

## **RESOLUTION NO. R- 14-73**

### **A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF GLADSTONE, MISSOURI AND CBC d/b/a CAP, LLC, FOR THE NORTHLAND INNOVATION CENTER**

**WHEREAS**, city staff, acting pursuant to the authority granted to cities of the third class by the Missouri Constitution, by Missouri statutes, and by the Gladstone City Code, has negotiated a development agreement with Gladstone CAP, LLC, to construct a development in the Gladstone Village Center; and

**WHEREAS**, the development project that will be constructed pursuant to the proposed development agreement is titled The Northland Innovation Center; and

**WHEREAS**, the proposed development project is consistent with and responsive to the 2006 Gladstone Master Plan and the 2008 Gladstone Comprehensive Plan; and

**WHEREAS**, the property which is the subject of the development project is an area which, by reason of the predominance of defective and inadequate street layout, unsanitary and unsafe conditions, deterioration of site improvements, improper subdivision and obsolete platting, has retarded the provision of development services and educational opportunities and constitutes an economic and social liability and a threat to the public health, safety, morals, and welfare in its present condition and use; and

**WHEREAS**, the proposed development project will be of great public benefit to the citizens and business community of Gladstone by addressing lackluster economic growth, the need for public infrastructure improvements, and deteriorating commercial and retail building stock in the City and particularly in the Gladstone Village area.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:**

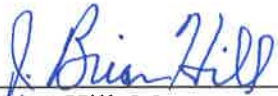
**THAT**, the property on which the development project will be constructed is a blighted area due to the presence of several blighting factors as described herein; and

**THAT**, the proposed development agreement presented to the City Council is approved and the City Manager of the City of Gladstone, Missouri is authorized and directed to execute said agreement by and between the City of Gladstone, Missouri and Gladstone CAP, LLC, and to make amendments thereto as may be necessary; and


**THAT**, City employees, officers, and agents are each hereby authorized and directed to take such actions and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution; and

**FURTHER THAT,** this Resolution shall be in full force and effect from and after its passage.

**INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 1<sup>st</sup> DAY OF OCTOBER, 2014.**

  
\_\_\_\_\_  
J. Brian Hill, Mayor

ATTEST:

  
\_\_\_\_\_  
Ruth E. Bocchino, City Clerk



**All-America City**

**Gladstone**



**2008**

**OFFICE OF THE ASSISTANT CITY MANAGER**

**DATE: OCTOBER 1, 2014**

**TO: KIRK L. DAVIS, CITY MANAGER**

**FROM: SCOTT WINGERSON, ASSISTANT CITY MANAGER** *Scott*

**RE: NORTHLAND INNOVATION CENTER DEVELOPMENT AGREEMENT**

The purpose of this memorandum is to summarize the history of the Northland Innovation Center discussions, consultant and developer processes and, the general terms of the Development Agreement. Staff is requesting that the City Council favorably consider a resolution authorizing the City Manager to execute the Development Agreement.

In January 2014, staff from the North Kansas City School District and the City met to discuss a new partnership. The original goals of the project were as follows:

- Provide a base of operation for the Northland Center for Advanced Professional Studies (NCAPS)
- Build on the exciting progress being made in Downtown Gladstone

Since those early meetings the goals have expanded to include the following:

- Encourage private development in Downtown Gladstone
- Create a Gifted and Talented Center
- Allow for integration of Community College and University programs
- Provide an opportunity for innovation and entrepreneurial activity
- Provide Class A office space for private businesses in Gladstone
- Expand partnership opportunities to create momentum and synergy

The favorable consideration of the resolution is the first formal step in making these goals a reality.

In May 2014, the District and City agreed to begin a Space Needs Study. The purpose of this study was to begin conversations with potential partners around the idea of an innovation center. Over the summer, Mark Spurgeon of WSKF Architects interviewed potential partners. This study will be finalized in mid-October, however the potential partners have identified the following preliminary needs:

• NKCS	G&TC	31,000
• NKCS	NCAPS	30,000
• MCC		1,800
• NWMSU	Outreach	17,500
• NWMSU	Innovation	5,000
• MCPC		18,000/6000
• CCEDC	Offices	4,000
• CCEDC	Research	10,000
• Auditorium		<u>15,000</u>
		132,300

This study does not commit the participants, but does serve to indicate a clear need for a development of this type in Gladstone. (Draft summary attached).

Also in May 2014, an RFP for development of this project was issued. Five very qualified firms showed interest and three firms submitted official proposals. Ultimately, the firm of Carr-Baier-Crandall (CBC) was selected. In June 2014, a letter of intent was executed and negotiations resulting in a development agreement began.

While the Space Needs Study was in process and the Development Agreement was being negotiated, work began to develop site plans and building concepts to meet the criteria of Downtown Gladstone.

Representatives of CBC will be present at the meeting to introduce themselves and present the current concepts for site plans and building perspectives. (Drafts attached).

The purpose of the Development Agreement is to specify major terms and define roles in an ongoing development process.

