

Amended and Restated Chapter 100 Industrial Development Plan Cerner Properties, Inc Data Center Project

This amended and restated Chapter 100 Industrial Development Plan has been prepared to amend the capital investment, jobs and PILOT projections provided in the original Chapter 100 Industrial Development Plan approved by Ordinance 061372. Cerner's data center project has been constructed and \$78,424,169.03 of bonds were issued under the 2007A Indenture for the associated construction costs of the data center building and the initial investment in machinery/equipment/furniture/fixtures at the site. Cerner anticipates redeeming a portion (currently projected to be approximately \$6,100,000.00) of those bonds prior to December 31, 2008. Future bond issuances totaling the sum of such redeemed bonds and an additional \$421,575,830.97 are projected through 2017 to cover additional investments in personal property, i.e., machinery/equipment/furniture/fixtures at the data center.

A. Plan requirements per Missouri State Statute 100.050

1) Project Description

Founded in 1979, Cerner Corporation has grown into the leading supplier worldwide of healthcare information technology. The company employs 7,300 associates in 13 countries with 4,400 associates in the Kansas City metropolitan area. Cerner is headquartered in North Kansas City, with a Kansas City office on North Oak. The company expects to exceed \$2 billion in cumulative investment in research and development by 2010.

Cerner's data center consists of approximately 105,000 square feet, together with approximately 15,000 square feet of office space located on the west side of Chouteau Trafficway, north of MO Highway 210 adjacent to its headquarters. Total capital investment is estimated at \$501.6 million. Up to 115 new jobs, with an average salary of \$50,000, will be created by the project.

Cerner has requested up to \$500 million from multiple bond issuances over a ten year term under Chapter 100 to fund the acquisition and installation of real and personal property for the data center facility. The building and equipment purchased with the bond proceeds will be owned by the City and leased back to Cerner under a lease agreement. The bonds will be repaid solely by Cerner under the terms of the lease agreement.

Cerner is seeking ad valorem tax abatement on the real and personal property associated with the project (up to ten-year abatement period in connection with each bond issuance). Staff estimates total real and personal property tax abatement to be \$16.5 million during the aggregate 20 year period (10 year rolling period of tax abatement that began in 2007). The City's portion of this tax abatement is approximately \$2.8 million. Pursuant to the City's Chapter 100 policy, Cerner will make annual payments in lieu of taxes (PILOTS) equal to 50% of the real and personal property taxes to affected taxing jurisdictions that would have been payable had the real and

personal property been fully taxed. The City will cooperate with Cerner to cause all purchases of building materials, systems, components and personal property associated with the operation and occupancy of the property to be exempt from all state and local sales taxes. Total sales tax abatement for the project is estimated at \$23.0 million. The City's portion of the total sales tax abatement is approximately \$2.2 million.

2) Cost Estimate

COST CATEGORIES	TOTAL AMOUNT	COSTS FINANCED WITH BOND PROCEEDS
Construction	\$60,091,913	\$60,000,000
Renovation	\$0	\$0
Machinery/Equipment	\$427,189,272	\$427,189,272
Furniture/Fixtures	\$12,810,728	\$12,810,728
Capitalized Interest	\$1,470,671	\$0
Cost of Issuance	\$0	\$0
Contingency	\$0	\$0
TOTAL PROJECT COSTS	\$501,562,584	\$500,000,000

See Attachment 1 for the annualized cost breakdown.

3) Sources of Funds

SOURCES	AMOUNT
Bond Proceeds	\$500,000,000
Other Financing	\$0
Applicant's Funds	\$1,562,584
TOTAL	\$501,562,584

4) Lease/Disposal Terms

Cerner, as the City's contractor, will purchase and install real and personal property on the project site in accordance with the lease agreement. The City shall be the sole owner of the real and personal property during the lease term. While the real and personal property is owned by the City and is subject to the lease, Cerner's leasehold interest will be exempt from all ad valorem property taxes. Cerner will make PILOT payments as described in Section 1. During the lease term, Cerner has agreed that the earnings tax collected on earnings of employees of Cerner and its affiliates at the data center property shall not be less than \$245,700 during the period beginning on December 1, 2007 and ending on December 31, 2017. If the earnings tax amount is less during this period, Cerner will pay the difference to the City. Cerner has also agreed to a minimum investment of \$100,000,000. If this threshold is not met over ten years a portion of the real property tax abatement will be returned to the taxing jurisdictions. Each item

of real and personal property shall be conveyed by the City to Cerner on the 10th anniversary of Cerner's conveyance to the City (or sooner at Cerner's option).

