Economic Development Incentive Policy

LEE'S SUMMIT
MISSOURI

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Table of Contents

ECONOMIC DEVELOPMENT VISION **4**
INCENTIVE MATRIX **4**
AREAS OF FOCUS **4**
TARGETED OUTCOMES **5**
TARGETED AREAS **6**
COMMUNITY PROFILE **11**
DEMOGRAPHICS **11**
MAYOR & CITY COUNCIL **12**
COMMUNITY PARTNERS **13**
OVERVIEW OF FINANCIAL TOOLS AND INCENTIVES **14**
PURPOSE 14
SPECIAL TAXING DISTRICTS 14
TAX ABATEMENT 14
REDIRECTION OF INCREMENTAL INCREASES IN TAXES 14
LOAN PROGRAMS 14
APPLICATION AND REVIEW PROCESS **24**
GUIDELINES FOR DEVELOPERS AND APPLICANTS **25**
GENERAL POLICIES **26**
INCENTIVE APPLICATION CHECKLIST **27**
SAMPLE FUNDING AGREEMENT **28**

ECONOMIC DEVELOPMENT VISION

The purpose of every vision statement is to describe a desired future outcome. This vision guides our decision making to allow for a consistent review and discussion of economic development and the use of incentives. It is the intent of the Mayor and City Council, City staff, and community partners to help align and direct resources to obtain this vision. In 2013, the Mayor and City Council, with input from our community partners, adopted the following vision;

Economic Development Vision Statement of the Lee's Summit City Council:

Lee's Summit will build upon and promote its unique downtown, educational excellence and cultural heritage to create and nurture a business environment which fosters entrepreneurship, commercial and neighborhood redevelopment, and the attraction and retention of high quality jobs in targeted businesses. In doing so, the tax base will grow ensuring the City's continued ability to deliver an outstanding quality of life and services to both businesses and residents.

The Economic Development Vision emphasizes five areas of focus: Downtown, Entrepreneurship, Redevelopment, Attraction and Retention, and Targeted Businesses. The areas of focus represent a strategic need that is part of a broader economic development strategy. **These areas of focus inform us as to *'how'* the community should develop; through investment in Downtown Lee's Summit, entrepreneurship, redevelopment, and the attraction and retention of targeted jobs and businesses.**

USE OF INCENTIVES

The City of Lee's Summit is prepared to strategically and responsibly consider the use of incentive programs to meet our economic development goals and outcomes. It is the City's philosophy to be accommodating to targeted businesses that support our vision that has been outlined by the City Council. In accordance with our areas of focus and targeted outcomes, the City of Lee's Summit may provide a level of incentive as outlined in the following matrix.

Availability of Incentives

Incentives	Areas of Focus					Guidelines	
	Downtown	Entrepreneurship	Redevelopment	Attraction/ Retention	Targeted Businesses	Minimum Investment	*Incentive
TIF	X		X	X	X	$5m New / $3m Existing	**25%
CID	X		X	X	X	Public Improvement Required	up to 1 cent
NID	X		X	X	X	Public Improvement Required	Special Assessment
TDD	X		X	X	X	Public Improvement Required	up to 1 cent
Chapter 100	X		X	X	X	$5m New / $3m Existing	50% - 10 yrs
Chapter 353	X		X	X	X	$5m New / $3m Existing	50% - 10 yrs
LCRA	X		X	X	X	$500k	50% - 10 yrs
Sales Tax Reimbursement			X	X	X	$250k (Public Improvements)	up to 1/2 cent
Site Specific Incentives	X	X	X	X	X	TBD	TBD

* If request is below the listed amount City staff may proceed with review and presentation to Council. If request exceeds listed amount a conceptual presentation shall first be made to the City Council before proceeding with request.

** The value of the incentive is calculated by multiplying the cap amount and the total private development cost. Private development costs and activities are items that will not have public ownership.

STRATEGIC DIRECTION

The Mayor, City Council, and community partners have worked to clearly identify targeted development outcomes and targeted areas for development to communicate the City's economic development goals. **These outcomes, or goals, have been created to inform prospective investors of '*what*' is desired by development that may make use of incentives.**

Targeted Outcomes
The City is seeking investment that supports or benefits;

- **The development and maintenance of infrastructure**

  Development projects are encouraged to exhibit a public benefit through improvement, creation, or expansion of public infrastructure. In particular there is an interest for opportunities where the expansion of public infrastructure may create new economic development areas. This can include the development of bridges, streets, signals, stormwater facilities, removal of blight, water and sewer utilities.

- **Attracts or retains targeted businesses**

  The City of Lee's Summit currently enjoys a residential base comprised of highly educated and highly skilled individuals. Creating employment opportunities that allow these individuals to advance their careers within the City of Lee's Summit is a priority. We seek employers that will leverage our existing strengths and workforce resources. We also seek economic sectors that have strong growth potential in the future. The City strives to be a regional hub that provides a fertile environment for the development of technology and healthcare industries, manufacturing, and entrepreneurship.

  To be considered a targeted business, the business shall help create an environment where work opportunities exist to support family households. A quality life is a combination of good income, health, family, and leisure activities. These life experiences are more likely to occur when the workplace is in Lee's Summit. A common measurement of quality jobs is income. Indexes such as compensation that equals or exceeds the average pay for Jackson County, Missouri workers, is often used as a standard.

- **Preserves or enhances residential developments**

  The City of Lee's Summit strives to provide a high quality of life for its residents. Residential development projects should provide an environment that attracts residents by incorporating quality design standards. We are seeking future residential communities that offer housing choices to attract next generations as well as supporting today's lifestyles. Residential developments that are incentivized should improve livability by enhancing the accessibility to needs and services. Careful consideration will be given to the impact on other taxing jurisdictions.

- **Allows for business retention or expansion**

  Retaining our existing economic base is vital to providing reliable municipal services. The City of Lee's Summit seeks to promote an environment that will encourage growth and sustainability of the existing economic base. This can be accomplished through partnership opportunities with those looking to grow their business.

- **Helps generate a positive community image**

  The City of Lee's Summit seeks to be recognized as a community that possesses high quality commercial and residential development that is well planned, meets diverse needs, and exceeds community expectations. This approach has helped identify Lee's Summit as a vibrant city with a dynamic spirit of cooperation among its diverse citizens, businesses, organizations, education systems, and local government.

TARGETED AREAS FOR DEVELOPMENT

The Mayor and City Council has established targeted areas for development**. These targeted areas were defined to help inform investors of '*where*' development and redevelopment is most desired.** Summaries of each geographic area and map can be found in the following section.

Douglas/Tudor Rd. Targeted Planning Area:

Boundary description: NE Douglas St. on the east, US 50 Highway on the west, Chipman Rd. to the south and Colbern Rd. to the north

General overview: This area includes multiple large acreage - undeveloped tracts currently zoned for Planned Mixed Use, Planned Industrial and Planned Office uses. The Union Pacific rail line bisects the targeted planning area. Infrastructure improvements within this area include the re-alignment of NW Blue Parkway near Unity Village along with associated water and sewer line relocations, construction of the Tudor Road bridge which will connect NE Douglas Street to NW Ward Rd. Phase I of the road and bridge project is completed with Phase II (bridge and Tudor Rd. west of railroad) scheduled to begin late fall of 2015 and be completed by the end of 2016. Sewer and water infrastructure exists to serve the general area. The Summit Place shopping center Preliminary Development Plan has been approved and efforts are underway to continue to develop in and around the Summit Technology Campus with the Summit Innovation Center/Missouri Innovation Campus projects receiving approval. Many of the properties are served by major roads providing excellent frontage to the properties, including Douglas Street, Chipman Road, Ward Road, Blue Parkway and Colbern Road. Highway frontage exists along both sides of the I-470 corridor. One rail spur exists to undeveloped property immediately south of I-470. The NW Main Street area is currently a 'metal building area" and much of the property is owned by a single property owner (Lowenstein).