As indicated on the site plan the project is contemplated to be constructed in two phases:

- Phase I provides a majority of the infrastructure such as water, sewer, stormwater, street parking, traffic enhancements, grading and public art. Phase I also includes a 90,000 square foot building that will be home to G&TC, NCAPS, and others.
- Phase II includes a 50,000 square foot building and the addition of a second parking level.

The Developer and City are working to combine these phases into one construction project.

Representatives from Gilmore and Bell will be present to outline the Development Agreement key terms relating to performance timing, incentives anticipated and conditions to closing. (Summary attached).

Should the Council approve the Resolution the next steps will be:

- Consideration by the North Kansas City Schools Board of Education of a lease to occupy space in the Phase I building.
- Work will immediately begin on the closing conditions tasks:
  - Zoning, site plan, plat, permits
  - Cost Benefit Plan
  - Chapter 100 bond considerations
  - Solidification of additional partners
  - Focus on Phase II base occupancy totaling 25,000 square feet

Thank you to multiple groups that have gotten the project this far including CBC and their team, North Kansas City Schools, City Staff, Confluence, WSKF Architects, Gilmore and Bell and the numerous potential partners we have discussed this project with.

Thank you for your consideration. If you have any questions, please advise.

Scott Wingerson  
Assistant City Manager

## CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT made and entered into on December 30, 2014 ("Effective Date"), is entered into by and between the CITY OF GLADSTONE, MISSOURI, a third class city organized and existing under the laws of the State of Missouri (the "City"), GLADSTONE CAP, LLC, a Missouri limited liability company (the "Developer") and NORTH KANSAS CITY SCHOOL DISTRICT, a school district organized and existing under the laws of the State of Missouri (the "District").

A Party disclosing Confidential Information is sometimes herein referred to as the "Disclosing Party," and a Party receiving Confidential Information hereunder is sometimes referred to as the "Recipient." The parties to this agreement are herein referred to individually as a "Party" or collectively as the "Parties".

### Recitals

A. The City and the Developer entered into a Development Agreement dated October 14, 2014 ("Development Agreement"), the subject of which included a future lease by the City to the Developer of real property owned by the City to facilitate Developer's construction and development of the Gladstone Innovation Center as set forth in the Development Agreement (the "Project").

B. The Developer and the District entered into a Lease Agreement dated OCT 7, 2014 whereby the District agreed to lease a portion of a building to be constructed by the Developer as part of the Project.

C. The Parties have engaged, or intend to engage, in discussions regarding the Project that will include potential tenants and users of the Project. The Parties agree that in connection therewith, it may be necessary to exchange information that each Party considers to be proprietary or confidential, and the Parties desire to provide in this Agreement for the protection of such proprietary or confidential information.

D. The Parties acknowledge that the City and the District are public entities governed by the provisions of Missouri Revised States §610.010 et seq., and may be required to disclose information that is deemed to be a "public record" under Missouri and federal law. The recitations, promises, representations and agreements set forth in this Confidentiality Agreement are accordingly limited to allow the City and the District to comply with all state and federal laws.

### Agreement

In consideration of the foregoing Recitals (which are incorporated herein) and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Project.** The Parties have engaged, or intend to engage in, a course of interactions and discussions ("Third Party Communications") regarding potential tenants, licensees and users of the Project ("Third Party" or "Third Parties") and the Parties may disclose to each other certain Confidential Information (defined below) relating to such Third Party Communications and the Third Parties.

2. **Confidential Information.** As used herein, "Confidential Information" shall mean:

- a. The identity of any Third Party that is a potential tenant, licensee or user of the Project;
- b. A Third Party's business and development plans, including but not limited to trade secrets, financial information and pricing, technical information, business information;
- c. Any marketing plans concerning the Project;

- d. Information that is derived from Confidential Information;
- e. Notwithstanding the foregoing, Confidential Information does not include information to the extent that such information: (a) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed; (b) is released by the originating party to anyone without restriction; (c) is lawfully disclosed pursuant to Missouri Sunshine Law request, or Federal Freedom of Information Act Request; (d) was known to the recipient prior to its disclosure; or (e) is independently developed by the recipient without reference to the Confidential Information.

3. **Restrictions on Use.** Recipient agrees that: (i) all Confidential Information shall remain the exclusive property of the Disclosing Party; (ii) it shall use the Confidential Information solely in connection with the Project, and for no other reason; (iii) it shall limit its disclosure of Confidential Information to those directors, officers, employees, affiliates, attorneys, auditors, accountants, agents or representatives (collectively, "Representatives") who have a need to know such information in connection with the Project and that it will not use or permit its Representatives to use any such Confidential Information for purposes other than in connection with the Project.

4. **Disclosure Period.** This Agreement only relates to Confidential Information disclosed by the Parties between the Effective Date and ending upon the earlier of: (i) the date of completion of the Project or (ii) the expiration or termination of the Development Agreement; provided, however, that no information received by a Recipient prior to the completion of the Project may be disclosed by a Recipient at any time without the consent of the Disclosing Party.

