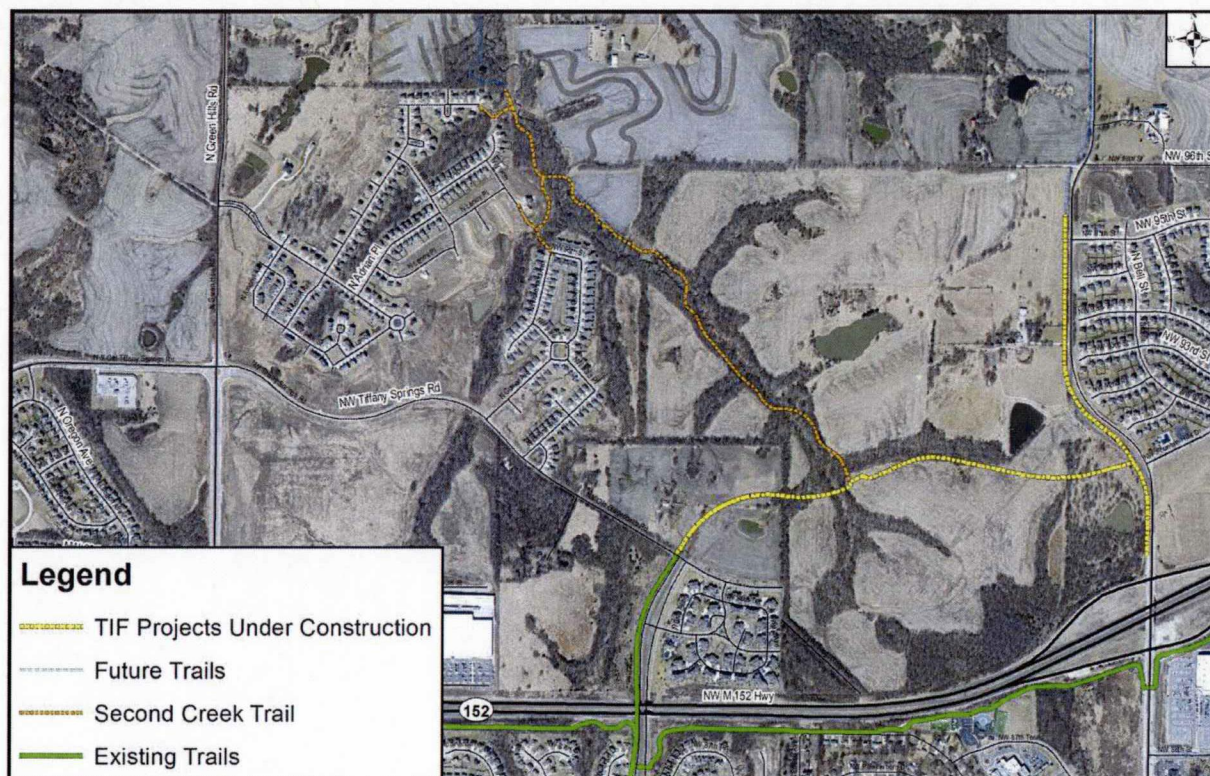


## Exhibit A

## TS1 Trail Improvements

Construction of a 10' wide concrete non-motorized transportation facility along Second Creek between Line Creek Parkway to approximately NW 97<sup>th</sup> Street. Improvements will include the following:

1. Local, State and Federal Permitting
2. Right of Way Acquisition
3. Utility Relocation
4. Traffic Control
5. Geotechnical Testing and Inspections
6. Bidding
7. Grading
8. Storm Sewer Construction
9. Waterline Construction
10. Curb Construction
11. Asphalt Construction
12. Sidewalk Construction
13. Streetlights
14. Striping
15. Seeding
16. Sediment and Erosion Control
17. Landscaping
18. Construction Inspection
19. Project Administration
20. Any other construction and administration related activities to be determined throughout the design and bidding process.



**Exhibit B**

**TS1 Trail Improvements Costs**

Construction	\$1,238,000.00
Project Management	\$100,000.00
Property Acquisition	<u>\$0.00</u>
Total	\$1,338,000.00

\* The Commission shall not be obligated to pay or reimburse Redevelopment Project Costs in excess of \$338,000.

## Exhibit C

### **Development Schedule**

#### TS1 Trail Improvements Schedule

Final Design	October 2019	to	May 2020
Bidding	May 2020	to	July 2020
Construction	August 2020	to	December 2022

**Exhibit D**

Review, Approval and Direct Pay Policy



**Policy Name:**                      **Review, Approval and Direct Payment Policy**

**Date Approved:**                      **January 9, 2013**

**Resolution Number:**                      **1-1-13**

**Policy Statement:**    The purpose of this Review, Approval and Direct Payment Policy is to outline the procedure and establish internal controls for the payment of Redevelopment Project Costs incurred by a developer (the “Developer”) engaged by the Tax Increment Financing Commission of Kansas City, Missouri (the “TIF Commission”) that is (A) a non-profit entity undertaking the design or construction of improvements contemplated by a tax increment financing plan or (B) an entity undertaking, exclusively, public infrastructure improvements on behalf of the City of Kansas City, Missouri (the “City”) and in connection with a tax increment financing plan. Additionally, this Policy may apply to an entity acting at the direction of the TIF Commission and that is in furtherance of a tax increment financing plan, whereby the City or the TIF Commission is acting as the developer of such tax increment financing plan. (All Capitalized terms used, but not defined herein, shall have the respective meaning associated to them in the Real Property Tax Increment Financing Allocation Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri as amended, the “Act”).