I-470 North Targeted Planning Area:
Boundary description: I-470 Corridor north of Colbern Road to the north City limits

General overview: This area is largely undeveloped primarily due to the approximate 1,100 acres owned by Property Reserve, Inc. on the east side of I-470. Some undeveloped acreage exists on the north side of Colbern Rd. however development of this area would likely require significant sewer and traffic improvements. Within the Ralph Powell Rd. corridor various new development opportunities exist and infrastructure is available to these undeveloped parcels. The Wilshire Care Center continues to expand its footprint with additional residential independent living units currently under construction on the north side of Strother Rd. Some undeveloped lots exist within the Lakewood Business Park and commercial growth could occur on the NE corner of I-470 & Bowlin Rd (Captain's Wharf). Approximately 102 acres currently zoned Agricultural exists at the east end of Bowlin Rd. (Comprehensive Plan identifies this area for commercial and medium density residential). Currently the City is considering a 68 acre, 160 lot residential subdivision for this area. Other undeveloped areas in this corridor would prove to be challenging to develop due primarily to topography.

Airport Targeted Planning Area:
Boundary description: I-470 on the east and south, Lee's Summit Road on the west, Strother Road and Lakewood Residential subdivision on the north

General overview: The City owns a significant portion of the Targeted Planning Area for the Airport and related improvements or protection areas. Parcels along the I-470 corridor, east of the Airport are prepared for new development with infrastructure in place. Undeveloped parcels exist on the north and west sides of the Airport, however infrastructure to these areas would be necessary. Large lot residential developments exists along much Lee's Summit Road. A preliminary development plan has been approved for the development of St. Michael the Archangel Catholic High School located south of Strother Rd and east of Lee's Summit Road.

I-470 Chipman/Colbern Targeted Planning Area:
Boundary description: Colbern Rd/City Limits on the north, US 50 Highway on the east, Chipman Rd. on the south and View High/City Limits on the west.

General overview: West of US 50 Highway and north of I-470 land reclamation is occurring and much of the undeveloped area is undermined. South of I-470 opportunities for development exist along the west side of Pryor Rd. however relocation of transmission electrical lines would be necessary, and a fair amount of this area is undermined further west of Pryor Rd. The target planning area is bisected by the inactive Rock Island rail line and Cedar Creek. Planning efforts are continuing with the Paragon Star project (soccer complex/mixed use development at the View High/I-470 interchange.

View High Corridor Targeted Planning Area:
Boundary description: City limits on north, railroad and residential subdivisions to the east, Longview Road on the south and View High on the west.

General overview: Planning efforts continue with the Paragon Star proposed project at View High & I-470. The Lee's Summit United Methodist Church is preparing to begin construction of a new Church at View High and Chipman Rd. Large lot residential and undeveloped parcels exist along View High Drive with interest in mixed use development all along the View High corridor from I-470 to Longview Farm.

Longview Farm continues to see development and redevelopment with the overall vision to rehabilitate many of the historic structures of Longview Farm.

Downtown Core Targeted Planning Area:
Boundary description: City's Downtown Core as generally defined within the boundaries of Chipman Road, 291 North, and US 50 Hwy.

General overview: The Lee's Summit United Methodist Church continues to be marketed for sale, Grider Orthodontics at 3rd & Market is under construction, Hartley's Block / Vogue Condos / Parking Garage project continue to progress, planning continues on Market Center for Ideas, WPA Post office renovation to Historic Museum underway, Arnold Hall property is out for RFP.

M-291 North Corridor Targeted Planning Area:
Boundary description: North M-291 Commercial corridor from US 50 Hwy to Colbern Rd.

General overview: The corridor is mostly developed with redevelopment opportunities present. The old Sears building has been redeveloped into an At-Home furnishings store, Hy-Vee Gas & convenience store has recently opened, development interest in undeveloped parcel at Mulberry & 291, Old Fire Station #2 property sold for re-use, Party City constructing a new facility within the Ritter Plaza area. The former Deal's discount store has been redeveloped into Ted's Café Escondido and the former Sheridan's Custard is being renovated to accommodate Andy's Frozen Custard.

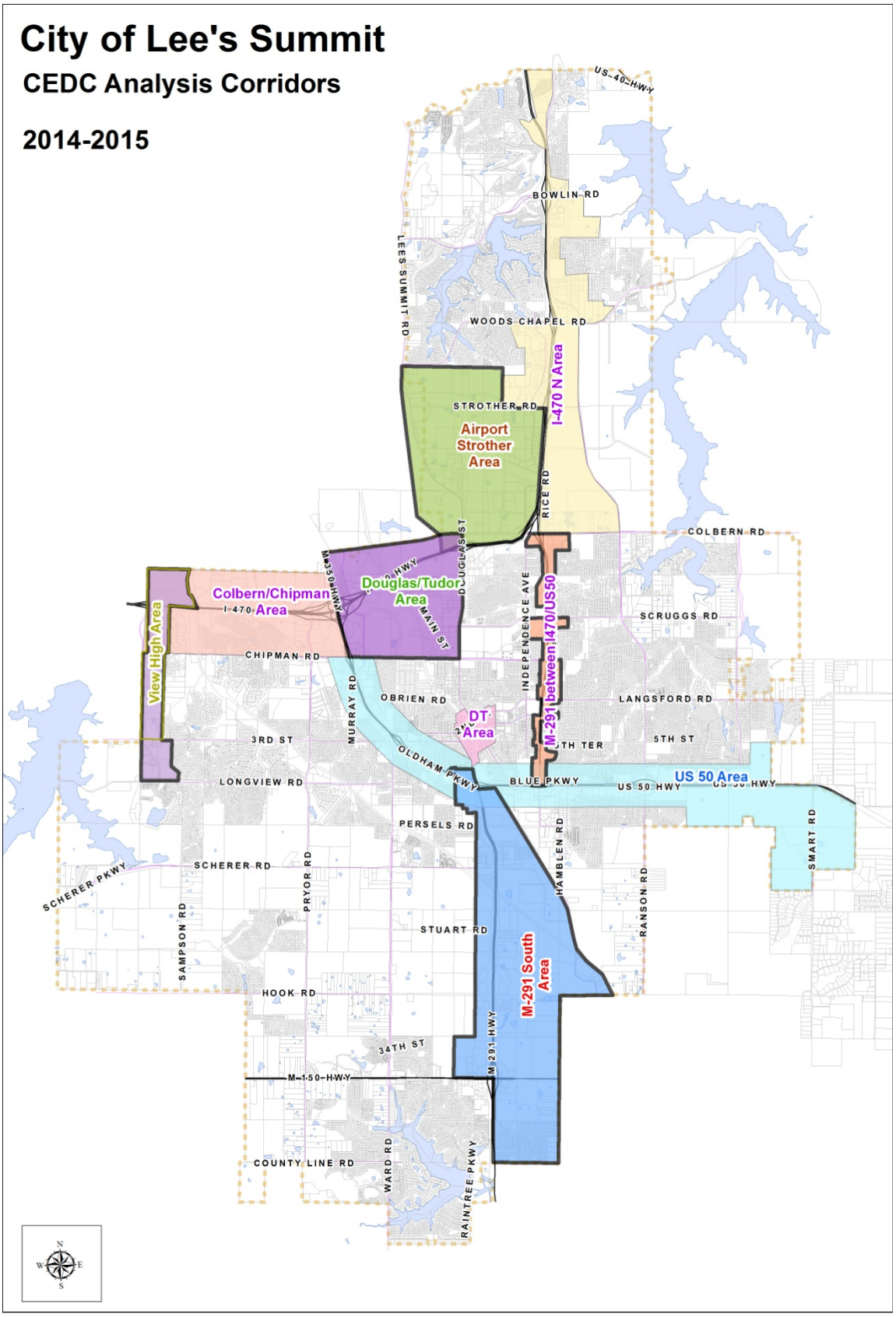
US 50 Hwy Corridor Targeted Planning Area:
Boundary description: US 50 Hwy Commercial corridor from Chipman Rd south and east to City limits.