5) Affected Taxing Jurisdictions

The following taxing jurisdictions will be affected by this project: North Kansas City School District, Clay County, Mid-Continent Public Library District and the Metropolitan Junior College District.

6)

a) Equalized Assessed Valuation of Real Property/Personal Property in Project – Before Development

Real Property: \$243,650

Personal Property: \$63,972

b) Equalized Assessed Valuation of Real Property/Personal Property in Project – After Development

Personal Property			Real Property		
Year	Appraised Value	Equalized Assessed Value	Year	Appraised Value	Equalized Assessed Value
		33.33%			32.00%
1	11,203,736	3,734,205		20,764,600	6,644,672
2	24,815,192	8,270,904		20,764,600	6,644,672
3	44,672,382	14,889,305		21,179,892	6,777,565
4	47,965,252	15,986,818		21,179,892	6,777,565
5	50,045,232	16,680,076		21,603,490	6,913,117
6	74,927,291	24,973,266		21,603,490	6,913,117
7	65,452,218	21,815,224		22,035,560	7,051,379
8	64,991,218	21,661,573		22,035,560	7,051,379
9	70,769,418	23,587,447		22,476,271	7,192,407
10	85,443,968	28,478,475		22,476,271	7,192,407
11	40,462,593	13,486,182		22,925,796	7,336,255
12	16,501,343	5,499,898		22,925,796	7,336,255
13	8,222,468	2,740,549		23,384,312	7,482,980
14	4,343,218	1,447,595		23,384,312	7,482,980
15	3,763,218	1,254,281		23,851,998	7,632,639
16	3,183,218	1,060,967		23,851,998	7,632,639
17	3,183,218	1,060,967		24,329,038	7,785,292
18	3,183,218	1,060,967		24,329,038	7,785,292
19	3,183,218	1,060,967		24,815,619	7,940,998
20	3,183,218	1,060,967		24,815,619	7,940,998

7) Cost/Benefit Analysis

- a) North Kansas City School District:** \$10,906,533
- b) Metropolitan Junior College District:** \$415,109
- c) Clay County:** \$2,831,639
- d) City:** \$10,151,405

See Attachment 2 for the cost/benefit analysis.

8) Anticipated PILOTs and Disposition of Payments

See Attachment 3.

B. Community Impact Statement Requirements (Resolution No. 041033)

1) Project Integration with FOCUS

The site under consideration is located within the Northland Urbanized FOCUS Development Priority Zone.

2) Cost/Benefit of the Project

a) City: \$10,151,405

b) North Kansas City School District: \$10,906,533

See Attachment 2 for the cost/benefit analysis.

3) Project Compliance with City Affirmative Action Policies

Cerner will comply, and will cause its contractors to comply, with the nondiscrimination and equal employment requirements of the City of Kansas City, Missouri, and with affirmative action in employment requirements applicable to the Project.

4) Other Evaluation Criteria

a) Number of New Jobs/Retained Jobs

The proposed project will result in the generation of up to 115 new jobs in the first ten years.

b) Total Amount of Projected Investment

Total capital investment is approximately \$501.6 million in real and personal property.

c) Average Wage

The average annual salary for the new employees will be \$50,000.

d) Capability to Attract sales from Outside KCMO

As 98% of Cerner Corporation's sales are to customers outside of the City, the project will result in increased sales to customers outside of KCMO.

e) Financial Strength of the Business

Cerner Corporation was founded in 1979 and employs 7,300 associates worldwide, with approximately 4,400 employees in the Kansas City metropolitan area. In 2006, the company's annual revenues exceeded \$1.3 billion, growing at compound annual rates of 20% or more over the past 5- and 10- year time horizons.

f) Additional Residents to the Area

Over the term of the Chapter 100, up to 115 new jobs will be created, which could result in new Kansas City residents.

g) Potential for Future Expansion

Cerner has indicated that there is potential for future expansion to areas adjacent to its South Campus location.

h) Existing versus New Business to the City

Cerner's world headquarters are located in North Kansas City. In 2005, Cerner renovated an existing office building at 3301 North Oak Trafficway, the former headquarters of Farmland Industries. This expansion created 450 new jobs. The data center project is also an expansion project, creating new jobs and additional investment in Kansas City.

i) General Environmental Impact on the Area

Cerner is not aware of any detrimental environmental impact that will result from the proposed project.

j) Use of Federal and State Incentives for the Project

N/A.

k) Evidence of the Need for Chapter 100 Bonds (Recruitment Projects Only)