5. **Protection of Information.** Recipient shall maintain, and shall use prudent methods to cause its Representatives to maintain, the confidentiality and secrecy of the Confidential Information; and it shall not, and shall ensure that its Representatives do not, copy, publish, disclose to a third person, or use the Confidential Information (other than pursuant to the terms hereof). Notwithstanding the foregoing, Recipient shall protect the Confidential Information of the Disclosing Party to the same extent that the Recipient protects its own like trade secrets and confidential information, but in no event shall it use less than commercially reasonable care to protect such information.

6. **Agreement Not to Divert.** The Parties agree that they will not use any Confidential Information obtained from other Parties or from Third Parties to divert Third Parties to lease, purchase or use other property that is not part of the Project. The foregoing shall not limit the Parties from engaging in business with parties that have not been presented to them as Parties interested in the Project. The Developer agrees that it shall not, between the Effective Date and ending upon the earlier of: (i) the date of completion of the Project or (ii) the expiration or termination of the Development Agreement; for itself or on behalf of any person, firm or corporation, use any Confidential Information for purposes of soliciting Third Parties for which Confidential Information is provided under this Agreement, to locate businesses, lease, or purchase space at any other location other than within the Project which is located within a radius of fifty (50) miles from the location of the Project; provided, however, in the event the Developer presents a Third Party a good faith offer concerning the Project and such Third Party declines Developer's offer, Developer shall be free to use any Confidential Information for purposes of soliciting Third Parties for which Confidential Information is provided under this Agreement, to locate businesses, lease, or purchase space at any other location Developer may choose in its sole discretion.

7. **Legally Required Disclosures.** Notwithstanding the foregoing, Confidential Information may be disclosed by the Recipient to the extent such disclosure is required by law or court order. In the event that no such protective order or other remedy is obtained, the Recipient agrees to disclose only that portion of the Confidential Information as is legally required to disclose, and to exercise all reasonable efforts to obtain confidential treatment for such Confidential Information.

8. **Return or Destruction of Confidential Information.** Upon the request of the Disclosing Party, the Recipient shall return to the Disclosing Party, or destroy and verify in writing the destruction of all of the Disclosing Party's Confidential Information, including hard copy and electronic records, and will purge from all computer storage devices any image or copies of such Confidential Information.

9. **Missouri Sunshine Law.** Notwithstanding any other provision of this Agreement, Developer acknowledges that the City and the District are governmental entities subject to the provisions of Missouri's Sunshine Law with respect to open meetings and records, and that absent an applicable exemption, Confidential Information may be subject to disclosure pursuant to such law. The City and District agree that if either of them receives a records request pursuant to Missouri's Sunshine Law with respect to Confidential Information, it will promptly notify Developer of any such request and agrees to assert the exemption contained in Section 610.021(12) that permits withholding disclosure of documents related to a negotiated contract until a contract is executed and the exemption contained in Section 610.021(2) that permits withholding disclosure of documents related to the leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration thereof.

10. **No Publicity.** No Party shall, without the prior written consent of all the Parties and any applicable Third Party, issue any news release, announcement, denial or confirmation of this Agreement or its terms and conditions, or in any other manner advertise or publish this Agreement or its terms and conditions. Nothing in this Agreement is intended to imply that any Third Party will agree to any publicity whatsoever. A Third Party may, in its sole discretion, withhold consent to any publicity.

11. **Third Party Beneficiary.** Third Parties, even though undisclosed in this Agreement, are an intended third party beneficiary of this Agreement. Except for Third Parties, no party is intended to be a third party beneficiary of this Agreement, and no third party shall have any rights or remedies hereunder.

12. **Disclaimer.** By executing this Agreement, neither Party makes any representations or warranties as to the accuracy or completeness of its respective Confidential Information provided to the other Party.

13. **Injunctive Relief.** Each Party recognizes that the unauthorized use or disclosure of Confidential Information could cause irreparable injury to the Party to whom it relates that is inadequately compensable in monetary damages. Each Party agrees that the Party injured or who might be injured by unauthorized use or disclosure of Confidential Information shall be entitled, in addition to any other remedies and damages available, to a temporary injunction to restrain violation hereof by the other Party, its agents, servants, employees, and all persons acting therefor. Neither party will be liable to the other for consequential, indirect or punitive damages for any cause of action, whether in contract, tort or otherwise, arising out of a breach of this Agreement. Consequential damages include, but are not limited to, lost profits, lost revenues and lost business opportunities, whether the other party was or should have been aware of the possibility of these damages.

14. **Reservation of Rights.** Each Party represents and warrants to the other Party that it has the right to disclose its Confidential Information. All rights to the Confidential Information are reserved by the Disclosing Party, and all such information disclosed is and will remain the property of the Disclosing Party. Neither Party shall acquire or attempt to acquire any intellectual property rights or other interest in the Confidential Information of the other Party.

15. **Nature of Relationship.** This Agreement grants no rights of ownership, licenses or any other intellectual property rights. This Agreement does not create any agency, partnership, joint venture or any other such relationship.



16. **Affiliates.** The parties acknowledge that certain entities under the control of the Parties ("Affiliates") will participate in the Project and that they shall cause each Affiliate under their respective control to abide by and be bound by this Agreement as if they were a party to the Project.