**A. Procedure for Determining the Application of the Review, Approval and Direct Payment Policy**

1. Prior to the application of the Review, Approval and Direct Payment Policy to a Redevelopment Agreement, the following shall occur:

a. The Finance and Audit Committee shall convene and receive a recommendation from Executive Director as to what amount of Redevelopment Project Costs shall be paid pursuant to Section B of the Review, Approval and Direct Payment Policy.

b. The Finance and Audit Committee shall recommend to the TIF Commission the amount of Redevelopment Project Costs that shall be paid pursuant to the Section B of the Review, Approval and Direct Payment Policy.

c. The TIF Commission, upon receipt of the Finance and Audit Committee recommendation, shall consider such recommendation and determine the amount of Redevelopment Project Costs that shall be paid pursuant to Section B of the Review, Approval and Direct Payment Policy and such amount, together with payment procedure set forth in Section B of the Review, Approval and Direct Payment Policy, shall be incorporated within the applicable Redevelopment Agreement.

**B. Procedure for Payment of Redevelopment Project Costs that have been incurred, but not paid by a Developer.**

1. On or before the tenth (10th) day of each month or the following business day in the event such day is a Saturday, Sunday or holiday, the Developer shall submit to the executive director of the Commission (the "TIF Representative") and the individual or entity responsible for the certification of Redevelopment Project Costs (the "Cost Certifier") documentation that reflects obligations owed and costs incurred by the Developer, including, but not limited to, itemized invoices, third-party contracts for services rendered in connection with improvements contemplated by a tax increment financing plan and a report, certified by an officer of the Developer, which shall identify and detail itemized invoices supporting the actual expenditure requested for approval, a list of disbursements to date, the amount and purpose of the requested disbursement and such other documentation reasonably requested by the TIF Representative or the Cost Certifier (the "Requisition Documentation").

2. On or before the twenty-first (21st) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday, the TIF Representative shall cause the Cost Certifier to submit a written report to the TIF Representative and the Developer stating whether the Requisition Documentation is sufficient to support a recommendation for direct payment by the TIF Commission of such Redevelopment Project Costs submitted by the Developer ("Requisition"). To the extent any portion of a Requisition is not recommended for direct payment by the TIF Commission, the Cost Certifier shall include in



such written report a detailed explanation of the reasons for the lack of recommendation and request such additional Requisition Documentation required to make such direct payment by the TIF Commission.

3. If the Cost Certifier shall request any additional documentation in accordance with Section 2 above, then, on or before the twenty-eighth (28<sup>th</sup>) day of such month or the following business day in the event such day is a Saturday, Sunday or holiday, the Developer shall provide to the Cost Certifier any such additional Requisition Documentation that is identified by the Cost Certifier in such written report.
4. If the Requisition for Redevelopment Project Costs is recommended for approval by the Cost Certifier, then the TIF Representative shall sign the Requisition and cause the amounts set forth in the approved Requisition to be paid directly to the Contractors/Vendors engaged by the Developer and identified by the Requisition, as soon as reasonably practicable on or before the twenty-eighth (28<sup>th</sup>) day of such month or the following business day, in the event such day is a Saturday, Sunday or holiday. If only a portion of the Requisition is recommended for approval by the Cost Certifier for direct payment by the TIF Commission, then the TIF Representative shall revise such Requisition to delete any unapproved Redevelopment Project Costs, shall sign the revised Requisition and thereafter shall cause the amounts set forth in the revised Requisition to be paid directly to the Contractors/Vendors engaged by the Developer and identified in the revised Requisition, as soon as reasonably practicable after the twenty-eighth (28<sup>th</sup>) day of such month, or the following business day in the event such day is a Saturday, Sunday or holiday.
5. As to any costs ("Additional Costs") included in a Requisition for which the Cost Certifier has requested additional Requisition Documentation in accordance with the procedures and time periods provided in 2 above, then, provided such additional documentation is provided in accordance with the time periods in Section 3 above, on or before the seventh (7<sup>th</sup>) day of the following month or the following business day in the event such day is a Saturday, Sunday or holiday, the Cost Certifier shall provide to the TIF Representative and the Developer a written report as to whether such Additional Costs supported by such additional Requisition Documentation are recommended to be certified for direct payment by the TIF Commission.
6. Notwithstanding anything to the contrary herein, in the event that the Cost Certifier and/or the TIF Representative fail to approve the Requisition Documentation, the Developer may proceed as follows;
  - a. The Developer and/or the TIF Representative may elect to request that the TIF Commission approve any such Redevelopment Projects Costs at the next regularly scheduled meeting of the TIF Commission; or

- b. If the TIF Commission meets but fails to approve the Redevelopment Project Costs, the Commission and the Developer shall submit the dispute to binding arbitration administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules (Regular Track Procedures, but without application of the optional mediation procedures provided therein) by a single arbitrator (the "Arbitrator") selected by the American Arbitration Association as provided in the Construction Industry Arbitration Rules. Judgment on the award entered by the Arbitrator may be entered by any court having jurisdiction. The Arbitrator's fees and any expenses of the Arbitrator shall be shared equally by the TIF Commission and Developer; provided however, any amount required to be paid by the TIF Commission shall be limited to amounts available in the Special Allocation Fund utilized to fund Redevelopment Project Costs incurred by the Developer. The Arbitrator shall have no authority to award costs or expenses, and the Arbitrator shall have no authority to award attorneys' fees

**C. Procedure for Reporting to the TIF Commission payments made to Contractors/Vendors**

The TIF Representative shall cause a certification report to be submitted to the TIF Commission, at each regularly scheduled meeting of the TIF Commission, which shall detail the following:

1. The amount of direct payments made to Contractors/Vendors pursuant to this Policy during the previous calendar month,
2. The affected Redevelopment Plan and/or Redevelopment Project, the designated Redeveloper for such Redevelopment Plan and/or Redevelopment Project and the Contractors/Vendors to whom such direct payments were made;
3. The purpose for the payments made to such Contractors/Vendors, and
4. The aggregate amount of payments made to each such Contractor/Vendor and the projected amount to be paid to each such Contractor/Vendor that is necessary to complete the improvements contemplated by Redevelopment Plan and or Redevelopment Project.