N/A – not a recruitment project

l) Evidence of Support by Affected Taxing Jurisdictions

All taxing jurisdictions will be notified in accordance with Missouri State Statute 100.059.

m) Estimated Impact to Proximate Businesses/Competition in KCMO

N/A

Cerner Properties, Inc.
Chapter 100 Bonds Application

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Bond Proceeds	74,693,646	24,997,354	43,200,000	35,000,000	37,800,000	69,324,000	40,000,000	48,200,000	55,000,000	71,785,000	500,000,000
Other Financing Applicants Funds	1,562,584										<u>1,562,584</u>
Total Source of Funds											501,562,584

ATTACHMENT 2

Summary of Costs and Benefits

Analysis

10/16/08

Construction Period		Operatin									
Single Year	Additional Years	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10
I. Kansas City Impacts											
<u>Total Economic Benefits</u>											
Construction	\$30,915,139	\$0	---	---	---	---	---	---	---	---	---
Operations	---	---	\$10,176,596	\$12,846,396	\$17,762,432	\$15,892,988	\$16,756,538	\$24,508,312	\$17,883,284	\$19,868,205	\$21,604,536
Offsite Employee Effects	---	---	\$393,367	\$447,628	\$483,914	\$498,960	\$513,826	\$529,135	\$544,902	\$561,139	\$577,862
Secondary Effects	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Impacts	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Economic Benefits	\$30,915,139	\$0	\$10,569,963	\$13,294,024	\$18,246,346	\$16,391,948	\$17,270,364	\$25,037,447	\$18,428,186	\$20,429,344	\$22,182,397
<u>Total Public Revenues</u>											
Construction	\$580,904	\$0	---	---	---	---	---	---	---	---	---
Operations	---	---	\$528,480	\$587,113	\$768,042	\$831,542	\$875,434	\$1,073,124	\$1,056,463	\$1,065,319	\$1,112,260
Offsite Employee Effects	---	---	\$18,261	\$19,500	\$21,432	\$22,603	\$23,178	\$23,768	\$24,374	\$24,996	\$25,633
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Revenues	\$580,904	\$0	\$546,741	\$606,613	\$789,473	\$854,146	\$898,612	\$1,096,892	\$1,080,837	\$1,090,315	\$1,137,893
<u>Total Public Costs</u>											
Construction	\$529,015	\$0	---	---	---	---	---	---	---	---	---
Operations	---	---	\$181,431	\$228,962	\$364,882	\$366,901	\$391,066	\$570,611	\$477,223	\$496,682	\$531,585
Offsite Employee Effects	---	---	\$30,657	\$34,327	\$36,377	\$36,758	\$37,142	\$37,530	\$37,922	\$38,319	\$38,719
Secondary Effects	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Impacts	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Costs	\$529,015	\$0	\$212,088	\$263,289	\$401,260	\$403,659	\$428,207	\$608,141	\$515,145	\$535,001	\$570,304
NET ECONOMIC BENEFITS											
vs. PUBLIC COSTS	\$30,386,124	\$0	\$10,357,874	\$13,030,735	\$17,845,087	\$15,988,290	\$16,842,157	\$24,429,307	\$17,913,041	\$19,894,343	\$21,612,093
NET PUBLIC REVENUES											
vs. PUBLIC COSTS	\$51,889	\$0	\$334,652	\$343,324	\$388,214	\$450,487	\$470,405	\$488,752	\$565,692	\$555,314	\$567,589