17. **Assignment.** Neither Party hereto may assign, cede or transfer any of its rights or obligations under this Agreement without the express written consent of the other Party except to an affiliate, or in connection with the transfer or sale of all or the majority of all of its assets or business, or its merger or consolidation with another company.

18. **Execution.** This Agreement may be executed in two or more counterparts, which when taken together shall constitute one and the same instrument. The parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or email and agree and intend that a signature by facsimile or email shall bind the party so signing with the same effect as though the signature were an original signature.

19. **Notices.** Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States First Class Mail, postage prepaid, or delivered personally or by a reputable overnight delivery service:

City's Notice Address:  
City of Gladstone, Missouri  
7010 North Holmes  
Gladstone, Missouri 64118  
Attention: City Manager

With a copy to:

City of Gladstone, Missouri  
7010 North Holmes  
Gladstone, Missouri 64118  
Attention: City Counselor

With a copy to:

Gilmore & Bell, P.C.  
2405 Grand Boulevard, Suite 1100  
Kansas City, Missouri 64108  
Attention: Rick McConnell

Developer's Notice Address:

Gladstone Cap, LLC  
Attention: Daniel K. Carr  
c/o CBC Real Estate Group, LLC  
4706 Broadway, Suite 240  
Kansas City, Missouri 64112

with a copy to:

Stinson Leonard Street, LLP  
1201 Walnut, Suite 2900  
Kansas City, Missouri 64106-2105

Attention: Allen W. Blair, Esq.

District's Notice Address:

2000 NE 46th Street  
Kansas City, MO 64116-2042 Kansas City, Missouri 64112

with a copy to:

Missouri EdCounsel, LLC  
201 North Forest Ave, Suite 200,  
Independence, Missouri 64050  
Attention: Duane Martin

20. **Entire Agreement, Applicable Law.** This Agreement contains the entire Confidentiality Agreement of, and supersedes any and all prior confidentiality understandings, confidentiality arrangements and confidentiality agreements between, the Parties hereto, either oral or written, with respect to the subject matter hereof. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Parties hereto, each acting under due and proper authority, have executed this Agreement as of the day, month and year first above written.

**CITY:**

**CITY OF GLADSTONE, MISSOURI**

By: Scott Wingersen on behalf of Kirk G. Davis  
Name: Scott Wingersen  
Title: Asst City Manager

**DEVELOPER:**

**GLADSTONE CAP, LLC**

By: Dan Can  
Name: Dan Can  
Title: Member

**DISTRICT:**

**NORTH KANSAS CITY SCHOOL DISTRICT**

By: Paul G. Harrell  
Name: PAUL G. HARRELL

CFO

Title: CFo

**Execution Version**

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**DEVELOPMENT AGREEMENT**

**between the**

**CITY OF GLADSTONE, MISSOURI**

**and**

**GLADSTONE CAP, LLC**

**Dated as of** 10/14, 2014

**Relating to the Development of  
The Northland Innovation Center**

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## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT ("Agreement")** entered into as of \_\_\_\_\_, 2014, by and between the **CITY OF GLADSTONE, MISSOURI**, a third class city organized and existing under the laws of the State of Missouri (the "**City**") and **GLADSTONE CAP, LLC**, a Missouri limited liability company (the "**Developer**") (the City and Developer are each a "**Party**" or collectively the "**Parties**"). Capitalized terms not defined elsewhere in this Agreement shall have the meaning set forth in **Section 1.01** hereof.

**WHEREAS**, on July 11, 2014, the City entered into a nonbinding letter of intent with the Developer for the development in two phases of the Northland Innovation Center project within the corporate limits of the City, as more specifically described in **Exhibit B** and as generally depicted in **Exhibit C** attached hereto (the "**Project**"); and

**WHEREAS**, the City is the owner of the real property, described in **Exhibit A**, upon which the Project will be constructed (the "**Property**"); and

**WHEREAS**, the parties desire to enter into this Agreement to address generally: (1) the transfer by the City to the Developer of a portion of the Property, (2) the design and construction of the Project, and (3) development incentives for the Project.

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

### **ARTICLE I**

#### **DEFINITIONS AND RULES OF INTERPRETATION**

**Section 1.01. Definitions.** Terms not defined elsewhere in this Agreement shall have the following definitions:

**"Abandonment of Construction"** means the cessation of development and construction of the Project evidenced either by: (1) no construction work on any significant portion of the Project being performed for a period of ninety (90) consecutive days after the Commencement of Construction and all regulatory approvals have been completed, subject to Excusable Delay; or (2) the Developer declaring that it is abandoning the development and construction of the Project.

**"Action"** is defined in **Section 11.02**.

**"Affiliate"** means a person or entity which, directly or through one or more intermediaries, owns or controls, or is controlled by or which is under common control with the Developer.

**"Applicable Laws and Requirements"** means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, policy, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by any Governmental Authorities.

**"Bond Counsel"** means Gilmore & Bell, P.C., Kansas City, Missouri, or an attorney at law or a firm of attorneys, acceptable to the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted



to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

**"Certificate of Completion of Construction"** means a certificate substantially in the form of **Exhibit E** attached hereto.