**D. Procedure for Payment of Redevelopment Project Costs that have been incurred and paid by a Developer.**

If and to the extent the Developer has incurred and has paid Redevelopment Project Costs in connection with the implementation of a tax increment financing plan, the Developer shall be reimbursed in accordance with the TIF Commission's Certification and Cost and Reimbursement Policy, as amended from time to time, and in the event such Redevelopment Project Costs shall be reimbursed from proceeds of Obligations issued by the TIF Commission or secured by payments in lieu of taxes or economic activity taxes,

the Developer shall be reimbursed in accordance with the TIF Commission's Bond Issuance and Disbursement Policy.

**Exhibit E**

Payment of Prevailing Wages Policy

### Payment of Prevailing Wages Procedure

The Redeveloper shall comply with the following procedures:

1. Determine the prevailing wages applicable to all construction work to be performed in connection with the Redevelopment Projects before awarding any contracts or disbursing any funds;
2. Abstain from contracting with contractors or subcontractors on the Missouri Secretary of State's list of Prevailing Wage Act violators;
3. Keep full and accurate records clearly indicating the names, occupations and crafts of every workman employed in connection with the Redevelopment Projects;
4. Post a clearly legible statement of Prevailing Wage Rates at all sites of construction within the Redevelopment Project Areas;
5. Prepare a copy of all payrolls made on a weekly basis for all construction work related to the Redevelopment Projects;
6. Cause the general contractor and all subcontractors to maintain a daily record of all Redevelopment Projects activities;
7. Maintain and verify Daily Labor Force Records submitted by the general contractors and subcontractors for all construction work related to the Redevelopment Projects;
8. Conduct weekly interviews with construction workers on the Redevelopment Project sites to verify prevailing wage compliance;
9. Require that contractors and subcontractors certify that the payrolls are in compliance with the Annual Wage Order;
10. Review contractor/subcontractor payrolls for all construction work relating to the Redevelopment Projects;
11. Cause all contractors and subcontractors to file with the TIF Commission an affidavit stating that it has complied with RSMO §290-210 through §290-340 (the "Prevailing Wage Law");
12. Prior to commencing construction in connection with the Redevelopment Project, notify the Commission and the Missouri Department of Labor, on a form attached hereto as Schedule I, of the scope of the work to be done, the various types of craftsmen who will be needed and the date work will commence.

**SCHEDULE I**



**DIVISION OF  
LABOR  
STANDARDS**

MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
**PREVAILING WAGE  
PROJECT NOTIFICATION – CONTRACTOR INFORMATION**

The information below is requested pursuant to Sections 290.210 through 290.340 and 290.550 through 290.580, RSMo. During a time of excessive unemployment, only Missouri laborers and laborers from non-restrictive states shall be employed on public works projects. See 290.550 through 290.580, RSMo.

1. Date of Notification		2. Annual Wage Order Number Included in Bid Specifications	
3. Popular or Descriptive Name of Project			
4. Estimated Project Cost of Completion <i>(total construction contracts to be awarded)</i>		\$	
5. Exact Location of Project County _____ City _____ Township _____			
6. Official Name of Public Body or Agency			
7. Name of Contact Person		8. Phone Number <i>(include area code)</i>	
9. Address			
10. E-mail Address		Website	
11. Anticipated Date for Soliciting or Advertising for Bids		12. Contract Award Date	
13. Estimated Start Date of Work	14. Estimated Date of Project Completion	15. Will There Be Any Federal Funds Used in this Contract? <input type="checkbox"/> Yes <input type="checkbox"/> No	
16. Contractor Information Notification			
General Contractor: Name _____			
Address _____			
City _____ State _____ ZIP _____			
Phone Number _____ E-mail Address _____			
Type of Craftsmen Needed by Project _____			
Scope of Work _____			
List all Subcontractors: Name _____			
Address _____			
City _____ State _____ ZIP _____			
Phone Number _____ E-mail Address _____			
Type of Craftsmen Needed by Project _____			
Scope of Work _____			
Name _____			
Address _____			
City _____ State _____ ZIP _____			
Phone Number _____ E-mail Address _____			
Type of Craftsmen Needed by Project _____			
Scope of Work _____			

The state of Missouri requires workers on public works projects be paid the prevailing wage. Public bodies have duties as required under this law (Section 290.210 - 290.340, RSMo).

Mail, Fax or E-mail completed form to:

DIVISION OF LABOR STANDARDS

Attn: Prevailing Wage Section

P.O. Box 449 Jefferson City, MO 65102-0449

Phone: 573-751-3403

Fax: 573-751-3721

E-mail: [prevailingwage@labor.mo.gov](mailto:prevailingwage@labor.mo.gov)

Website: [www.labor.mo.gov/DLS](http://www.labor.mo.gov/DLS)



**Exhibit F**

Funding Schedule

# TIF Commission Funding Schedule

## ACTIVITY

## SCHEDULE

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

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

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

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

<b>Bond Financing</b>	Bond Application Fee	\$3,000
	Issuance Fee	Up to \$10,000,000 0.5% \$10,000,001-\$25,000,000 .375% \$25,000,001+ 0.25% (.1% for refinancing), plus issuance expenses

<b>Land Acquisition</b>	Offer to Purchase	Actual invoice amount
	Acquisition Fee	Actual invoice amount

	Certificate of Completion & Compliance Fee	\$.05/sq. ft. nonresidential \$100/dwelling unit
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**Exhibit G**

Work Force Policy

**Policy Name:** Workforce Policy

**Date Approved:** July 27, 2009 and June 11, 2014

**Resolution Numbers:** 7-5-09 and 6-2-14

**Policy Statement:** WHEREAS, the City, pursuant to City Code of General Ordinances, Chapter 3, Article IV, Division 2, Sections 3-501 through 3-525 ("City Construction Employment Program") established goals for the employment of minority, women and resident workers for certain construction contractors engaged by the City, its departments and agencies, including the TIFC; and

WHEREAS, in accordance with the City's mandate set forth in the Workforce Ordinance, the TIFC hereby adopts, in substantial form, the terms and conditions of the City Construction Employment Program.