General overview: This area contains many opportunities for redevelopment as well as new development. Planned and funded interchange improvements forthcoming for South M-291 & US 50 Hwy interchange as well as Blackwell Rd. & US 50 Hwy interchange. Redevelopment opportunities include: Old Lee's Summit Hospital, former Adesa & Calmar sites, Oldham Court (near Home Depot). With regard to new development, Todd George Marketplace is under construction with Price Chopper forthcoming, a planned Cooperative residential project east of LS Medical Center. With the Blackwell interchange and frontage road improvements there is great potential for new development in the eastern portion of US 50 Hwy however water and sewer infrastructure will likely be challenging south of US 50 towards Smart Road. A lift station would be necessary to sewer the annexed property referenced above.

South M-291 Targeted Planning Area:
Boundary description: M-291 South corridor (south of Us 50 Hwy) to the railroad tracks on the east, south to the southern City limits.

General overview: Potential redevelopment projects include Pine Tree Plaza shopping center, Adesa, Calmar, Pfizer, Market to Jefferson corridor (metal buildings). Wal-Mart pursuing development north of M-150. A significant portion of this planning area lacks sewer, transportation and water infrastructure to support development, specifically towards southern Lee's Summit. Bailey Road bridge scheduled to open by the end of 2015.

TARGETED AREAS FOR DEVELOPMENT



APPENDIX
Guidelines & Resources

LEE'S SUMMIT
MISSOURI

COMMUNITY PROFILE

Lee's Summit has celebrated its 150th anniversary. The sesquicentennial marks the founding the of the 11-block area that was the Town of Strother back in 1865. Decades and decades later, Lee's Summit finds itself a booming suburb, just miles southwest of Kansas City.

A town of 93,000-plus that stretches over 65-square-miles, Lee's Summit's proximity to Interstate 470, U.S. 50, Missouri 291 and Missouri 150 make it a regional destination for residents, businesses and tourists; hefty population growth in the last 30 years has been met with a thriving business environment – more than 3,200 businesses call Lee's Summit home – as well as a youthful edge with 17,000-plus students attending the Lee's Summit R-7 School District and a thriving parks and recreation system featuring dozens of areas to stay healthy.

The City of Lee's Summit, along with vital partners from the Lee's Summit Economic Development Council, Chamber of Commerce and Downtown Lee's Summit Main Street have worked in tandem to market a message that would differentiate Lee's Summit. Our community is our DNA.

Lee's Summit's community sprit approach to business represents a collaborative, pro-business atmosphere, which we (and our business partners) have found to be conducive in attracting and retaining business investment and job creation. We believe this is how it's supposed to be.

Demographics

Like many suburban communities across the United States, Lee's Summit began to experience its transformation from a rural, mostly agrarian community to a suburban community in the decades after the Second World War. As the city grew, its population nearly doubled every decade. In 1980, the population was approximately 28,000. By 1990 the population had reached 46,500. From 1990 to 2000, the city experienced a 53 percent increase in population, and another 29 percent increase from 2000 to 2010. Today, the population is approximately 93,000. The median age is 36. The median household income is $76,179. And, 42% of the residents have a Bachelor's degree or higher.

Transportation Corridors

The City is well served by several interstate, federal and state highways. Interstate 470, which rings the southeastern portion of the metropolitan area connecting Interstate 70 to Interstate 435, dissects Lee's Summit. U.S. Highway 50, and Missouri Routes 291 and 150 also go through Lee's Summit providing access to Kansas City and the surrounding area. Significant road improvements throughout the community over the past 10 years have enhanced safety, alleviated traffic congestion, and opened areas for development. The railroad still plays a role in the city's transportation access and development.

Employment and Economy

The City has a broad spectrum of employers including companies that manufacture everything from plastic containers to tools to electronic components. In addition to manufacturing, there is a wide variety of services such as customer service centers for pharmaceuticals and telecommunications firms, data management and processing centers, and educational institutions. There are 16 businesses in Lee's Summit with 250 employees or more, with eight of these businesses employing over 500.
The health sector has become a major component of the Lee's Summit economy with two regional hospitals having been built within the last nine years. Saint Luke's East Hospital, built in 2005, is a state-of-the-art, 171-bed facility situated on a 40-acre campus on the corner of Interstate 470 and Douglas. Lee's Summit Medical Center, built in 2007, is a full-service acute care facility with 64 beds located at U.S. Highway 50 and Todd George Parkway. In addition to these hospitals, there are numerous physician

offices and clinics that have made Lee's Summit one of the regional hubs for advanced medical care in western Missouri.

The City has seen its retail base increase significantly over the past decade. Summit Woods Crossing, an 800,000 square foot power center, opened in 2001 at the southwestern corner of the Interstate 470 and U.S. Highway 50 interchange. Tenants include Lowe's, Kohl's, Best Buy, Target, and Dick's Sporting Goods, as well as specialty stores and restaurants. Summit Fair, a 486,000 square foot open-air life style center, opened in 2009. Anchored by a Macy's and JCPenney, the center also includes several nationally known junior tenants. Approval was recently given to a third shopping center that will provide an additional 366,000 square feet of retail space.

CITY OF LEE'S SUMMIT MAYOR AND CITY COUNCIL

Mayor Randy Rhoads

District 1

Rob Binney

Diane Forte

District 2

Trish Carlyle

Craig Faith

District 3

Diane Seif

Phyllis Edson

District 4

Dave Mosby

Chris Moreno

Community Partners

The City has numerous partnerships to enhance service delivery in an effort to accomplish community and stakeholder goals. In addition to education providers and civic groups, key economic development partners include; Lee's Summit Economic Development Council, Lee's Summit Chamber of Commerce, and Downtown Lee's Summit Main Street.

Lee's Summit Economic Development Council

The LSEDC is a public-private sector partnership devoted to improving the economic well-being of residents and businesses in Lee's Summit through its mission; '*To attract and retain business investment and jobs by partnering with allies to create and market a high-quality-of-life, pro-business community.'*

The LSEDC provides a wide range of services which are designed to assist those wanting to invest in our community. Services include;

- Site Location Services
- Business Assistance Programs
- Research and analysis
- Incentive Identification and application

Lee's Summit Chamber of Commerce

The Chamber is dedicated to *'… create opportunities for business success through networking and advocacy, as well as business and professional development. We provide leadership by serving as a catalyst for the economic growth and prosperity of the Lee's Summit community.'*

The Chamber's singular goal is to ensure that there is no better place to live or do business than right here in Lee's Summit. Services include;

- Tourism promotion
- Entrepreneur assistance
- Community and Business marketing
- Business development

Downtown Lee's Summit Main Street

DLSMS is a partner focused on revitalization efforts in four areas: Design, Economic Restructuring, Organization, and Promotions. It is a comprehensive and balanced approach with an underlying goal of promoting and strengthening the downtown core and preserving its historic character.

The mission of Downtown Lee's Summit Main Street is to '*promote and strengthen its economically strong and diverse Downtown Core through a master plan of:*

- *community education and awareness;*
- *cooperative utilization of business resources;*
- *continuity in design and historical preservation; and*
- *continued growth of the economic base*

ECONOMIC DEVELOPMENT POLICY STATEMENT

The City Council of the City of Lee's Summit is the approving body for all projects that make use of economic development incentives. It is the City Council's responsibility to balance the needs for economic development and a positive financial condition for the provision of City services. The City Council reserves its power to judiciously review the merits of all development projects on a case by case basis. Under no circumstance will incentives be approved without consent from a majority of the Council.

The purpose of this document is to inform the prospective investor of the types and uses of incentives that are available to fund development projects within the City. Additionally, the policies contained are guiding statements intended to outline processes, procedures, and reflect the general consensus of the Mayor and City Council.