**"Chapter 100 Act"** means collectively Article VI, Section 27(b) of the Missouri constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as from time to time amended.

**"Chapter 100 Bonds"** means any revenue bonds or other obligations issued by or on behalf of the City financing the Phase 1 Project Improvements and the Phase 2 Project Improvements in accordance with this Agreement and the Chapter 100 Act.

**"Chapter 100 Lease"** is defined in **Section 10.02(b)**.

**"Chapter 100 Property"** is defined in **Section 10.02(a)**.

**"City Council"** means the governing body of the City.

**"City Counselor"** means the City Counselor of the City.

**"City Engineer"** means the Public Works Director of the City.

**"City Event of Default"** is defined in **Section 12.02**.

**"City Indemnified Parties"** is defined in **Section 11.01**.

**"City Manager"** means the City Manager of the City.

**"City's Expenses"** is defined in **Section 9.03**.

**"Closing"** means the consummation of the transfer of a leasehold interest in the Phase 1 Property or the Phase 2 Property to Developer pursuant to the Chapter 100 Lease.

**"Closing Date"** means the date on which a leasehold interest in the Phase 1 Property or the Phase 2 Property is transferred to the Developer pursuant to the Chapter 100 Lease.

**"Commencement of Construction"** means the occurrence of the issuance by the Developer to the general contractor of a notice to proceed under the principal construction contract.

**"Completion of Construction"** means the occurrence of substantial completion of the building shell of Phase 1 or Phase 2 of the Project as defined in the principal construction contract.

**"Conditions of Performance"** is defined in **Section 4.01**.

**"Developer Event of Default"** is defined in **Section 12.01**.

**"Developer Public Improvements"** means those public improvements on and around the Property as more specifically described in **Exhibit D**.

**"Effective Date"** means the date of this Agreement.

**“Environmental Laws”** means any federal, state or local law, statute, regulation, rule or ordinance or amendments thereto, and all applicable judicial, administrative or regulatory decrees, judgments or orders relating to the protection of human health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 *et seq.* (“CERCLA”), as amended, the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.* (“RCRA”), the Toxic Substances Control Act, 15 U.S.C. Sections 2601-2671, the Clean Air Act, 42 U.S.C. 7401 *et seq.*, and the Federal Water Pollution Control Act, 33 U.S.C. 1251 to 1387, as the foregoing may be amended from time to time.

**“Excusable Delay”** means delays due or related to acts of terrorism, acts of war or civil insurrection, or any natural occurrence, strikes, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargos, litigation, tornadoes, approval by regulatory authorities, or any other circumstances beyond the reasonable control of the applicable party using reasonable diligence to overcome which prevent such party from performing its specific duties hereunder in a timely manner, including the Conditions of Performance set forth in **Section 4.01** below; provided, however, Excusable Delay does not include circumstances directly or indirectly related to lack of financing except for the contingency in **Section 4.01(e)**; unanticipated, or unexpected increases in the costs of construction; or errors in business judgment by the Developer; and provided that Excusable Delay shall only extend the time of performance for the period of such Excusable Delay, which shall begin on the day following the date on which the Developer has knowledge of the event of Excusable Delay first occurring and shall thereafter extend until the date on which the event which has caused the Excusable Delay has been materially corrected or substantially performed, or reasonably should have been materially corrected or substantially performed, given reasonable efforts.

**“Financing Documents”** means the financing agreements, disbursement agreements and all other agreements and certificates executed in connection with the issuance of the Chapter 100 Bonds.

**“Governmental Authorities”** or **“Governmental Authority”** means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence, including the City.

**“Land Use Applications”** means all applications that must be filed by the Developer with the City in accordance with the City’s zoning ordinance, subdivision regulations, right-of-way and easement vacation ordinances, and building regulations to receive approval from the City to develop or provide for the development of the Property, which may include, but is not limited to, applications for subdivision, zoning, site plan, right-of-way and easement vacation, and building permit approvals for the Property.

**“Lien”** is defined in **Section 8.08**.

**“Maintenance Reserve Escrow Account”** is defined in **Section 5.05(b)**.

**“Performance Agreement”** means the Performance Agreement described in **Section 10.02(a)**.

**“Permits”** is defined in **Section 6.02**.

**“Permitted Transfers”** is defined in **Section 14.01**.

**“Phase 1”** means the Phase 1 Project Improvements to be constructed on the Phase 1 Property as generally depicted on **Exhibit C**.

**“Phase 1 Project Improvements”** means that portion of the Project defined as the Phase 1 Project Improvements in **Exhibit B** to be constructed on the Phase 1 Property as generally depicted on **Exhibit C**.

**“Phase 1 Property”** means that portion of the Property upon which the Phase 1 Project Improvements will be located, as generally depicted on **Exhibit C**.

**“Phase 2”** means the Phase 2 Project Improvements to be constructed on the Phase 2 Property as generally depicted on **Exhibit C**.

**“Phase 2 Project Improvements”** means that portion of the Project defined as the Phase 2 Project Improvements in **Exhibit B** to be constructed on the Phase 2 Property as generally depicted on **Exhibit C**.