Summary of Costs and Benefits
Analysis
10/16/08

Cerner - Data Center

	Time Period										Total
	2017 Year 11	2018 Year 12	2019 Year 13	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	
I. Kansas City Impacts											
<u>Total Economic Benefits</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$30,915,139
Operations	\$10,464,440	\$10,523,462	\$10,700,103	\$10,973,185	\$11,277,150	\$11,611,764	\$11,953,805	\$12,312,148	\$12,678,493	\$13,058,573	\$299,555,431
Offsite Employee Effects	\$612,819	\$631,084	\$649,895	\$669,268	\$689,219	\$709,766	\$730,927	\$752,719	\$775,163	\$798,277	\$12,164,953
Secondary Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Economic Benefits	\$11,077,259	\$11,154,546	\$11,349,998	\$11,642,453	\$11,966,369	\$12,321,529	\$12,684,732	\$13,064,868	\$13,453,656	\$13,856,850	\$342,635,523
<u>Total Public Revenues</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$580,904
Operations	\$988,083	\$762,814	\$646,635	\$618,113	\$611,426	\$626,068	\$638,539	\$657,424	\$674,127	\$694,076	\$16,086,089
Offsite Employee Effects	\$26,960	\$27,650	\$28,357	\$29,084	\$29,830	\$30,595	\$31,381	\$32,187	\$33,015	\$33,864	\$532,956
Secondary Effects	---	---	---	---	---	---	---	---	---	---	\$0
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Revenues	\$1,015,043	\$790,463	\$674,992	\$647,197	\$641,256	\$656,663	\$669,919	\$689,611	\$707,142	\$727,940	\$17,199,949
<u>Total Public Costs</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$529,015
Operations	\$323,348	\$204,932	\$140,881	\$120,473	\$110,791	\$111,576	\$111,072	\$113,566	\$114,753	\$117,340	\$5,738,201
Offsite Employee Effects	\$39,533	\$39,946	\$40,364	\$40,786	\$41,212	\$41,643	\$42,078	\$42,518	\$42,962	\$43,411	\$781,328
Secondary Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Costs	\$362,881	\$244,878	\$181,245	\$161,259	\$152,003	\$153,219	\$153,150	\$156,084	\$157,715	\$160,752	\$7,048,544
NET ECONOMIC BENEFIT: vs. PUBLIC COSTS	\$10,714,378	\$10,909,668	\$11,168,752	\$11,481,194	\$11,814,366	\$12,168,311	\$12,531,582	\$12,908,784	\$13,295,941	\$13,696,099	\$335,586,980
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$652,162	\$545,585	\$493,747	\$485,938	\$489,253	\$503,444	\$516,769	\$533,527	\$549,426	\$567,188	\$10,151,405

Summary of Costs and Benefits

Analysis

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	Construction Period		Operation Period									
	Single Year	Additional Years	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10
III. Clay County Impacts												
<u>Total Economic Benefits</u>												
Construction	\$18,016,714	\$0	---	---	---	---	---	---	---	---	---	---
Operations	---	---	\$7,745,013	\$9,611,869	\$12,964,232	\$11,734,370	\$12,332,326	\$17,452,443	\$13,150,553	\$14,466,358	\$15,625,537	\$19,156,684
Offsite Employee Effects	---	---	\$887,545	\$1,010,484	\$1,750,422	\$1,803,450	\$1,857,458	\$1,913,085	\$1,970,379	\$2,029,389	\$2,090,168	\$2,152,768
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Economic Benefits	\$18,016,714	\$0	\$8,632,558	\$10,622,353	\$14,714,654	\$13,537,820	\$14,189,785	\$19,365,529	\$15,120,932	\$16,495,747	\$17,715,706	\$21,309,452
<u>Total Public Revenues</u>												
Construction	\$59,749	\$0	---	---	---	---	---	---	---	---	---	---
Operations	---	---	\$133,336	\$144,815	\$214,076	\$267,662	\$284,317	\$337,806	\$382,654	\$366,221	\$376,395	\$429,486
Offsite Employee Effects	---	---	\$16,195	\$17,261	\$24,847	\$26,107	\$26,796	\$27,503	\$28,229	\$28,975	\$29,741	\$30,528
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Revenues	\$59,749	\$0	\$149,531	\$162,077	\$238,922	\$293,770	\$311,113	\$365,309	\$410,883	\$395,196	\$406,136	\$460,014
<u>Total Public Costs</u>												
Construction	\$44,744	\$0	---	---	---	---	---	---	---	---	---	---
Operations	---	---	\$78,320	\$90,149	\$137,587	\$157,762	\$167,596	\$215,437	\$217,740	\$214,212	\$223,148	\$263,695
Offsite Employee Effects	---	---	\$4,569	\$5,160	\$5,489	\$5,546	\$5,604	\$5,663	\$5,722	\$5,781	\$5,842	\$5,903
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	---	---	---	---	---	---	---	---	---	---	---	---
Total Public Costs	\$44,744	\$0	\$82,889	\$95,309	\$143,075	\$163,308	\$173,200	\$221,100	\$223,462	\$219,993	\$228,990	\$269,598
NET ECONOMIC BENEFITS												
vs. PUBLIC COSTS	\$17,971,970	\$0	\$8,549,669	\$10,527,044	\$14,571,578	\$13,374,513	\$14,016,585	\$19,144,429	\$14,897,471	\$16,275,754	\$17,486,715	\$21,039,854
NET PUBLIC REVENUES												
vs. PUBLIC COSTS	\$15,005	\$0	\$66,642	\$66,768	\$95,847	\$130,462	\$137,913	\$144,209	\$187,422	\$175,203	\$177,146	\$190,416