OVERVIEW OF FINANCIAL TOOLS AND INCENTIVES

Purpose

Economic development incentives are a means to reduce or redirect taxes for businesses in exchange for specific desirable actions or investments that might not be financially feasible. To qualify for incentives, a project must demonstrate an ability to meet the City's targeted outcomes.

CATEGORIES

Special taxing districts

The City may establish or approve the establishment of special districts that can impose special assessments and/or taxes in order to pay for public improvements or to eliminate blight. These districts are typically geographic areas such as a neighborhood or corridor that are contiguously connected. The most common special taxing districts are Neighborhood Improvement Districts (NID), Community Improvement Districts (CID), and Transportation Development Districts (TDD).

Property tax abatement

Tax abatement is offered through a variety of programs geared to job creation, private investment, and redevelopment. Typically, the development continues to pay taxes on land and improvements based on their value prior to the new investment. All, or a portion, of the incremental increase in property taxes is abated for a set period of time. This incentive is sometimes referred to the respective Missouri Statute as Chapter 99 (Land Clearance for Redevelopment Authority), Chapter 100 (Industrial Development Bonds), or Chapter 353 (Urban Redevelopment Corporation).

Tax Increment Financing (TIF)

The development pays all taxes owed and a portion of all of the incremental increase in taxes resulting from development is captured and redirected to pay redevelopment project costs. Taxing jurisdictions continue to receive the taxes based on the pre-development value. A tax increment financing (TIF) project may also capture new taxes after the TIF is approved. All new Business Personal Property taxes created immediately flow to the respective taxing jurisdictions while the TIF is in existence.

Definitions and Guidelines:

Community Improvement District (CID)

A CID is a separate political subdivision or not for profit organization that can be created for the purpose of issuing bonds, levying taxes and applying special assessments to finance public improvements, public services or blight removal.

Eligible Revenues and Financing Tools: (Authorized by Sections 67.1401 to 67.1561 RSMo.)

- Special Assessments: If approved by owners collectively owning more than 50% of the assessed value, and by more than 50% per capita of property owners in the districts.
- Property Tax: Additional property taxes may be approved by majority vote of qualified voters in the district boundary.
- Sales Tax: Additional sales tax may be imposed up to a maximum of 1% if approved by majority vote of qualified voters in the district.
- Fees and Rents
- Grants, Gifts, or Donations

Common Uses for CID:	
Improvements	Services
Parks	Economic, Planning, Marketing or other Studies
Convention Centers	Waste Collection / Disposal
Parking Lots	Recreational and Cultural Activities
Sidewalks	Special Events
Streets	Cleaning and Maintenance of Public/Private property
Bridges	Security
Storm Water Facilities	Facility Operation
Sanitary Sewer Facilities	Blight Removal

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- May be used in coordination with other development tools or as a 'stand alone' entity. When CID/TDD/NID is used to create supplemental revenue to support a primary economic tool (TIF) the supplement should relate to public benefits. The City discourages the use of CID/TDD/NID when the sole purpose is to remedy private maintenance and repair costs.
- The amount of incentive granted will be determined based upon the merits of the project for a total of up to 1% per $100 of assessed value or $0.01 of sales tax revenue.

Transportation Development District (TDD)

Similar to a CID, a TDD operates as a separate political subdivision that may be created for the purpose of issuing bonds, levying taxes, and applying special assessments to finance transportation related improvements.

Eligible Revenues and Financing Tools: (Authorized by Sections 238.200 to 238.275 RSMo.)

- Special Assessments: May be imposed for improvements that specifically benefit properties within the district. Majority voter approval is required. More than one special assessment may be imposed within the district.
- Property Tax: May be levied with the approval of at least 4/7ths of qualified voters and may not exceed the annual rate of $0.10 per $100 of assessed valuation.
- Sales Tax: May be imposed in increments of 1/8 of 1% up to a full 1% upon approval of a majority of qualified voters.

Common Uses for TDD:	
Improvements	
Bridges	Roads
Highways	Interchanges
Intersections	Signing
Signalization	Parking Lots
Bus Stops	Terminals
Hangars	Rest Areas
Docks	Airports
Railroads	Mass Transit

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- May be used in coordination with other development tools or as a 'stand alone' entity. When CID/TDD/NID is used to create supplemental revenue to support a primary economic tool (TIF) the supplement should relate to public benefits. The City discourages the use of CID/TDD/NID when the sole purpose is to remedy private maintenance and repair costs.
- The amount of incentive granted will be determined based upon the merits of the project for a total of up to 1% per $100 of assessed value or $0.01 of sales tax revenue.

Neighborhood Improvement District (NID)

A Neighborhood Improvement District (NID) may be created in an area desiring certain public-use improvements that are paid for by special assessments to property owners in the area in which the improvements are made. The kinds of projects that can be financed through an NID must be for facilities used by the public, and must confer a benefit on property within the NID.

Eligible Revenues and Financing Tools: (Authorized by Sections 67.453 to 67.745 RSMo.)

- Special Assessments: Financing source comes from the selling of bonds and can be privately funding sources. Project improvements may be financed with general obligation bonds issued by the City. Maximum bond term is 20 years.
- Bonds: The bonds are to be repaid by special assessments (sales or property tax) placed on the properties within the district.

Common Uses for NID:	
Improvements	
Property Acquisition	Streets
Gutters	Sidewalks
Water, Gas, and Utility Mains	Street Lights
Parks and Playgrounds	Storm Water Facilities
Sanitary Sewer	Off- Street Parking
Engineering and Legal Fees	Maintenance of the project

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- May be used in coordination with other development tools or as a 'stand alone' entity. When CID/TDD/NID is used to create supplemental revenue to support a primary economic tool (TIF) the supplement should relate to public benefits. The City discourages the use of CID/TDD/NID when the sole purpose is to remedy private maintenance and repair costs.
- The amount of incentive granted will be determined based upon the merits of the project for a total of up to 1% per $100 of assessed value.

Land Clearance for Redevelopment Authority (LCRA)

LCRA Law enables municipalities to curb urban blight and encourage redevelopment of real property. Authority has the power to acquire and dispose of both real and personal property by purchase, lease, eminent domain, grant, bequest, devise or gift. Authority has the power to issue taxable or tax-exempt bonds to fund any of its corporate purposes. LCRA, once created locally, is a separate political entity required to comply with all Missouri laws applicable to political subdivisions.

Eligible Revenues and Financing Tools: (Authorized by Sections 99.300-99.715 RSMo.)

- Property Tax Abatement: A maximum 100% of the taxes on the increase in assessed value of both land and improvements for 10 years. During the abatement period, the property owner continues to pay taxes on the land and improvements that existed prior to redevelopment.
- Bonds: Can be issued to finance redevelopment and blight remediation.

Common Uses for LCRA:	
Improvements	
Land Acquisition Building Construction Blight Removal Activities	Land Disposal Building Rehabilitation

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- Typically incentives considered under the LCRA will be at an abatement level of 50% over a 10 year period for new development and redevelopment. To qualify for site specific incentives over the 50% base level of participation, the applicant must demonstrate extraordinary qualifications.

Site Specific Incentives

When a development or redevelopment project achieves or delivers the targeted outcomes defined in this document, a site specific incentive may be granted in addition to traditional incentives at the base level amount. These site specific incentives are intended to encourage development projects that have extraordinary qualifications and return on public investment. At least one of the following criteria must be met for consideration.

Extraordinary Qualification Criteria:

- Creates jobs where average compensation meets or exceeds the average pay of workers in Jackson County, Missouri. (See exhibit C)
- Creates additional direct general fund revenue taxes that exceed the amount that is to be abated.
- Rehabilitates structures as listed on any historic register or within any historic district as defined by local, state, or federal governments.