THEREFORE, in order to comply with the Workforce Ordinance and the City Construction Employment Program, the TIFC shall adhere to the following requirements:

- (1) comply or exert good faith efforts to comply with the Employment Construction Program established by the Workforce Ordinance, as it may be amended from time to time,
- (2) contractually require Redeveloper(s) to cause Construction Contractors and their subcontractors to achieve or exert good faith efforts to achieve the Construction Employment Goals established by the Workforce Ordinance, as it may be amended from time to time,
- (3) comply with all reporting requirements set forth in this Workforce Policy, and
- (4) contractually require Redeveloper(s) to cause Construction Contractors and their subcontractors to comply with all reporting requirements set forth in this Workforce Policy.

## **I. DEFINITIONS**

Apprentice – A person of legal working age who has entered into a program for training and employment to learn a skilled construction trade.

Apprenticeship Program - A program approved by the Bureau of Apprenticeship Training providing for no less than 2,000 hours of reasonably continuous employment and for participation in an approved schedule of work experience through employment, which shall be supplemented by a minimum of 144 hours per year of related instruction.

City – The City of Kansas City, Missouri.

City Construction Employment Program - The program established by the City by the Workforce Ordinance regarding the recruitment, training, mentoring and retention of employees, including apprentices and journeymen, on Construction Projects.

City Council – The governing body of the City.

Construction Contract – A contract estimated by the TIFC prior to solicitation by Redeveloper as requiring more than 800 construction labor hours and with an estimated cost that exceeds \$300,000.00 for the construction, reconstruction, improvement, enlargement or alteration of any Project Improvements contemplated by a Redevelopment Agreement in connection with the implementation of a tax increment financing plan.

Construction Contractor – An individual, partnership, corporation, association or other entity, or any combination of such entities, who or which enters into a Construction Contract with the TIFC or a Redeveloper, regardless of the number of employees.

Construction Employment Goals - The percentages of construction labor hours to be performed by minorities and women workers for a Construction Contractor on all construction projects of that Construction Contractor throughout the Kansas City Metropolitan Statistical Area, during the construction time period of a Construction Contract unless otherwise waived by the TIFC, upon the recommendation of the Director.

Construction Hours Affidavit – A statement by a Construction Contractor, verified under oath, setting forth the Construction Contractor's intent to meet or exceed, and to cause the subcontractors of every tier to meet or exceed, the Construction Employment Goals while performing a Construction Contract.

Construction Labor Hour - A sixty minute period of time devoted by a worker, employed by a Construction Contractor, performing labor on a construction project job site; or, preparing, fabricating or painting materials or equipment to be used or incorporated on a construction project job site.

Construction Project - Any project performed by a Construction Contractor in the Kansas City Metropolitan Statistical Area.

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

Construction Workforce Board - A board created by the City in accordance with the City Workforce Ordinance.

Director – The director of the Human Relations Department of the City or his/her designee, or the person within the City Manager's Office that is assigned to perform the tasks delegated to the director of the Human Relations Department of the City.



Equal Opportunity Clause - A statement prohibiting discrimination on construction projects based on race, color, sex, sexual orientation, gender, identity, age, national origin or ancestry, religion, or physical disability as proscribed in the Kansas City Code of Ordinances, Chapter 38, Article III, Section 38-103.

Fixed Work - Any permanent building or structure to be reconstructed, improved, enlarged or altered under a Construction Contract.

Good Faith Waiver - A waiver that, upon the recommendation of the Director, is granted by the TIFC and is based upon a showing by a Redeveloper that despite undertaking in good faith the actions outlined in this Workforce Policy, the Redeveloper, the Construction Contractor, the subcontractors of any tier, or both, were unable to achieve the Construction Employment Goals.

Kansas City Metropolitan Statistical Area or (MSA)- The Missouri counties of Cass, Clay, Jackson and Platte and the Kansas counties of Johnson, Leavenworth and Wyandotte.

Incentive Construction Employment Goal - An aspirational goal for company-wide employment of minorities and women intended to encourage Construction Contractors to invest additional money and resources to hire and retain minorities and women on their workforce in order to achieve participation percentages well in excess of the Minimum Employment goals and the percentage of minorities and women generally available in the workforce by providing public recognition upon the completion of a Construction Contract, to the Construction Contractor who achieves such goal.

Journey person – One who has completed an apprenticeship in a trade or craft and is recognized in the particular trade or craft as a journey person.

Labor Union - Any organization which exists, in whole or in part, for the purpose of collective bargaining; for dealing with employers concerning grievances, terms or conditions of employment; or, for other mutual aid or protection of workers in relation to employment.

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

- a. Have origins in any of the Black racial groups of Africa, and who has historically and consistently identified himself or herself as being such a person ("African Americans");
- b. Have origins in any of the peoples of Mexico, Puerto Rico, Cuba, Central or South America, or any of the Spanish speaking islands of the Caribbean, regardless of race and who has historically and consistently identified himself or herself as being such a person ("Hispanic Americans");

c. Have origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent or the islands of the Pacific or the Northern Marianas, or the Indian subcontinent and who has historically and consistently identified himself or herself as being such a person (“Asian Americans”); and

d. Maintain cultural identification through tribal affiliation or community recognition with any of the original peoples of the North American continent; or those who demonstrate at least one-quarter descent from such groups, and who has historically and consistently identified himself or herself as being such a person. (“Native Americans”).

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

Redeveloper – An individual, partnership, corporation, association or other entity, or any combination of such entities, who or which enters into a Redevelopment Agreement.

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

Resident – An individual residing or domiciled within the City.

TIFC - The Tax Increment Financing Commission of Kansas City, Missouri, created pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 1986, as amended (the “Act”), and by Ordinance No. 54556 of the City Council of Kansas City, Missouri, adopted on November 24, 1982, and amended by Ordinance No. 911076 adopted on August 29, 1991, by Ordinance No. 100089 on January 28, 2010 and by Ordinance No. 130986 on December 19, 2013, for the purpose of holding hearings and making recommendations to the City Council of Kansas City, Missouri, with respect to proposed tax increment financing plans, and carrying out the responsibilities delegated to it by the City Council, among which, are entering into agreements with redevelopers to implement said plans when approved, and monitoring compliance therewith.