Summary of Costs and Benefits
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Cerner - Data Center

	Time Period										Total
	2017 Year 11	2018 Year 12	2019 Year 13	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	
III. Clay County Impacts											
<u>Total Economic Benefits</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$18,016,714
Operations	\$8,655,675	\$8,754,022	\$8,928,636	\$9,166,168	\$9,425,185	\$9,705,599	\$9,992,772	\$10,292,384	\$10,599,245	\$10,917,048	\$265,411,022
Offsite Employee Effects	\$2,217,244	\$2,283,651	\$2,352,049	\$2,422,496	\$2,495,054	\$2,569,786	\$2,646,758	\$2,726,037	\$2,807,691	\$2,891,792	\$52,083,272
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Economic Benefits	\$10,872,919	\$11,037,673	\$11,280,684	\$11,588,664	\$11,920,239	\$12,275,385	\$12,639,531	\$13,018,421	\$13,406,935	\$13,808,840	\$335,511,007
<u>Total Public Revenues</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$59,749
Operations	\$390,052	\$240,430	\$159,636	\$134,098	\$122,154	\$123,476	\$123,186	\$126,710	\$128,600	\$132,284	\$5,017,631
Offsite Employee Effects	\$31,337	\$32,167	\$33,020	\$33,896	\$34,796	\$35,721	\$36,671	\$37,647	\$38,649	\$39,679	\$735,270
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Revenues	\$421,389	\$272,597	\$192,656	\$167,994	\$156,950	\$159,197	\$159,857	\$164,357	\$167,250	\$171,964	\$5,812,651
<u>Total Public Costs</u>											
Construction	---	---	---	---	---	---	---	---	---	---	\$44,744
Operations	\$196,954	\$121,934	\$81,317	\$68,320	\$62,110	\$62,523	\$62,119	\$63,612	\$64,277	\$65,827	\$2,798,393
Offsite Employee Effects	\$5,965	\$6,027	\$6,090	\$6,154	\$6,218	\$6,283	\$6,349	\$6,415	\$6,482	\$6,550	\$137,874
Secondary Effects	---	---	---	---	---	---	---	---	---	---	---
Visitor Impacts	---	---	---	---	---	---	---	---	---	---	---
Total Public Costs	\$202,919	\$127,961	\$87,407	\$74,474	\$68,328	\$68,806	\$68,468	\$70,027	\$70,759	\$72,377	\$2,981,011
NET ECONOMIC BENEFITS vs. PUBLIC COSTS	\$10,670,000	\$10,909,713	\$11,193,277	\$11,514,190	\$11,851,912	\$12,206,579	\$12,571,063	\$12,948,394	\$13,336,176	\$13,736,463	\$332,529,996
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$218,470	\$144,637	\$105,248	\$93,521	\$88,622	\$90,391	\$91,389	\$94,330	\$96,491	\$99,587	\$2,831,639