Industrial Development Bonds (Chapter 100)

Chapter 100 bonds may be used to provide a tax abatement for real and personal property.

Eligible Revenues and Financing Tools: (Authorized by Sec. 27 & 27(b), Missouri Constitution)

- Personal Property Abatement: The City purchases machinery or equipment which allows for City ownership and tax exemption.
- Real Property Tax Abatement: The property is owned by the City during the bond term and thus is exempted from taxes. A payment in lieu of tax (PILOT) agreement may be required to modify the level of abatement.
- Sales Tax Exemption: Purchases of materials used in the construction of the facility may be structured such that the City's sales tax exemption is used.

Common Uses for Chapter 100 Bonds:	
Improvements	
Land Acquisition Building Construction	Purchase of machinery or equipment Building Rehabilitation

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- Typically incentives considered under the Chapter 100 will be at an abatement level of 50% over a 10 year period for new development and redevelopment.
- For business equipment the incentive will be considered at an abatement level of 50% over a 5 year period.
- To qualify for site specific incentives over the 50% base level of participation for the initial 10 years and/or abatement beyond the initial 10 years, the applicant must demonstrate extraordinary qualifications.

Urban Redevelopment Corporations (Chapter 353)

Chapter 353 allows for tax abatement of incremental real property taxes provided as an incentive for the clearance, re-planning, reconstruction, or rehabilitation of blighted areas.

Eligible Revenues and Financing Tools: (Authorized by Sec. 27 & 27(b), Missouri Constitution)

- Property Tax Abatement: 100% of the taxes on the increase in assessed value of the land and 100% of the taxes on the value of the improvements for 10 years and 50% of the taxes on the increase in assessed value of the land and improvements for the next 15 years. The level of abatement may be modified by an agreement to make payments in lieu of taxes (PILOTs).

Common Uses for Chapter 353 Bonds:	
Improvements	
Land Acquisition Building Construction	Blight Removal Activities Building Rehabilitation

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- Typically incentives considered under the Chapter 353 will be at an abatement of 50% over a 10 year period for new development, redevelopment, and business equipment expansions.
- To qualify for site specific incentives over the 50% base level of participation for the initial 10 years and/or abatement beyond the initial 10 years, the applicant must demonstrate extraordinary qualifications.

Site Specific Incentives

When a development or redevelopment project achieves or delivers the targeted outcomes defined in this document, a site specific incentive may be granted in addition to traditional incentives at the base level amount. These site specific incentives are intended to encourage development projects that have extraordinary qualifications and return on public investment. At least one of the following criteria must be met for consideration.

Extraordinary Qualification Criteria:

- Creates jobs where average compensation meets or exceeds the average pay of workers in Jackson County, Missouri. (See exhibit C)
- Creates additional direct general fund revenue taxes that exceed the amount that is to be abated.
- Rehabilitates structures as listed on any historic register or within any historic district as defined by local, state, or federal governments.

Development Agreements

The City of Lee's Summit negotiates agreements to reimburse developers local taxes that are generated from the development (real property, personal property, and sales). Public purpose must be identified (e.g. public infrastructure requirements, economic development, elimination of blight, etc.). Traditionally these agreements are used to finance public improvements for which there is already a need but no public funds available.

Eligible Revenues and Financing Tools: (Authorized by City Charter of Lee's Summit, Missouri)

- Sales Tax Reimbursement: The City may pledge a portion of the new sales taxes expected to be generated by the development to fund infrastructure improvements.
- Developer Participation: In this type of agreement the developer provides partial or total funding to expedite an unfunded public improvement that will benefit the development.

Common Uses for Development Agreements:	
Improvements	
Intersection Improvements Traffic Signals Regional Stormwater Detention Facilities	Street Widening Streetscape Improvements

As permitted by the City Charter listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- Sales tax reimbursement will only be authorized to fund public improvement projects directly related to the development.
- Sales Tax Reimbursement shall be limited to funding from the General Fund and base level of participation at ½ cent over a 10 year period for public improvement projects.

Tax Increment Financing (TIF)

TIF is an economic development tool which provides a means for local governments to finance the redevelopment of designated areas determined to be blighted or conservation areas (near blight), or economic development areas. TIF allows future increases in real property and economic activities taxes to be captured to fund the redevelopment.

Eligible Revenues and Financing Tools: (Authorization Sec 99.800 – 99.865 RSMo.)

- Payments in Lieu of Tax (PILOTS): The tax increment produced as a result of increased assessed property values over the base level. State Statutes authorizes the redirection of 100% of the incremental increase in property taxes to the TIF special allocation fund. Taxing jurisdictions will continue to receive taxes based on the property values prior to the development.
- Economic Activity Taxes (EATs): The Statute authorizes the redirection of 50% of the incremental increase in taxes generated by economic activities within the project, such as new sales, utility, food, and beverage taxes.
- Bonds: The City may also issue obligations to pay for Redevelopment Project Costs and pledge the funds in the special allocation fund to retire the obligations. Maximum bond term is 23 years but may be longer when there are multiple project areas that are collectively more than 23 years.

Common Uses for TIF:	
Improvements	
Professional Services	Plans and Specifications
Land Acquisition	Site preparation
Public Improvements	Private Improvements

As permitted by the State statutes listed above, the City has developed the following guidelines as criteria for granting the use of this financing tool.

Guidelines:

- Typically incentives considered utilizing TIF will be at an amount not to exceed 25% of the total private development costs.
- To qualify for site specific incentives over the 25% base level of participation, the applicant must demonstrate extraordinary qualifications.

Site Specific Incentives

When a development or redevelopment project achieves or delivers the targeted outcomes defined in this document, a site specific incentive may be granted in addition to traditional incentives at the base level amount. These site specific incentives are intended to encourage development projects that have extraordinary qualifications and return on investment. The amount of incentive granted will be negotiated based upon the merits of the project.

Extraordinary Qualification Criteria:

- Creates jobs where average compensation is equal to or exceeds the average pay of workers in Jackson County, Missouri. (See exhibit C)
- Creates additional direct general fund revenue taxes that exceed the amount that is to be abated.

- Rehabilitates structures as listed on any historic register or within any historic district as defined by local, state, or federal governments.

APPLICATION AND REVIEW PROCESS

Purpose
A predefined process and procedure will ensure that project review is consistent and efficient in an effort to have a uniform review process.

Overview of Application and Approval Process
If the proposed project requires an incentive at the base level, or below, the developer or applicant may proceed with the statutory requirements outlined by each incentive. These statutory requirements may require a presentation to a Tax Increment Finance Commission, a petition process, funding agreement, or blight determination. For more information on these requirements please contact the City Manager's office.

If the proposed project requires an incentive above the base level then the following guidelines will be used as the process for the review of the proposed project.

Policy

1. Applicants shall notify, in writing, the City of Lee's Summit and the Lee's Summit Economic Development Council of their intent to pursue a development project that will make use of incentives above the base level. The pre-approval checklist, identified as exhibit A to this document, shall accompany this letter at the time it is submitted.

2. Upon review of the applicant's letter of intent and pre-approval checklist, a conceptual presentation is made to the City Council. After the formal conceptual presentation the City Council shall decide at their next earliest regular meeting to consider additional hearings or presentations for the review of the proposed development project.

GUIDELINES FOR DEVELOPERS AND APPLICANTS

Purpose

To assist in the decision making process, the City of Lee's Summit has identified needed information that will help ensure each project is reviewed in its entirety.

Policy

1. At any time, the City of Lee's Summit, may request an independent, third party review, and financial analysis of the proposed development project. This review may include an analysis of cost and benefits, return on investment, general financials, and feasibility. This review and analysis it to be provided at no cost to the City through a funding agreement similar to the one enclosed as Exhibit B.

2. At any time, the City Council of the City of Lee's Summit, may request review of available credit that may be used by the applicant for the purpose of development.