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

Woman – An individual who is a citizen or lawful permanent resident not the United States and who is a female.

Workforce - Those persons employed to perform Construction Services.

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

## **II. CONSTRUCTION EMPLOYMENT GOALS**

The Construction Employment Goals consist of the Incentive Construction Employment Goals and the Minimum Construction Employment Goals and are expressed as a percentage of total Construction Labor Hours of a Construction Contractor on all Construction Projects within the Kansas City Metropolitan Statistical Area. The Construction Employment Goals applicable under this Workforce Policy shall be those established under the City Construction Employment Program in effect at any time. As of the effective date of this Workforce Policy, the Construction Employment Goals are as follows: (A) for Minorities, an Incentive Construction Employment Goal of 20% and a Minimum Construction Employment Goal of 10% and (B) for Women, an Incentive Construction Employment Goal of 4% and a Minimum Construction Employment Goal of 2%.

A. Minimum Construction Employment Goals, unless otherwise waived by the TIFC, upon the recommendation of the Director, shall be met on a quarterly basis during the term of a Construction Contract.

B. The Minimum Construction Employment Goals, unless otherwise waived by the TIFC, upon the recommendation of the Director, shall be applicable as follows:

(1) As to the Construction Contractor individually, the Construction Contract.

(2) As to the Construction Contractor individually, all construction projects performed by the Construction Contractor in the MSA during the term of the Construction Contract.

(3) As to the subcontractors collectively, the Construction Contract.

Only the construction labor hours performed by those working sufficient hours to qualify for benefits shall be counted.

C. All Redevelopment Agreements entered into between the TIFC and a Redeveloper or the TIFC and a Construction Contractor shall require that the Construction Contractor comply with this Workforce Policy and include the requirements of this Workforce Policy in all subcontracts of any tier and that the Construction Contractor shall enforce such provision to the maximum extent permitted by law to ensure that such subcontractors comply with this Workforce Policy.

D. The TIFC may provide public recognition to a Construction Contractor that achieves the Incentive Construction Employment Goals.

E. This Workforce Policy shall not be construed as requiring or encouraging a Construction Contractor, or any subcontractor working in conjunction with the Construction Contractor, to make employment decisions or otherwise alter the terms and conditions of employment based upon race or gender.



### **III. MONITORING AND COMPLIANCE WITH THE CITY CONSTRUCTION PROGRAM**

A. At the time a bid is submitted for a Construction Contract, the Redeveloper shall cause each potential Construction Contractor to submit with its response to the bid solicitation a Construction Hours Affidavit stating the Construction Contractor's intent to meet or exceed, and cause the subcontractors to collectively meet or exceed, the Minimum Construction Employment Goals while performing the Construction Contract or request a waiver. The Construction Hours Affidavit shall be in the format utilized by the City in connection with the City Construction Employment Program.

B. Within 48 hours after bid opening, or prior to contract execution for those Construction Contracts awarded pursuant to a request for proposals, the Construction Contractor shall submit an employee identification report to the Redeveloper, which, upon the request of the TIFC, shall be made available to the TIFC, and such report shall be, in a format to be determined by the Director, which report shall include:

*The name, home address, job title, gender and race/ethnicity of each person working for the Construction Contractor and which the Construction Contractor anticipates will be performing construction labor hours creditable towards the Minimum Construction Employment Goals applicable to the Construction Contractor individually.*

The Director, with the consent of the TIFC, is authorized to extend the deadline for the Construction Contractor's submission of the employee identification report.

C. Within ten (10) days prior to the date upon which any subcontractor is to commence work under a Construction Contract, the Construction Contractor shall submit an employee identification to the Redeveloper, which, upon the request of the TIFC, shall be available to the TIFC, and such identification report shall be in a format to be determined by the Director, which report shall include:

*The name, home address, job title, gender and race/ethnicity of each person working for the subcontractor and which will be performing construction labor hours creditable towards the Minimum Construction Employment Goals applicable to the subcontractor.*

The Director, with the consent of the TIFC, is authorized to extend the deadline for the subcontractor's submission of the employee identification report.

D. After the Construction Contract has been awarded, but before work under the Construction Contract begins, a Redeveloper shall cause the selected Construction Contractor to meet with the Director and the TIFC Representative for the purpose of discussing (i) the Construction Contractor's willingness to provide first opportunity for employment on Construction Projects to Residents, (ii) the Minimum Construction Employment Goals for Minority and Women workers, (iii) how the Construction Contractor will endeavor in good faith to individually meet, and require the

subcontractors to collectively meet, the Minimum Construction Employment Goals, (iv) any problems that may affect the Construction Contractor's ability to employ Residents or achieve the Minimum Construction Employment Goals, and (v) the forms and procedures required for the Construction Contractor's reporting obligations.

E. The Director shall assess compliance with the Construction Employment Program, and recommend that the TIFC impose any authorized remedy for any failure to comply on a quarterly basis, for the duration of the Construction Contract; provided, however, that the Director's failure to assess compliance during one or more quarters having expired, or recommend that the TIFC impose any remedy for any failure to comply determined to have occurred during one or more quarters having expired, shall not preclude the Director from assessing compliance as to any subsequent quarter or recommending that the TIFC impose any remedy for any failure to comply determined to have occurred during any subsequent quarter.

F. After completion of work on the Construction Contract, but before release of retainage, final acceptance and closeout, the Redeveloper shall cause the Construction Contractor to provide to the Director and the TIFC, in a format approved by the Director, a final cumulative report detailing the Construction Contractor's and the subcontractors' utilization of minorities and women.