Summary of Costs and Benefits

Analysis

10/16/08

	Construction Period		Operatin											
	Single Year	Additional Years	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10		
VII. School District Impacts														
<u>Total Public Revenues</u>														
Construction	\$0	\$0	---	---	---	---	---	---	---	---	---	---		
Operations	---	---	\$617,685	\$617,685	\$896,959	\$1,316,573	\$1,397,722	\$1,463,753	\$1,998,952	\$1,828,559	\$1,837,838	\$1,990,728		
Offsite Employee Effects	---	---	\$3,773	\$3,773	\$5,482	\$5,597	\$5,714	\$5,834	\$5,957	\$6,082	\$6,210	\$6,341		
State Revenue per Pupil	---	---	\$5,200	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500		
Total Public Revenues	\$0	\$0	\$626,658	\$627,958	\$908,941	\$1,328,670	\$1,409,937	\$1,476,087	\$2,011,409	\$1,841,141	\$1,850,548	\$2,003,569		
<u>Total Public Costs</u>														
Construction	---	---	---	---	---	---	---	---	---	---	---	---		
Operations	---	---	\$308,842	\$308,842	\$448,480	\$658,287	\$698,861	\$731,876	\$999,476	\$914,279	\$918,919	\$995,364		
Offsite Employee Effects	---	---	\$25,828	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285		
State Cost per Pupil	---	---	\$5,200	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500		
Total Public Costs	\$0	\$0	\$339,870	\$347,627	\$487,265	\$697,072	\$737,646	\$770,661	\$1,038,261	\$953,064	\$957,704	\$1,034,149		
NET PUBLIC REVENUES vs. PUBLIC COSTS			\$0	\$0	\$286,787	\$280,330	\$421,676	\$631,598	\$672,290	\$705,426	\$973,148	\$888,077	\$892,844	\$969,420
VIII. Metropolitan Community College														
<u>Total Public Revenues</u>														
Construction	\$0	\$0	---	---	---	---	---	---	---	---	---	---		
Operations	---	---	\$22,211	\$22,359	\$32,468	\$47,658	\$50,595	\$52,985	\$72,358	\$66,190	\$66,526	\$72,061		
Offsite Employee Effects	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Public Revenues	\$0	\$0	\$22,211	\$22,359	\$32,468	\$47,658	\$50,595	\$52,985	\$72,358	\$66,190	\$66,526	\$72,061		
<u>Total Public Costs</u>														
Construction	\$0	\$0	---	---	---	---	---	---	---	---	---	---		
Operations	---	---	\$11,105	\$11,180	\$16,234	\$23,829	\$25,297	\$26,493	\$36,179	\$33,095	\$33,263	\$36,030		
Offsite Employee Effects	---	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Public Costs	\$0	\$0	\$11,105	\$11,180	\$16,234	\$23,829	\$25,297	\$26,493	\$36,179	\$33,095	\$33,263	\$36,030		
NET PUBLIC REVENUES vs. PUBLIC COSTS			\$0	\$0	\$11,105	\$11,180	\$16,234	\$23,829	\$25,297	\$26,493	\$36,179	\$33,095	\$33,263	\$36,030

Summary of Costs and Benefits
Analysis
10/16/08

Cerner - Data Center

	Long Period										Total
	2017 Year 11	2018 Year 12	2019 Year 13	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	
VII. School District Impacts											
<u>Total Public Revenues</u>											\$0
Construction	---	---	---	---	---	---	---	---	---	---	
Operations	\$2,331,178	\$1,375,021	\$856,502	\$689,304	\$608,423	\$601,244	\$593,848	\$599,820	\$605,852	\$611,945	\$22,839,592
Offsite Employee Effects	\$6,474	\$6,610	\$6,749	\$6,891	\$7,035	\$7,183	\$7,334	\$7,488	\$7,646	\$7,806	\$125,980
State Revenue per Pupil	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$128,700
Total Public Revenues	\$2,344,152	\$1,388,131	\$869,751	\$702,694	\$621,958	\$614,927	\$607,683	\$613,809	\$619,998	\$626,251	\$23,094,272
<u>Total Public Costs</u>											\$0
Construction	---	---	---	---	---	---	---	---	---	---	
Operations	\$1,165,589	\$687,510	\$428,251	\$344,652	\$304,211	\$300,622	\$296,924	\$299,910	\$302,926	\$305,972	\$11,419,796
Offsite Employee Effects	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$32,285	\$639,243
State Cost per Pupil	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$128,700
Total Public Costs	\$1,204,374	\$726,295	\$467,036	\$383,437	\$342,996	\$339,407	\$335,709	\$338,695	\$341,711	\$344,757	\$12,187,739
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$1,139,778	\$661,835	\$402,715	\$319,258	\$278,962	\$275,520	\$271,973	\$275,114	\$278,287	\$281,494	\$10,906,533
VIII. Metropolitan Commur											
<u>Total Public Revenues</u>											\$0
Construction	---	---	---	---	---	---	---	---	---	---	
Operations	\$84,384	\$49,773	\$31,004	\$24,952	\$22,024	\$22,145	\$21,890	\$22,507	\$22,742	\$23,385	\$830,218
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Revenues	\$84,384	\$49,773	\$31,004	\$24,952	\$22,024	\$22,145	\$21,890	\$22,507	\$22,742	\$23,385	\$830,218
<u>Total Public Costs</u>											\$0
Construction	---	---	---	---	---	---	---	---	---	---	
Operations	\$42,192	\$24,887	\$15,502	\$12,476	\$11,012	\$11,073	\$10,945	\$11,254	\$11,371	\$11,692	\$415,109
Offsite Employee Effects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Costs	\$42,192	\$24,887	\$15,502	\$12,476	\$11,012	\$11,073	\$10,945	\$11,254	\$11,371	\$11,692	\$415,109
NET PUBLIC REVENUES vs. PUBLIC COSTS	\$42,192	\$24,887	\$15,502	\$12,476	\$11,012	\$11,073	\$10,945	\$11,254	\$11,371	\$11,692	\$415,109