GENERAL POLICIES

Purpose

To meet the community's needs and protect resources entrusted to the City by its residents, the City Council may develop policies that regulate economic development for the purpose of maintaining or improving the general welfare of the City.

Policy

1. Before review by the City Council, all proposed projects that are to receive incentives must be consistent with the City's Comprehensive Plan and must comply with all applicable City zoning.

2. The City's 'annual appropriation', or General Fund, guarantee will not be pledged for economic development projects.

3. The City Council will not consider or grant incentives for projects that have received any type of building permit excluding the land disturbance permit.

4. The disbursement of incentives will be subject to an annual evaluation to ensure that the performance of the development project is commensurate with the amount of incentives granted.

5. The City Council will receive comments, or a statement of impact, from the Lee's Summit School District, or any other taxing jurisdiction, if provided to city staff during the review period.

LEE'S SUMMIT
MISSOURI

Exhibit A

Financial Incentive Pre-Application Worksheet

DATE: _____ APPLICANT: _____

ADDRESS: _____

PHONE #: _____EMAIL:_____

CONTACT PERSON: _____

DEVELOPMENT CENTER
PROJECT NAME: _____

PROJECT TYPE:
Check all that apply and fill in the SIC/NAICS code, if known.

- ☐ Industrial, Manufacturing, Technology SIC/NAICS code: _____
  - ☐ New building, no existing Missouri operations
  - ☐ New building, other Missouri operations already in existence
  - ☐ Expanding existing facility
  - ☐ Retaining existing facility
- ☐ Retail/Restaurant/Hotel SIC/NAICS code: _____
  - ☐ New freestanding building
  - ☐ New multi-use tenant building
  - ☐ Remodel, addition or expansion of existing building
- ☐ Office
  - ☐ New freestanding building
  - ☐ New multi-use tenant building
  - ☐ Remodel, addition or expansion of existing building
- ☐ Residential
  - ☐ New freestanding residential units
  - ☐ New residential units in a multi-use building
  - ☐ Remodel, addition or expansion of existing building
- ☐ Downtown
  - ☐ Remodel, addition or expansion of existing building
  - ☐ Exterior façade improvement
  - ☐ Construction of new building
- ☐ Other _____

PROPERTY FOR WHICH INCENTIVES ARE BEING SOUGHT

Attach map and legal description of property.

ADDRESS: _____

CURRENT PROPERTY OWNER: _____

WILL APPLICANT BE PURCHASING THE PROPERTY: _____YES _____NO

TOTAL ACRES: _____ Building Sq. Ft. _____

LEE'S SUMMIT
MISSOURI

INVESTMENT

Total new investment: $ _____

Acquisition of land/existing buildings: $_____
Annual lease of land/existing buildings: $_____
Preparation of plans, studies, surveys: $_____
Site preparation costs: $_____
Building improvements: $_____
Site improvements: $_____
Utilities/Infrastructure Costs: (streets, sewer, etc.): $_____

TIMELINE

Calendar year in which applicant plans to begin construction: _____
Approximate opening date: _____

WAGE & BENEFITS

	Job Category (executive, professional, clerical, general labor, etc.)	# new full-time employees	# new part-time employees	Average hourly wage/employee
Year 1				
Year 2				

% of health care premium paid for by the employer: _____

TYPE OF FINANCIAL INCENTIVE DESIRED

TAX ABATEMENT

- ☐ Tax Increment Financing
- ☐ Chapter 100 Industrial Revenue Bonds
- ☐ Chapter 353 Tax Abatement
- ☐ Land Clearance for Redevelopment Authority (LCRA)

Special Assessment, Property Tax, Sales Tax

- ☐ Neighborhood Improvement District
- ☐ Community Improvement District
- ☐ Transportation Development District

Local Incentive Tools

- ☐ Sales Tax Sharing Agreements
- ☐ Cost-Share Development Agreements

EXHIBIT B

TAX INCREMENT FINANCING FUNDING AGREEMENT

THIS TAX INCREMENT FINANCING FUNDING AGREEMENT ("Agreement") is entered into this _____ day of _____, 2007 by **CITY OF LEE'S SUMMIT, MISSOURI** (the "City"), and _____, a _____ (the "Company").

RECITALS

A. The City is a constitutional charter city incorporated and exercising governmental functions and powers pursuant to the Constitution and the Statutes of the State of Missouri. The principal office of the City is located at the City Hall, 220 SE Green St., Lee's Summit, Missouri 64063.

B. The Tax Increment Financing Commission of Lee's Summit, Missouri (the "Commission") was created pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 et seq. (R.S.Mo.1982, as amended) (the "Act"), and under Ordinance No. 3724, adopted by the City Council of the City. The principal office of the Commission is located at City Hall, 220 SE Green St., Lee's Summit, Missouri 64063.

C. The Company is a _____ engaged in the business of _____ _____ with offices at _____.

D. The Commission has been requested by the Company to consider a potential plan for economic development-based financing for the Company related to the development of _____ _____ (the "Plan"), which Plan may include, without limitation, a tax increment financing plan within the City, in accordance with the Act, or any other local or state economic development-based financing tool or option that is or may become available to the City and, if such Plan is approved by the City, the City and the Commission may be requested to provide such other services and assistance as may be required to implement and administer the Plan through its completion.

E. The Commission and the City do not have a source of funds to finance costs incurred by them, in the form of additional City staff time, legal, fiscal, planning, transportation and engineering consultants, direct out-of-pocket expenses and other costs, resulting from services rendered in connection with the review, evaluation, processing and consideration applications for tax increment financing assistance authorized by the Act, or any other local or state economic development-based financing tool or option that is or may become available to the City.

F. If the Company's Plan is approved by the City Council and if sufficient revenues are generated by the redevelopment contemplated by the Plan, Commission and City costs covered by this Agreement and paid by Company shall be reimbursed to Company from monies deposited into the Special Allocations Fund pursuant to 99.845 R.S.Mo.

AGREEMENT

1. Services to be Performed by the Commission and/or the City. The City (or, if directed by the City, the Commission) shall:

a. Prepare or consult with the Company on the preparation of and consider the Plan in accordance with the provisions of the Act, give all notices, make all publications and hold hearings as required by the Act on behalf of the City or the Commission;

b. Provide necessary staff, legal, financial, engineering and transportation assistance to prepare and present the Plan to the Commission and the City (including all staff reports, consultant reports and other third party reports, analysis and other information) and to permit consideration of the Plan by the Commission and the City, to prepare any resolutions or motions and, if the Commission recommends approval of the Plan, to prepare and present required ordinances to the City Council of the City.

c. Apply to the appropriate local or state agencies, authorities or entities as necessary or as required by the Plan, or as requested by the Company and approved by the City.

d. Provide any other assistance requested by the Company and agreed to by the City in connection with the Plan.

e. If the City Council of the City approves the Plan, provide the necessary staff and legal assistance to prepare and negotiate a definitive agreement between the Company and the City for implementation of the Plan; and

f. If a definitive agreement is entered into, provide the necessary staff and legal assistance to administer such agreement and Plan until funds are available in the Special Allocation Fund.

2. Initial Deposit. The City acknowledges receipt of an initial deposit of funds (the "Deposit") from the Company in the amount equal to (1) the Full Funding Level as required in Table 1 based on the incentive amount being requested, or (2) the Minimum Initial Deposit as specified in Table 1. If the amount of the Deposit is in the amount of the Minimum Initial, then Developer shall also deposit with City an irrevocable standby letter of credit (the "Letter of Credit") in an amount equal to the difference between the Full Funding Level and the Deposit. The Letter of Credit shall be in the form attached hereto as Exhibit ___, and shall be subject to draw by the City as provided herein. The City shall disburse the Deposit as set forth in Section 4 and shall bill the Company pursuant to Section 3 to re-establish the Deposit so that there is always a cash balance equal to the Minimum Initial Deposit amount. Further, prior to consideration or approval by the City Council of any ordinance, Company shall deposit with the City an amount equal to an amount determined by City staff to be sufficient to cover costs incurred during the City Council process from which additional disbursements may be made as required.