G. Monthly reporting: The Redeveloper shall cause the Construction Contractor performing work under a Construction Contract to submit to the Director and the TIFC Representative workforce reports detailing the Construction Contractor's utilization individually, and the subcontractors' utilization collectively, of residents, minorities and women under the Construction Contract and on every construction project, public or private, that the Construction Contractor has in progress throughout the MSA. The reports shall be submitted to the Director and the TIFC Representative by the fifteenth of each month through the duration of the Construction Contract. The reports shall state the number of resident, minority and women construction labor hours performed on site per trade, and shall be submitted in a format determined by the Director.

H. Within sixty (60) days of the completion of work on the Construction Contract, and before the issuance of a Certificate of Completion and Compliance, the Redeveloper shall cause the Construction Contractor to provide to the TIFC Representative and the Director, in the format required by the City Construction Employment Program, the payroll records of the Construction Contractor and its subcontractors that perform services in connection with the Construction Contract, for each calendar quarter for the years spanning the duration of the Construction Contract, documenting: (i) the total number of Construction Labor Hours performed by Minorities and Women on the Construction Contract and company-wide within the MSA as compared to the total number of Construction Labor Hours performed by all workers on the Construction Contract and company-wide within the MSA; and (ii) the Construction Labor Hours worked per capita by Minorities and Women as compared to the Construction Labor Hours worked per capita by all other workers in the Construction Contractor's workforce.

I. The Redeveloper shall cause all Construction Contractors to comply with all federal laws, including those of the Immigration and Naturalization Service and the Department of Homeland Security. Only those Construction Labor Hours performed by workers in compliance with federal law shall be counted towards the meeting the Minimum Construction Employment Goals.

J. The Redeveloper shall cause the Construction Contractor to permit the TIFC Representative and/or the Director to have access, at all reasonable times, to all books, papers, records, reports or accounts in possession of or under the control of the Construction Contractor and its subcontractors as may be reasonably necessary to ascertain compliance with this Workforce Policy. The Redeveloper shall cause the Construction Contractor and its subcontractors to furnish such further information as may be required by the TIFC Representative and/or the Director within ten (10) working days of the date it is requested in writing.

K. The Redeveloper shall cause the Construction Contractor to permit TIFC Representative and/or the Director to conduct on-site audits and records inspections of the Construction Contractor and its subcontractors without prior notice as may be necessary to ascertain compliance with this Workforce Policy. The Redeveloper shall cause the Construction Contractor to require all of its subcontractors to comply with the requirements of this Section III.

L. The Redeveloper shall cause the Construction Contractor to obtain and retain documentation establishing the residence of record for any person working on a Construction Project. The documentation may be one of the following:

- (1) driver's license or identification card issued by a government or governmental agency with a photograph of the holder; or
- (2) voter registration card; or
- (3) utility bill showing the account holder's name and address; or
- (4) valid United States Passport; or
- (5) other document that sufficiently establishes residency.

M. It is the responsibility of the Redeveloper to demonstrate compliance with this Workforce Policy, including, but not limited to, its Construction Contractor's good faith efforts to achieve the Minimum Construction Employment Goals. The Director, together with the TIFC Representative, shall monitor the Redeveloper's Construction Contractor's ongoing compliance with this Workforce Policy, shall assist the Construction Contractor in its good faith efforts to meet or exceed the Minimum Construction Employment Goals and otherwise comply with this Workforce Policy, and shall make periodic reports to the TIFC relative thereto.



#### **IV. EQUAL EMPLOYMENT STANDARDS**

A. The TIFC shall include an Equal Opportunity Clause in all Redevelopment Agreements and cause Construction Contractors to incorporate the same in all Construction Contracts. The Equal Opportunity clause shall require that all Redevelopers and Construction Contractors adhere to the equal opportunity requirements in the City's Code of Ordinances, Chapter 38, Article III, Section 38-132. The Equal Opportunity Clause shall include, at a minimum, the following provisions:

(1) The Redeveloper and/or Construction Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry, disability, sexual orientation, gender identity or age.

(2) The Redeveloper and/or Construction Contractor will take affirmative action to ensure that employees are treated fairly during employment without regard to their race, color, religion, sex, national origin or ancestry, disability, sexual orientation, gender identity or age. Such action shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(3) The Redeveloper and/or Construction Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the Equal Opportunity Clause.

B. The Redeveloper shall cause its Construction Contractors to include, in all solicitations or advertisements for employees placed by or on behalf of the Construction Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or ancestry, disability, sexual orientation, gender identity or age.

C. In the event of the Redeveloper's noncompliance with the Equal Employment Clause of the Redevelopment Agreement or with any of the said rules, regulations or orders, the Director shall bring a complaint before the TIFC and the Redevelopment Agreement may be canceled, terminated or suspended in whole or in part and the Redeveloper may be declared ineligible for further agreements with the TIFC for a period of one (1) year should the Redeveloper fail to agree to comply with the terms of any order arising from that proceeding.

#### **V. GOOD FAITH EFFORTS TO ACHIEVE THE MINIMUM CONSTRUCTION EMPLOYMENT GOALS**

A. Redeveloper shall be presumed conclusively to be in compliance with this Workforce Policy as it relates to good faith efforts to meet the Minimum Construction



Employment Goals if the Minimum Construction Employment Goals, as set forth in Section II., are achieved for each Construction Contractor.

B. Redeveloper shall be presumed conclusively to be in compliance with this Workforce Policy as it relates to good faith efforts to meet the Minimum Construction Employment Goals if, in the event the Minimum Construction Employment Goals have not been met, the Redeveloper shall have requested and received from the TIFC a Good Faith Waiver. The TIFC shall grant a Redeveloper's request for a Good Faith Waiver if the Redeveloper can demonstrate that good-faith efforts have been made to achieve the Minimum Construction Employment Goals. In determining whether a Redeveloper made or caused the Construction Contractor to make a good faith effort to achieve the Minimum Construction Employment Goals, the TIFC shall consider, at least in part, a recommendation from the Director, that the Redeveloper undertook the following actions:

For those Redevelopers that have entered into Construction Contracts with Construction Contractors that are not signatories to a collective bargaining agreement with organized labor, the Redeveloper shall cause the Construction Contractor to:

- (1) Request in writing the assistance of the TIFC Representative with respect to efforts to promote the utilization of Minorities and Women in the workforce of the Construction Contractor and acted upon the TIFC's recommendations; and
- (2) Advertise in Minority/Women's Trade Association Newsletter and/or minority owned media at least 15 calendar days prior to the utilization of any Construction Services for each Construction Contract seeking employees, appropriately describing the work available, pay scale, the application process and anything else that one might reasonably be expected to be informed of relevant to the position being advertised; and
- (3) Maintain copies of each advertisement and a log identifying the publication and date of publication; and
- (4) Establish and maintain a current list of Resident, Minority and Women recruitment sources, providing written notifications to the recruitment sources of available employment opportunities, and maintained records of the notices submitted to the organizations and any responses thereto; and
- (5) Maintain a current file for the time period of the Construction Contract with the name, address, and telephone number of each Resident, Minority and Woman job applicant, the source of the referral, whether or not the person was hired, and in the event that the applicant was not hired, the reason therefore; and
- (6) Require by written contract all subcontractors to comply with this Section of the Workforce Policy; and

(7) Promote the retention of Minorities and Women in its Workforce, as determined by the Director and reported to the TIFC, with the goal of achieving sufficient annual hours for Minorities and Women to qualify for benefits and count toward the Employment Construction Goals.

For those Redevelopers that have entered into Construction Contracts with Construction Contractors that are signatories to collective bargaining agreements with organized labor, the Redeveloper shall cause the Construction Contractor to:

(8) Request in writing from each Labor Union representing crafts to be employed by the Construction Contractor that:

i. The Labor Union make efforts to promote the utilization of Residents, Minorities and Women in the Workforce; and

ii. The Labor Union identifies any Residents, Minorities and Women in its membership eligible for employment by the Construction Contractor.

(9) Collaborate with Labor Unions in promoting mentoring programs intended to assist Minorities and Women in increasing retention with the goals of achieving sufficient annual hours to qualify for applicable benefits.

(10) Maintain a current file with the name, address, and telephone number of each Resident, Minority and Woman worker identified by the Labor Union, whether or not the person was hired, and in the event the person was not hired, the reason therefore.

(11) To the extent that the good-faith effort requirements set forth in this section are in conflict with the procedures implemented by the Construction Contractor in order to comply with a competitive bargaining agreement, the Construction Contractor shall substitute other procedures, as may be approved by the TIFC and Director in writing, in order to accomplish the purpose and intent of this section.

## **VI. REMEDIES**

A. Prior to reimbursing a Redeveloper for any eligible Redevelopment Project Costs, the Director shall provide a written report to the TIFC that incorporates a finding as to whether such Redeveloper has complied and has caused its Construction Contractor(s) and their respective subcontractors to comply with Sections III, IV and V of this Workforce Policy. If the Director shall find, within its written report to the TIFC, that, after investigation, a Redeveloper has not caused the Construction Contractor and its subcontractors to comply with Sections III, IV and V, the TIFC shall, within ten (10) days after such finding, notify the Redeveloper in accordance with the Redevelopment Agreement.



B. After due notice is given to the Redeveloper, the TIFC shall hold a hearing and determine whether the Redeveloper has complied and has caused the Construction Contractor and its subcontractors to comply with this Workforce Policy and to determine the appropriate remedy, if the TIFC determines that the Redeveloper failed to comply and/or failed to cause the Construction Contractor and its subcontractors to comply with this Workforce Policy. Remedies for such failure may include canceling, terminating, or suspending, in whole or in part, the Redevelopment Agreement, withholding reimbursement of eligible Redevelopment Project Costs, imposing liquidated damages in the amount specified on **Exhibit A**, attached hereto, withholding the issuance of a Certificate of Completion and Compliance, requiring the Redeveloper and Construction Contractor to attend mandatory training and/or declaring the Construction Contractor ineligible for further Construction Contracts or participate as a subcontractor under any Construction Contract for a period of time up to six (6) months in furtherance of implementing tax increment financed projects. If the TIFC determines that the Redeveloper complied and has caused the Construction Contractor to comply with Sections III, IV and V of this Workforce Policy, then the TIFC shall grant a Good Faith Waiver to the Redeveloper.

## **VII. APPEALS –CONSTRUCTION WORKFORCE BOARD**

A. The Workforce Ordinance established a Construction Workforce Board to hear appeals from Construction Contractors. Following a decision by the TIFC that a Redeveloper failed to exert good faith efforts to meet the Minimum Construction Goals and failed to cause a Construction Contractor to comply with Sections III, IV and V of this Workforce Policy, a Redeveloper may appeal the TIFC's decision to the Construction Workforce Board.

B. Appeals shall be made to the Construction Workforce Board by filing with the TIFC Representative and the Director within ten (10) working days after notice of the TIFC's determination, a written request for review by the Construction Workforce Board, stating the grounds of such appeal with specificity. The TIFC Representative shall promptly forward to the chairperson and members of the Construction Workforce Board a copy of any appeal.

C Failure to file a timely appeal in accordance with Section VII.B. shall constitute a waiver of the right of a Redeveloper to appeal the TIFC's determination and such person shall be estopped to deny the validity of any order, recommendation, determination or action taken by the TIFC which could have been timely appealed and shall have been deemed to have exhausted all administrative remedies under this Workforce Policy.

D. The Construction Workforce Board shall have authority to require that a party first make a written submission of its appeal prior to permitting a hearing and may summarily dispose of those appeals that it determines to be frivolous and without merit.

E. After receiving an appeal from the Redeveloper, the Construction Workforce Board, shall set a date upon which a hearing shall be held by the Construction Workforce



Board and shall notify all parties of the date thereof. The notice of hearing shall be served upon the parties at least ten (10) calendar days prior to the date of the hearing. A copy of the TIFC's determination shall be attached to each such notice. A hearing shall be set no later than twenty-one (21) calendar days after receipt of the request for appeal to the Construction Workforce Board.