**“Phase 2 Property”** means that portion of the Property upon which the Phase 2 Project Improvements will be located, as generally depicted on **Exhibit C**.

**“PILOT”** means a payment in lieu of taxes.

**“Plan”** is defined in **Section 10.05(a)**.

**“Plans and Specifications”** means the schematic drawings, the design development drawings, and the construction plans and specifications prepared by the Project architect for the development of the Project in accordance with **Section 7.02**.

**“Project”** means the project described in **Exhibit B** and generally depicted on **Exhibit C**, including the Phase 1 Project Improvements, the Phase 2 Project Improvements, and the Developer Public Improvements.

**“Property”** means the real property described in the recitals above and in **Exhibit A**.

**“Tax Abatement”** means the abatement of taxes described in **Article X**.

**“Taxing District”** means any political subdivision of the State of Missouri located wholly or partially within the Property having the power to levy real property taxes.

**“Transfer”** is defined in **Section 14.01**.

**Section 1.02. Rules of Interpretation.** Unless the context clearly indicates to the contrary or unless otherwise provided herein, the following rules of interpretation shall apply to this Agreement:

(a) The terms defined in this Agreement which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document; provided, that nothing contained in this sentence shall be construed to authorize any such renewal, extension, modification, amendment or restatement other than in accordance with **Section 13.04** below.

(b) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection and exhibit references are to this Agreement unless otherwise specified. Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

(c) Words of gender shall be deemed and construed to include correlative words of the masculine, feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, joint ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

(d) The table of contents, captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(e) In the event of some ambiguity in this Agreement, the Parties shall be deemed to have jointly authored this Agreement and nothing shall be construed against or in favor of one party based on it being deemed the sole author.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.01. Representations and Warranties of the City.** The City hereby represents and warrants to the Developer that:

(a) Due Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

(b) No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

(c) No Litigation. There is no litigation, proceedings or investigations pending or, to the knowledge of the City, threatened against the City with respect to the Project, the Property, or this Agreement. In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of, the terms and provisions of this Agreement.

(d) Governmental or Corporate Consents. Except for City Council approval, no other consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the City of this Agreement.

(e) No Material Change. There has been no material adverse change in the business, financial position, prospects or results of operations of the City which could affect the City's ability to perform its obligations pursuant to this Agreement.

(f) No Default. No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

(g) Construction Permits. Except as otherwise provided herein, the City has no reason to believe that the governmental permits and licenses required by the Developer to be issued by the City to construct, occupy and operate the Project will not be issued in a timely manner in order to permit the Project to be constructed pursuant to this Agreement.

(h) Compliance with Laws. The City is in compliance with all Applicable Laws and Requirements with respect to any of its affairs, business, and operations as contemplated by this Agreement.

(i) Known Environmental Conditions. To the best of the City's knowledge, there are no environmental hazards or materials on or under the Property.

The representations and warranties set forth in this **Section 2.01** shall survive the Closing and termination of this Agreement.

**Section 2.02. Representations and Warranties of the Developer.** The Developer hereby represents and warrants to the City that:

(a) Due Authority. The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

(b) No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing. To its knowledge the Developer is not in default of its obligations under any other agreement related to the Property or the Project, and the execution and performance of the Developer's obligations hereunder will not constitute a default under any agreement to which the Developer is a party.

(c) No Litigation. No litigation, proceedings or investigations are pending or, to the knowledge of the Developer (including the knowledge of any member of the Developer executing this Agreement), threatened against the Developer (or any member of the Developer) or the Project. In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the Developer (including the knowledge of any member of the Developer executing this Agreement), threatened against the Developer (or any member of the Developer) seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Developer (or any member of the Developer) to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer (or any member of the Developer) of, the terms and provisions of this Agreement, or that would have a material adverse effect on the financial condition of the Developer (or any member of the Developer).

(d) No Material Change. (i) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Agreement and (ii) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Agreement.

(e) Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by the Developer of this Agreement, other than the permits, licenses, consents, approvals and other authorizations that the Developer commits to obtain and comply with as set forth in **Section 6.02** hereof.

(f) No Default. No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Agreement, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.

(g) Approvals. Except as otherwise provided herein, the Developer has received and is in good standing with respect to all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties as now owned or leased by it.

(h) Construction Permits. Except as otherwise provided herein, the Developer has no reason to believe, after due inquiry of the appropriate governmental officials, that all governmental permits and licenses required by Applicable Laws and Requirements to construct, occupy and operate the Project will not be issued in a timely manner in order to permit the Project to be constructed pursuant to this Agreement.

(i) Compliance with Laws. The Developer is in compliance with all Applicable Laws and Requirements with respect to its affairs, business, and operations as contemplated by this Agreement.

The representations and warranties set forth in this **Section 2.02** shall survive the Closing and termination of this Agreement.

### ARTICLE III

#### TRANSFER OF THE PROPERTY

**Section 3.01. Agreement to Transfer the Property.** The City shall transfer a leasehold interest in the Phase 1 Property and the Phase 2 Property and an option to purchase the Phase 1 Property and the Phase 2 Property to the Developer pursuant to the Chapter 100 Lease as provided in **Article X** for the consideration described herein.