ATTACHMENT 3



Chapter 100 Abatement Summary Prepared for Cerner Data Center

Assumptions:

Current Land Value	\$	-
Current Improvement Value	\$	-
Construction Budget	\$	60,000,000
Personal Property:		
Manufacturing	\$	-
Telecommunications	\$	427,196,000
Office Equipment	\$	12,804,000
		\$ 440,000,000

Year	New Taxes	Existing Taxes	Total	Abatement①	PILOTs②
1	987,074	-	987,074	571,769	493,537
2	1,372,375	-	1,372,375	808,998	686,187
3	1,947,872	-	1,947,872	1,196,318	973,936
4	2,041,083	-	2,041,083	1,192,495	1,020,542
5	2,113,628	-	2,113,628	1,242,524	1,056,814
6	2,817,966	-	2,817,966	1,765,704	1,408,983
7	2,563,694	-	2,563,694	1,478,365	1,281,847
8	2,550,645	-	2,550,645	1,512,127	1,275,322
9	2,728,427	-	2,728,427	1,634,426	1,364,214
10	3,143,820	-	3,143,820	1,951,325	1,571,910
11	1,145,377	-	1,145,377	572,688	572,688
12	467,104	-	467,104	233,552	233,552
13	232,754	-	232,754	116,377	116,377
14	122,944	-	122,944	61,472	61,472
15	106,526	-	106,526	53,263	53,263
16	90,108	-	90,108	45,054	45,054
17	90,108	-	90,108	45,054	45,054
18	90,108	-	90,108	45,054	45,054
19	90,108	-	90,108	45,054	45,054
20	90,108	-	90,108	45,054	45,054
Total	\$ 24,791,825	\$ -	\$ 24,791,825	\$ 14,616,672	\$ 12,395,912

Present Value of Abatement:

@ 8%	\$8,874,474
@ 12%	\$7,160,093

The above is for discussion purposes only. Assumptions are derived from developer submitted information and estimates. This is not a guarantee of Chapter 100 bond issuance; application must be made and a Chapter 100 Plan approved by City Council.

Notes:

- ① Year one through ten net abatement includes sales tax abatement.
- ② PILOTs = Payment in lieu of taxes.

Current Real Property		
32%	Market	Assessed
Land	-	-
Improvement	-	-
Total	-	-

Construction Dollar to Market			
Improvements	Land	Total	
Proposed Construction	60,000,000	-	60,000,000
Rate	32%	38%	
Projected County Market Value	20,764,620	-	20,764,620
Projected County Assessed Value	6,644,678	-	6,644,678

Projected Real Prop. W/ Construction		
32%	Market	Assessed
Land	-	-
Improvement	20,764,620	6,644,678
Total	20,764,620	6,644,678

Sales Tax Abatement	
Construction Material	2,466,750
Telecommunications	31,932,901
Office Equipment	957,099
Total	\$ 35,356,750

Abatement Schedule

Personal Property		
33%	Market	Assessed
Market/Assessment	440,000,000	117,332,160
Manufacturing equipment		0%
Telecommunications		9%
Office Equipment		3%

Payment in Lieu of Taxes %			
Year	School	County	City
Year 1-5	50%	50%	50%
Year 6-10	50%	50%	50%
Year 11-15	50%	50%	50%
Year 16-20	50%	50%	50%

% of Property Abated			
Year	Real	Personal	
Year 1-5	100%	100%	
Year 6-10	100%	100%	
Year 11-15	100%	100%	
Year 16-20	100%	100%	

County Name		#
Clay		2
NKC	\$ 5,8898	83.8%
Other jurisdictions	1,1392	16.2%
Total County	\$ 7,0290	100.0%

County Replacement Tax 1.59

Kansas City Land Only	
Park	0.50
Trafficway	0.25
General	1.4632
Total Land	2.2132

Total Abatement	
Property	14,616,672
Sales Tax	35,356,750
Total Abatement	\$ 49,973,422