F. The hearing shall be conducted under rules adopted by the Construction Workforce Board. The Construction Workforce Board may subpoena witnesses, compel their attendance, administer oaths, take the testimony of persons under oath, and require the production for examination any books, papers or other materials relating to any matter under investigation or in question before the Construction Workforce Board.

G. The Construction Workforce Board shall cause all proceedings before it to be either audio recorded or held before a certified court reporter.

H. The Construction Workforce Board shall have authority to affirm, modify or reverse the determination of the TIFC with respect to whether good-faith efforts were made to meet the Minimum Construction Employment Goals.

The determination of the Construction Workforce Board with respect to good-faith efforts, shall be a final determination and the TIFC and the Redeveloper shall agree, pursuant to the Redevelopment Agreement, that the decision of the Construction Workforce Board shall be binding upon the TIFC and the Redeveloper; provided, however, that the TIFC shall make the final determination as to the appropriate remedy under the Redevelopment Agreement.

**The TIFC and the Redeveloper shall agree, pursuant to a Redevelopment Agreement that the decision of the Construction Workforce Board to affirm, modify or reverse the determination of the TIFC shall be binding upon the TIFC and the Redeveloper.**

#### **VIII. COMPLIANCE EXPENSE**

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

#### **IX. SEVERABILITY**

If any section, subsection, clause, or provision of this Workforce Policy is deemed to be invalid or unenforceable in whole or in part, this Workforce Policy shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable subsection(s), clause(s), provision(s) or portion(s) thereof, and alter the balance of those same sections in order to render the same valid and enforceable.

**X. EFFECTIVENESS; IMPLEMENTATION**

Subject to Section X.B., the Chairman, Vice-Chairman and Secretary are authorized and directed to undertake any activities, including signing any documents, certificates or other instruments, necessary to carry out and implement the Workforce Policy.

**HUMAN RELATIONS DEPARTMENT ACKNOWLEDGEMENT AND APPROVAL**

The Director of the Human Relations Department of the City of Kansas City, Missouri (the "City"), pursuant to Chapter 38, Article II, has reviewed this Workforce Policy and hereby determines that it is consistent with the City's Workforce Ordinance and the City Construction Employment Program.

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Director, Human Relations Department

## **Exhibit A to Workforce Policy**

### **Calculation of Liquidated Damages**

Because the amount of harm caused by the Redeveloper not complying with the Workforce Policy is uncertain, if not impossible, to determine, the Redeveloper agrees to pay to the TIFC liquidated damages in an amount not to exceed the fees and expenses incurred by the TIFC in investigating and determining that the Redeveloper has not complied with the Workforce Policy; plus an amount equal to the percentage of the total amount of dollars paid by the Construction Contractor for Labor Hours worked in connection with all construction projects in the Kansas City Metropolitan Statistical Area, plus an amount equal to the percentage of the total amount of dollars paid by the Construction Contractor and by its subcontractors for Labor Hours worked in connection with the construction projects related to each Construction Contract that is subject to the Redevelopment Agreement, in each case, that would have otherwise been paid to Minorities and Women had Minimum Construction Employment Goals set forth in the Workforce Policy been attained. Notwithstanding anything to the contrary, the liquidated damages shall not be a reimbursable Redevelopment Project Cost. To illustrate the application of this liquidated damages provision, please refer the example below:

#### **Example**

1. Pursuant to the implementation of a tax increment financing plan, a Redeveloper enters into a Construction Contract with a Construction Contractor and the Construction Contractor, in turn, enters into a contract with a subcontractor to perform certain work contemplated by the Construction Contract and in furtherance of a Redevelopment Agreement and tax increment financing plan.
2. The Construction Contractor employs minorities at a rate of 2% for all construction projects within the Kansas City Metropolitan Statistical Area and, together with its subcontractor, employs minorities at a rate of 5% for the construction projects related to the Construction Contract.
3. The Minimum Construction Employment Goal for Minorities that is to be attained by the Construction Contractor and its subcontractors in connection with construction projects related to the Construction Contract is 10% and the Minimum Construction Employment Goal for Minorities that is to be attained by the Construction Contractor in connection with all projects performed by the Construction Contractor in the Kansas City Metropolitan Statistical Area is also 10%. The TIFC finds that the Redeveloper failed to cause the Construction Contractor and its subcontractors to comply with the Workforce Policy.
  - A. The payroll records of the Construction Contractor reflect that the amount paid to employees for each percentage of total Labor Hours worked on behalf of the Construction Contractor within the Kansas City Metropolitan Statistical Area during the construction period of the Construction Contract equals \$20,000. Thus, had the Construction Contractor increased the number of Labor Hours worked by Minorities on all construction projects within the Kansas City Metropolitan Statistical Area by 8%, the



Construction Contractor would have paid Minorities an additional \$160,000 for such work performed in connection with the construction projects.

B. The payroll records of the Construction Contractor and its subcontractors for construction projects that relate to the Construction Contract reflect that the amount paid to employees for each percentage of total Labor Hours worked on behalf of the Construction Contractor and its subcontractors equals \$10,000. Thus, had the Construction Contractor and its subcontractors increased the number of Labor Hours worked by Minorities on the construction projects that relate to the Construction Contract by 5%, the Construction Contractor and its subcontractors would have paid Minorities an additional \$50,000 for such work performed in connection with the Construction Contract.

4. Pursuant to the liquidated damages provision of the Workforce Policy, the Redeveloper shall be obligated to pay to the TIFC liquidated damages in an amount up to \$10,000 (the cost associated with TIFC in investigating and determining that the Redeveloper has not complied with the Workforce Policy); plus \$160,000 (the amount the Construction Contractor would have paid to Minorities for all construction projects within the Kansas City Metropolitan Statistical Area, had the Minimum Construction Employment Goal been attained); plus \$50,000 (the amount the Construction Contractor and its subcontractors would have paid to Minorities for the construction projects related to the Construction Contract, had the Minimum Construction Employment Goal been attained) for an aggregate amount of \$220,000 in liquidated damages.