**Section 3.02. Closing Date.**

(a) The Closing Date on the transfer of the leasehold interest in the Phase 1 Property shall be on or before February 1, 2015, upon satisfaction of the Conditions of Performance and upon four (4) business days prior written notice from the Developer to the City, or upon such later date as may be

agreed to by the Developer and the City; provided, however such date shall be subject to extension due to Excusable Delay.

(b) In the event the Developer is able to produce executed leases for at least 25,000 square feet of net leasable area in Phase 2 on or before January 1, 2015, the Closing Date on the transfer of the leasehold interest in the Phase 2 Property shall be on or before February 1, 2015, upon satisfaction of the Conditions of Performance and upon four (4) business days prior written notice from the Developer to the City, or upon such later date as may be agreed to by the Developer and the City; provided, however such date shall be subject to extension due to Excusable Delay.

(c) In the event the Developer is not able to produce executed leases for at least 25,000 square feet of net leasable area in Phase 2 on or before January 1, 2015, the Closing Date on the transfer of the leasehold interest in the Phase 2 Property shall be not later than ninety (90) days following the date on which the Developer is able to produce executed leases for at least 25,000 square feet of net leasable area in Phase 2, upon satisfaction of the Conditions of Performance and upon four (4) business days prior written notice from the Developer to the City, or upon such later date as may be agreed to by the Developer and the City; provided, however such date shall be subject to extension due to Excusable Delay.

(d) In the event the Closing Date for the Phase 2 Property occurs subsequent to the Closing Date for the Phase 1 property, as contemplated by subsection (c) above, then the Developer and the City will negotiate in good faith a written lease agreement under which (i) the City will lease to the Developer the Phase 2 Property for the purpose of constructing parking sufficient to service the Phase 1 Property, (ii) the City, and any third party which may be authorized by the City to develop the Phase 2 Property in the event this Agreement is terminated with respect to Phase 2 pursuant to Section 4.02(d) hereof, will have the non-exclusive use, at no cost to end-users, of the parking facilities or structures built by the Developer on the Phase 1 Property, and (iii) the City or a third party developer of the Phase 2 Property in the event this Agreement is terminated with respect to Phase 2 pursuant to Section 4.02(d) hereof may enter onto the surface parking area located on Phase 1 for the purpose of constructing a parking deck for use by Phase 1 and Phase 2 tenants so long as parking sufficient to service the Phase 1 Property is provided on a temporary basis during the construction of such parking deck. If the transfer of the leasehold interest to the Developer on the Phase 2 Property occurs after the Closing Date of the Phase 1 Property, then on or before the Closing Date of the Phase 2 Property the City will deliver to the Developer a termination of the lease agreement required by this subsection (d). The parties understand and agree that the final form of lease agreement is subject to the approval Developer and of the City Council of the City in its legislative discretion.

**Section 3.03. Fees and Commissions.** Each party represents to the other that no real estate broker, finder or agent has any claim for compensation or expenses as a result of this transaction.

**Section 3.04. Adequate Public Infrastructure.** Except for the Developer Public Improvements to be constructed as part of this Agreement, the Parties agree that, as of the Effective Date, adequate public infrastructure exists on and around the Property in order to facilitate the development of the Project on the Property.

**Section 3.05. Subleases.**

(a) The Parties acknowledge that the North Kansas City School District intends to lease a minimum of 60,000 net square feet in Phase 1 of the Project. The finish condition of the leasable space will be warm white shell or vanilla box. The North Kansas City School District will be responsible for desired fixtures, tenant improvements, finishes and equipment. Developer will negotiate a sublease with the School District for the sublease of space in the Project. The anticipated annual lease rate is \$18.00 per

square foot, plus all expenses so that the annual rent is absolute net to the Developer. As the primary tenant, the North Kansas City School District shall have significant input on the location, layout and access to the space. Additionally, the North Kansas City School District may desire to purchase the space at the end of the term. The term of the sublease shall be twenty-five years.

(b) Developer will also negotiate sublease agreements with additional sub-lessees to be located in the Project. Northwest Missouri State University may be located in Phase 1 or Phase 2. In the event that either the Mid-Continent Public Library or Clay County Economic Development Council lease space in the Project, such leases must be located in Phase 2. Other sub-lessees, as approved by the City, including movie theater operators and various small office tenants may be located in Phase 1 or Phase 2. Developer will use good faith best efforts to sublease space in Phase 2.

(c) The speculative space to be designed and constructed as part of the Project will be marketed and subleased by the Developer or its designated broker.

**Section 3.06. Mortgage of Leasehold Interest.** The Developer shall be permitted to encumber its leasehold interest in the Phase 1 Property and the Phase 2 Property for purposes of financing the design and construction of the Phase 1 Project Improvements and the Phase 2 Project Improvements. The Developer shall not be permitted to encumber the fee simple interest in any of the Property.

