

RESOLUTION NO. 051541

Directing the City Manager to develop a plan to support the development of Musician's Friend, Inc. through assisting the developers of the site to address public infrastructure expenses.

WHEREAS, Zions Securities Corporation ("ZSC") owns certain property generally located at the intersection of Northfleet and Missouri Highway 210 in Kansas City, Clay County Missouri ("ZSC Property"), and desires to obtain tenants and/or buyers to develop the property for industrial uses; and

WHEREAS, Panattoni Development Company, LLC ("Panattoni") has an option to purchase that certain portion of the ZSC Property generally described as 79 acres at the northeast corner of Northfleet and Missouri Highway 210 in Kansas City, Missouri ("Panattoni Property"), for the purpose of developing and maintaining a distribution facility on the Panattoni Property for Musician's Friend, Inc. ("MFI") which employs approximately 381 persons, and desires to expand the facility, thereby increasing employment by approximately 141 persons; and

WHEREAS, ZSC intends to develop or sell for development the other portion of the ZSC Property exclusive of the Panattoni Property ("ZSC Site")

WHEREAS, the development of the ZSC Site and the potential development of the Panattoni Property presents economic benefit to Kansas City; and

WHEREAS, the expansion and development of the Panattoni Property and ZSC Site may require certain public infrastructure, including but not limited to roadway improvements, and the City desires to assist by contributing to the costs of construction of these improvements; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. The City Manager is hereby directed to develop a plan to support the development of the Panattoni Property through assisting Panattoni to address public infrastructure expenses associated with the cost of constructing necessary roadway improvements along the east side of the Panattoni Property's proposed development site, subject to appropriation of funds and approval by the City Council.

Section 2. That the City Manager is authorized to negotiate and enter into a memorandum of understanding with ZSC and Panattoni setting forth the intent of the City Council to fund roadway improvements along the east side of the Panattoni Property's proposed development site, upon the following terms and conditions:

- a. If MFI exercises its option, pursuant to the terms and conditions of the Lease Agreement between MFI and Panattoni to require Panattoni to expand the facility currently proposed to be developed on the Panattoni Property beyond the

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original 702,000 square feet and, if in MFI's sole discretion as a result of said expansion of the facility, MFI desires to connect to the access road and as a result thereof the City of Kansas City, Missouri ("City") or the State of Missouri Department of Transportation ("MDOT") requires the expansion of the access road beyond 32 feet, , the City will fund all costs of the expansion of the access road up to 52 feet and MFI will reimburse the City in the amount of \$350,000.00. Panattoni and the City and/or MDOT will cooperate to coordinate the planning, budgeting and construction of the improvement, which shall not be required until MDOT improves Highway 210 at the intersection of east of Northfleet Road and constructs turn lanes and curb cuts, as required.

b. ZSC will require that any buyer or long-term tenant of the ZSC Site shall be responsible, through an assessment or secured contractual requirement, to reimburse the City for the costs of expanding the access road from 32 feet to 52 feet, if such expansion is required by the City or MDOT. In the event the facility currently proposed to be developed on the Panattoni Property is expanded at MFI's sole discretion, and if MFI desires to connect to the completed expanded access road, MFI shall reimburse the City for 50% of the costs of the construction of the original 32 feet, up to \$350,000. Panattoni, the City and MDOT will cooperate to coordinate the planning, budgeting and construction of the improvement.

c. All City contributions are subject to future Council appropriation and approval.

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