

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 041332

Approving a plan for industrial development for the purpose of carrying out an industrial development project including the redevelopment and rehabilitation of an office building for Cerner Corporation; authorizing the execution of a cooperative agreement and a development agreement with Cerner Corporation and other necessary documents in connection with the plan.

WHEREAS, the City of Kansas City, Missouri, a constitutional charter city and municipal corporation of the State of Missouri (the City) is authorized pursuant to the provisions of Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the city of Kansas City Charter (collectively, the Act), to issue its revenue bonds for the carrying out of a project under the Act, such revenue bonds to be paid solely from revenue received from such project, and to enter into a lease of the facilities financed with the proceeds of such revenue bonds with any person, firm or corporation; and

WHEREAS, Cerner Corporation has requested that the City approve a Chapter 100 plan for an industrial development project in the City, consisting of the redevelopment and rehabilitation of an office building for Cerner Corporation, including the purchase of equipment to be leased to Cerner Corporation; and

WHEREAS, the City has adopted Committee Substitute for Resolution No. 041149 expressing its interest in issuing Chapter 100 bonds (the Bonds) for the purpose of carrying out a development project for Cerner Corporation (the Project); and

WHEREAS, the Council wishes to provide an additional economic incentive to Cerner in the form of a Tenant Reimbursement Payment. Tenant Reimbursement Payment means an amount equal forty percent (40%) of the tax collected by the City pursuant to Section 68-382 of the Code of Ordinances of Kansas City, Missouri, or any amendment or successor provision thereto (exclusive of penalties and interest) on earnings of employees of Cerner and its Affiliates located at the Property; and

WHEREAS, the delivery of said incentive requires the execution of both a cooperative and development agreement; and

WHEREAS, the Council has heretofore and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the Council approve a Chapter 100 plan as proposed by Cerner Corporation; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The Council hereby finds and determines that the Project will promote the economic well-being and industrial development of Kansas City, Missouri, and the issuance of the City's industrial revenue bonds to pay the costs of the Project will be in

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furtherance of the public purposes set forth in the Act. The Council hereby approves the following plan for an industrial development project:

- (a) Redevelopment and rehabilitation of an existing office building, including the purchase of computers, office equipment and other related personal property in the City of Kansas City, Missouri, at 3301 North Oak Trafficway.
- (b) A total estimated project cost of up to \$30 million in real and personal property. Project costs include approximately \$17 million for the redevelopment and rehabilitation of the facilities; \$5 million for furniture, fixtures and equipment; and, \$8 million for new computer equipment and technology.
- (c) The project will be funded from proceeds of the sale of up to \$30 million maximum principal amount of Taxable Industrial Revenue Bonds to be issued by the City.

Section 2. That the Director of City Development is hereby authorized to execute a development agreement with Cerner Corporation in connection with the project and a cooperative agreement with Cerner Corporation in connection with the project. The agreements are approved in substantial form as that on file with the Director of City Development.

Section 3. That the Director of City Development is hereby authorized to issue a tax exemption certificate and to execute such other documents as necessary to effectuate the intent of this ordinance.

Approved as to form and legality:

Heather A. Brown
Assistant City Attorney