The Full Funding Level is only an estimate of expenses to be incurred through the TIF application process. The Company will be billed for actual out-of-pocket or City authorized third party consultant costs for services as set forth in Section 1. The City shall bill the Company monthly, or at such other interval or times as City shall determine to be appropriate, pursuant to Section 3 to re-establish the Deposit.

Table 1

Incentive Requested:	Less Than $5,000,000	$5,000,000 to $25,000,000	$25,000,000 to $100,000,000	More Than $100,000,000
Minimum Initial Deposit	$25,000	$50,000	$50,000	$50,000
Letter of Credit	n/a	n/a	$100,000	$225,000
Full Funding Level:	**$25,000**	**$50,000**	**$150,000**	**$275,000**

3. Additional Funding. The City shall submit from time to time an itemized statement for administrative expenses and actual out-of-pocket expenses necessary to perform its obligations hereunder or for any additional obligations or expenditures incurred by the City or Commission. Subject to the remaining provisions of this Section 3, such statements may be submitted upon execution of consultant contracts relating to the Plan or as expenses are incurred by the City in connection with the City's and/or Commission's review and consideration of the Plan. The Company may be billed in advance for the full amount of third party consultant contracts expenses upon approval of the contract by the City Administrator or the City Council. The Company shall pay the City the amounts set forth on such statements (the "Additional Funds") within ten (10) days of receipt thereof or before final consideration of the application; provided, however, that as to any amounts billed in advance for any contract or consultant fees, City shall have the right to elect not to execute any such contract or to engage or authorize such consultant or contractor to proceed until such advance billing amount is paid by the Company.

If any such amounts are not so paid when due, the unpaid balance shall accrue interest at the rate of two percent (2%) per month from the date billed until paid, but in no event shall such interest rate exceed twenty-four percent (24%) per annum. Further the Commission and City shall be relieved of any and all obligations hereunder (including without limitation any obligation to review or consider the Plan) until all such amounts (with interest) are paid, or the City may terminate this Agreement pursuant to Section 6.a.

In addition, if such funds (including any advance-billed costs) are not so received, all work by staff and third party consultants on the TIF application shall cease until full payment is made, including penalties, and the fund balance is restored to the Deposit amount as set forth in Section 2 or, prior to any consideration or approval by the City Council, an amount sufficient to cover anticipated costs incurred during final consideration process is deposited as provided herein. Company acknowledges and agrees that the City shall have the right to delay final consideration of the Plan, or consideration or approval by the City Council of any ordinances with respect to the Plan or the projects contemplated therein, until all outstanding expenses have been paid and the fund balance is sufficient to cover all remaining cost anticipated to be incurred by or on behalf of the City through the anticipated conclusion of such final consideration process, including but not limited to meeting expenses, court reporting, attorneys' fees and other third party consultant preparation and attendance.

If at any time any amounts (including advance billings) are unpaid beyond the time periods set forth herein, or if at any time the City shall determine that it desires to hold on deposit the Full Funding Amount, City shall have the right to draw on the Letter of Credit and to hold the amounts so drawn as part of the Deposit.

4. Disbursement of Funds.

a. The City shall disburse the Deposit and Additional Funds for reimbursement for costs to the City on or before the thirty (30th) day of each month, and for consulting fees and the payment of all out-of-pocket expenses incurred by the Commission and/or the City in connection with the performance of its obligations under this Agreement as payment for such expenses become due. Upon reasonable notice, the Commission and/or City shall make its records available for inspection by Company with respect to such disbursements.

b. All of the services set forth in Section 1 are eligible redevelopment costs under the Act and as such are reimbursable from the Special Allocation Fund, but only to the extent ultimately set forth in the approved Plan and the redevelopment contract to be entered into in connection with any implementation of the Plan.

5. Plan Administration. In addition to the services set forth in Section 1, the Commission and/or City will be required to provide services from time to time for the continuing administration of the

Plan and management of the Special Allocation Fund. The Commission and/or City may be reimbursed from the Special Allocation Fund for meeting expenses at $250 per meeting and, upon appropriate itemization, staff time and expenses. In addition, the City may retain monies deposited in the Special Allocation Fund each year, in an amount equal to the documented expenses of the Commission and/or the City that are reasonable or incidental to the general operations of the Commission and/or City with respect to administration of the Plan.

6. Termination.

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

b. The parties hereto acknowledge that the Company may determine to abandon the Plan. Upon notice of abandonment by the Company, this Agreement shall terminate and the City may terminate any other agreement between the parties and shall retain the Deposit and Additional Funds, if any, necessary to reimburse its staff time accumulated to the date of termination and outstanding expenses incurred pursuant to this Agreement and any monies due and owing to the Commission or the City pursuant to any other agreement and shall pay all remaining refundable Deposit and Additional Funds, if any, to the Company within sixty (60) days of such termination.

c. In the event the Deposit and Additional Funds are insufficient to reimburse the City for the outstanding expenses of the City and/or the Commission payable hereunder, the Company shall reimburse the City as set forth in Section 3.

7. Subsequent Redevelopers. In the event the Commission or City selects another redeveloper pursuant to a request for proposals or other bid process to carry out the Plan, the City shall require the subsequent redeveloper to assume all obligations of the Company under this Agreement as of the date it is designated as redeveloper and to reimburse the Company for its expenditures hereunder.

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

To the City:

City Administrator
City of Lee's Summit, Missouri
220 SE Green St.
P.O. Box 1600
Lee's Summit, MO 64063

With a copy to:

City Attorney

City of Lee's Summit, Missouri
220 SE Green St.
P.O. Box 1600
Lee's Summit, MO 64063

To the Company:

_____
_____
_____
_____

With a copy to:

_____
_____
_____
_____

Each party may specify that notice be addressed to any other person or address by giving to the other party ten (10) days prior written notice thereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

CITY OF LEE'S SUMMIT, MISSOURI

By:_____
Its:_____

Attest:

By: _____
Its: City Clerk

Approved as to form:

_____
City Attorney

[COMPANY]

By:_____

Its:_____

Attest:

By: _____

Its: _____

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this _ day of _____, 200__, before me, a Notary Public in and for said State, personally appeared _____, _____ of the **CITY OF LEE'S SUMMIT**, **MISSOURI**, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said City and such person duly acknowledged to me that she executed the same for the purposes therein stated and that the execution of the same to be the free act and deed of said City.

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

_____
Notary Public

My Commission Expires:

_____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _ day of _____, 200__, before me, a notary public, appeared _____ _____, to me personally known, who being by me duly sworn, did say that he/she is the _____ _____ of _____, a _____, and that said instrument was signed on behalf of said _____ by authority of its _____ and said _____ acknowledged said instrument to be the free act and deed of said _____.

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

Notary Public

My Commission Expires:

_____

Exhibit A

[Date]

Irrevocable Letter of
Credit Number _____

Beneficiary:

City of Lee's Summit, Missouri
220 SE Green St.
P.O. Box 1600
Lee's Summit, MO 64063
Attention: City Administrator

Ladies and Gentlemen:

We hereby issue in your favor our irrevocable Standby Letter of Credit for the account of _____ (the "Company"), for an amount not exceeding in the aggregate U.S. Dollars _____ **U.S_____** (the "Stated Amount"). This Letter of Credit is issued to you pursuant to the terms of that certain Tax Increment Financing Funding Agreement, dated as of _____, between you and the Company (the "Funding Agreement").

The Stated Amount is available to you, hereunder, against presentation to us of your appropriately completed drawing certificate(s) in the form of Exhibit 1 or Exhibit 2, attached hereto. Only one drawing may be made hereunder.