YEAR	City	Real Property Tax County	School	Total	City	Personal Property Tax County	School	Total	Total Prop. Tax	City PILOT %	County PILOT %	School PILOT %	City PILOT \$	County PILOT \$	School PILOT \$	City	Real Estate PILOTs County	School	Total PILOTs	Sales Tax Abatement	Net [Ⓓ] Abatement	Abated %
1	\$	97,225	\$ 181,347	\$ 391,358	\$ 669,930	54,644	42,544	219,957	317,145	50%	50%	50%	\$ 75,934	\$ 111,945	\$ 305,658	\$ -	\$ -	\$ -	\$ 493,537	\$ 78,232	\$ 571,769	58%
2		97,225	181,347	391,358	669,930	121,031	94,231	487,184	702,445	50%	50%	50%	109,128	137,789	439,271	-	-	-	686,187	122,811	\$ 808,998	59%
3		99,169	184,973	399,185	683,328	217,880	169,634	877,029	1,264,543	50%	50%	50%	158,525	177,304	638,107	-	-	-	973,936	222,382	\$ 1,196,318	61%
4		99,169	184,973	399,185	683,328	233,940	182,138	941,676	1,357,755	50%	50%	50%	166,555	183,556	670,431	-	-	-	1,020,542	171,954	\$ 1,192,495	58%
5		101,153	188,673	407,169	696,995	244,085	190,037	982,512	1,416,633	50%	50%	50%	172,619	189,355	694,840	-	-	-	1,056,814	183,710	\$ 1,242,524	59%
6		101,153	188,673	407,169	696,995	365,442	284,521	1,471,008	2,120,971	50%	50%	50%	233,297	236,597	939,088	-	-	-	1,408,983	356,721	\$ 1,765,704	63%
7		103,176	192,446	415,313	710,935	319,229	248,541	1,284,989	1,852,759	50%	50%	50%	211,202	220,494	850,151	-	-	-	1,281,847	196,518	\$ 1,478,365	58%
8		103,176	192,446	415,313	710,935	316,981	246,791	1,275,938	1,839,710	50%	50%	50%	210,078	219,619	845,625	-	-	-	1,275,322	236,805	\$ 1,512,127	59%
9		105,239	196,295	423,619	725,154	345,163	268,732	1,389,379	2,003,273	50%	50%	50%	225,201	232,514	906,499	-	-	-	1,364,214	270,213	\$ 1,634,426	60%
10		105,239	196,295	423,619	725,154	416,735	324,456	1,677,476	2,418,667	50%	50%	50%	260,987	260,376	1,050,547	-	-	-	1,571,910	379,415	\$ 1,951,325	62%
11		-	-	-	-	197,348	153,648	794,381	1,145,377	50%	50%	50%	98,674	76,824	397,190	-	-	-	572,688	\$	\$ 572,688	50%
12		-	-	-	-	80,482	62,660	323,962	467,104	50%	50%	50%	40,241	31,330	161,981	-	-	-	233,552	\$	\$ 233,552	50%
13		-	-	-	-	40,103	31,223	161,427	232,754	50%	50%	50%	20,052	15,612	80,714	-	-	-	116,377	\$	\$ 116,377	50%
14		-	-	-	-	21,183	16,492	85,268	122,944	50%	50%	50%	10,592	8,246	42,634	-	-	-	61,472	\$	\$ 61,472	50%
15		-	-	-	-	18,354	14,290	73,881	106,526	50%	50%	50%	9,177	7,145	36,941	-	-	-	53,263	\$	\$ 53,263	50%
16		-	-	-	-	15,525	12,088	62,494	90,108	50%	50%	50%	7,763	6,044	31,247	-	-	-	45,054	-	\$ 45,054	50%
17		-	-	-	-	15,525	12,088	62,494	90,108	50%	50%	50%	7,763	6,044	31,247	-	-	-	45,054	-	\$ 45,054	50%
18		-	-	-	-	15,525	12,088	62,494	90,108	50%	50%	50%	7,763	6,044	31,247	-	-	-	45,054	-	\$ 45,054	50%
19		-	-	-	-	15,525	12,088	62,494	90,108	50%	50%	50%	7,763	6,044	31,247	-	-	-	45,054	-	\$ 45,054	50%
20		-	-	-	-	15,525	12,088	62,494	90,107.52	50%	50%	50%	7,763	6,044	31,247	-	-	-	45,054	-	\$ 45,054	50%
\$		1,011,925	\$ 1,887,470	\$ 4,073,288	\$ 6,972,683	\$ 3,070,225	\$ 2,390,378	\$ 12,358,539	\$ 17,819,142	\$ 24,791,825			\$ 2,041,075	\$ 2,138,924	\$ 8,215,914	\$ -	\$ -	\$ -	\$ 12,395,912	\$ 2,220,760	\$ 14,616,672	

Ⓓ Percentage for estimation purposes only, County Assessor uses income approach.

Ⓔ

Ⓕ

Ⓖ Year one through ten net abatement includes sales tax abatement.

Net Present Value of Abatement	@8%	\$8,874,474
	@9%	\$8,394,853
	@10%	\$7,951,396
	@12%	\$7,160,093