If a drawing is received by us prior to 12:00 Noon, Kansas City, Missouri time, on a Business Day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the Beneficiary in immediately available funds by 3:00 P.M., Kansas City, Missouri time, on the same Business Day. If a drawing is received by us after 12:00 Noon, Kansas City, Missouri time, on a Business Day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the Beneficiary in immediately available funds by 1:00 P.M., Kansas City, Missouri time, on the next succeeding Business Day. Drawing Certificate(s) may be presented hereunder by facsimile transmission (facsimile number _____). If transmitted via facsimile, the original of any such transmitted Drawing Certificate shall be immediately sent to us by overnight courier, however, the Beneficiary and the Corporation agree that we are authorized to act upon any facsimile transmission of a Drawing Certificate without the need to follow up for the receipt of the original Drawing Certificate.

If a demand for payment made hereunder by the Beneficiary does not conform to the terms and conditions of this Letter of Credit, we shall give the Beneficiary prompt notice that the demand for payment was not made in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor, and we will upon the Beneficiary's instructions hold any such non-conforming demand at the disposal of the Beneficiary or return same to the Beneficiary. Upon being notified of a non-conforming demand, the Beneficiary may attempt to correct such demand to the extent that they are entitled to do so.

As used in this Letter of Credit "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the state of Missouri are required or authorized by law to close.

This Letter of Credit expires at our office located at _____ with our close of

business on _____, or any extended date as hereinafter provided for; provided, however, that if on such date you are subject to a court order that prohibits or otherwise restricts your ability to draw on this Letter of Credit, then such expiry date shall be automatically extended without amendment to the date which is thirty (30) days after the date on which such order is dismissed (the "Expiry Date").

It is a condition of this Letter of Credit that the Expiry Date will be deemed automatically extended, without amendment, for successive periods of one year, unless at least sixty five (65) days prior to any Expiry Date we notify you in writing by hand delivery or by courier of our intention not to extend the Expiry Date. Upon receipt of such notice you may then make one drawing hereunder for up to the then available Stated Amount by the presentation to us of your appropriately completed Drawing Certificate in the form of Exhibit 2, attached hereto.

Notwithstanding any reference in this Letter of Credit to other documents, instruments or agreements or references in such other documents, instruments or agreements to this Letter of Credit, this Letter of Credit sets forth in full the terms of our undertaking and any such documents, instruments or agreements shall not be deemed incorporated herein by such reference.

Except as otherwise expressly stated herein, this Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication Number 500, the "UCP". It is hereby agreed that Article 41 of the UCP will not apply to this Letter of Credit. This Letter of Credit shall be deemed to be a contract made under the laws of the state of New York and shall, as to matters not governed by the UCP, be governed by and construed in accordance with the laws of the state of New York.

We hereby agree with you that Drawing Certificates drawn under and in compliance with the terms of this Letter of Credit will be duly honored by us on due presentation to us.

Communications to us regarding this Letter of Credit must be in writing and must be addressed to us at _____, specifically referring therein to this Letter of Credit by number.

Very truly yours,

By: _____
Name: _____
Title: _____
Tel: _____
Fax: _____

Exhibit 1 to Letter of Credit Number _____

Drawing Certificate

To: _____
_____
_____
_____

Re: Your Letter of Credit No. _____

The undersigned, a duly authorized officer of the City of Lee's Summit, Missouri, the “Beneficiary” of the captioned Letter of Credit (the “Credit”), hereby certifies to you with respect to the Credit that:

(1) Demand is hereby made under the Credit for payment of US$[amount to be inserted].

(2) The above amount is being demanded pursuant to the terms of that certain Tax Increment Financing Funding Agreement, dated as of _____, between us and the Company (as defined in the Credit), and as the same may be from time to time amended, modified or supplemented.

Payment of this demand is required to be made in immediately available funds, by wire transfer, to the Beneficiary in accordance with the following payment instructions:

[**insert payment instructions**]

In Witness Whereof, the Beneficiary has executed and delivered this Drawing Certificate as of [date to be inserted].

CITY OF LEE'S SUMMIT, MISSOURI

By: _____
Name & Title _____

Exhibit 2 to Letter of Credit Number _____

Drawing Certificate

To: _____
_____
_____
_____

Re: Your Letter of Credit No. _____

The undersigned, a duly authorized officer of the City of Lee's Summit, Missouri, the "Beneficiary" of the captioned Letter of Credit (the "Credit"), hereby certifies to you with respect to the Credit that:

(1). The Beneficiary has received a notice from the issuer of the Credit that the Expiry Date referred to in the Credit will not be extended beyond [Expiry Date in effect on the date of the Drawing Certificate to be inserted].

(2). There are less than sixty-five (65) days prior to the Expiry Date of the Credit and the Beneficiary has not received a replacement Letter of Credit satisfactory to the Beneficiary. The Beneficiary is therefore demanding payment of US$[amount to be inserted] from the issuer under the Credit.

(3) The amount demanded will be used to satisfy obligations of the Company (as defined in the Credit) under the terms of that certain Tax Increment Financing Funding Agreement, dated as of _____, between us and the Company, and as the same may be from time to time amended, modified or supplemented.

Payment of this demand is required to be made in immediately available funds, by wire transfer, to the Beneficiary in accordance with the following payment instructions:

[**insert payment instructions**]

In Witness Whereof, the Beneficiary has executed and delivered this Drawing Certificate as of [date to be inserted].

CITY OF LEE'S SUMMIT, MISSOURI

By: _____
Name & Title _____

Exhibit C

Proposed Chapter 100, 353, TIF and LCRA Abatement Guidelines							
		Number of Jobs					
		5	7	10	15	20	25
Wages	100% CAW	10 yr / 50%	10 yr / 50%	10 yr / 50%	10 yr / 50% + 2 yr / 50%	10 yr / 75% + 2 yr / 75%	10 yr / 100% + 2 yr / 100%
	105% CAW	10 yr / 55%	10 yr / 55%	10 yr / 55%	10 yr / 55% + 2 yr / 50%	10 yr / 75% + 2 yr / 75%	10 yr / 100% + 2 yr / 100%
	110% CAW	10 yr / 60%	10 yr / 60%	10 yr / 60%	10 yr / 60% + 2 yr / 50%	10 yr / 75% + 2 yr / 75%	10 yr / 100% + 2 yr / 100%
	120% CAW	10 yr / 65%	10 yr / 65%	10 yr / 65%	10 yr / 65% + 2 yr / 50%	10 yr / 75% + 2 yr / 75%	10 yr / 100% + 2 yr / 100%
	130% CAW	10 yr / 70%	10 yr / 70%	10 yr / 70%	10 yr / 70% + 2 yr / 50%	10 yr / 75% + 2 yr / 75%	10 yr / 100% + 2 yr / 100%
	140% CAW	10 yr / 75%	10 yr / 75%	10 yr / 75% + 2 yr / 50%	10 yr / 75% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5 yr / 100%
	150% CAW	10 yr / 80%	10 yr / 80%	10 yr / 75% + 2 yr / 50%	10 yr / 80% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5 yr / 100%
	160% CAW	10 yr / 85%	10 yr / 85%	10 yr / 75% + 2 yr / 50%	10 yr / 85% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5 yr / 100%
	170% CAW	10 yr / 90%	10 yr / 90%	10 yr / 75% + 2 yr / 50%	10 yr / 90% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5 yr / 100%
	180% CAW	10 yr / 95%	10 yr / 95%	10 yr / 75% + 2 yr / 50%	10 yr / 95% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5 yr / 100%
	190% CAW	10 yr / 100%	10 yr / 100%	10 yr / 75% + 2 yr / 50%	10 yr / 100% + 5 yr / 50%	10 yr / 75% + 5 yr / 75%	10 yr / 100% + 5yr / 100%

Base: 10 yr / 50% abatement for companies creating a minimum of 10 jobs
CAW = County Average Wage (Jackson County, Missouri)
Job Creation: Number of net new Full Time Employees in 24 months after beginning new/ expanded operations