**Section 3.07. Consideration.** The consideration to be paid by the Developer to the City for the leasehold interest in the Phase 1 Property and the Phase 2 Property, the option to purchase the Phase 1 Property and the Phase 2 Property at the termination of the Chapter 100 Lease as described in **Article X**, and the issuance of the Chapter 100 Bonds shall be (i) Five Hundred Thousand and No/100 Dollars (\$500,000.00) paid in cash at Closing, (ii) the commitment to construct the Project as described in **Article IV**, including the Developer Public Improvements, and (iii) the agreement under the Chapter 100 Lease to pay annual lease payments in an amount necessary to pay principal of and interest on the Chapter 100 Bonds, as provided herein.

## ARTICLE IV

### CONDITIONS PRECEDENT TO PERFORMANCE

**Section 4.01. Conditions Precedent to Performance.** The obligations of the Parties to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property and the Phase 2 Property shall be conditioned upon completion of the items set forth in this **Section 4.01** (the “**Conditions of Performance**”). The City and the Developer shall cooperate and make commercially reasonable efforts to satisfy the following conditions:

(a) Agreement. In order to consummate the Closing of the transfer of the leasehold interest in either the Phase 1 Property or the Phase 2 Property, the City and Developer shall have entered into this Agreement.

(b) Land Use Approvals. In order to consummate the Closing of the transfer of the leasehold interest in either the Phase 1 Property or the Phase 2 Property, the City shall have approved all Land Use Applications necessary for the construction of the Project on the Property, which the Developer agrees to diligently pursue.



(c) Approval of Chapter 100 Bonds.

(i) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property, the City shall have approved the issuance and delivery of the Chapter 100 Bonds for Phase 1 of the Project in accordance with **Article X**, and the Developer is satisfied, in its sole discretion, with the terms and conditions of the Chapter 100 Bonds, the Chapter 100 Lease, and the PILOT obligations.

(ii) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 2 Property, the City shall have approved the issuance and delivery of the Chapter 100 Bonds for Phase 2 of the Project in accordance with **Article X**, and the Developer is satisfied, in its sole discretion, with the terms and conditions of the Chapter 100 Bonds, the Chapter 100 Lease, and the PILOT obligations.

(d) Governmental Approvals. In order to consummate the Closing of the transfer of the leasehold interest in either the Phase 1 Property or the Phase 2 Property, the Developer shall have obtained all certificates, permits, licenses, consents, approvals, and other authorizations required from Governmental Authorities necessary for construction of the Project, and a building permit shall have been issued for the Project.

(e) Financing.

(i) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property, the Developer shall have closed on all financing necessary for the design, engineering and construction of Phase 1 of the Project.

(ii) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 2 Property, the Developer shall have closed on all financing necessary for the design, engineering and construction of Phase 2 of the Project.

(iii) For purposes of this **subparagraph (e)**, "closed" means funds have been irrevocably committed by a lender, capital investor, or a group of lenders or capital investors, and may be expended by the Developer subject to normal and customary disbursement requirements.

(f) Notice of Commencement of Construction.

(i) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property, the construction contract for the Phase 1 Project Improvements shall have been entered into and the Developer shall have escrowed as part of the Closing a written notice of Commencement of Construction of the Phase 1 Project Improvements consistent with the provisions of Section 5.02.

(ii) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 2 Property, the construction contract for the Phase 2 Project Improvements shall have been entered into and the Developer shall have escrowed as part of the Closing a written notice of Commencement of Construction of the Phase 2 Project Improvements consistent with the provisions of Section 5.02.

(g) Subleases.

(i) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property, the Developer shall have entered into subleases in accordance with **Section 3.05** for a minimum of 60,000 square feet in Phase 1 of the Project.

(ii) In order to consummate the Closing of the transfer of the leasehold interest in the Phase 2 Property, the Developer shall have entered into subleases in accordance with **Section 3.05** for a minimum of 25,000 square feet in Phase 2 of the Project.

(h) Due Diligence. In order to consummate the Closing of the transfer of the leasehold interest in either the Phase 1 Property or the Phase 2 Property, the Developer shall have completed its due diligence on the Property.

(i) Utility Relocations. The Developer must be satisfied, in its sole discretion, with the costs of relocating any existing utilities from any existing public or private easement as a result of construction of the Project.

(j) Lease Agreement. In order to consummate the Closing of the transfer of the leasehold interest in the Phase 1 Property, the City and Developer shall have entered into the lease agreement required by **Section 3.02(d)**.

(k) Termination of Lease Agreement. In order to consummate the Closing of the transfer of the leasehold interest in the Phase 2 Property, if subsequent to the transfer of the leasehold interest in the Phase 1 Property, the City shall deliver the termination of lease agreement required by **Section 3.02(d)**.

#### **Section 4.02. Termination.**

(a) If the Developer elects in its sole discretion not to consummate the Closing of the transfer of the Phase 1 Property or the Phase 2 Property or to Commence Construction of the Project as a result of a failure to satisfy one or more of the Conditions of Performance set forth in **Section 4.01**, then the parties understand and agree that (i) the Developer may terminate this Agreement by written notice to the City, and (ii) notwithstanding anything set forth herein to the contrary, the City will be solely responsible for all of the City's costs and expenses incurred in connection with this Agreement and the Developer will be solely responsible for all of the Developer's costs and expenses incurred in connection with this Agreement, except that the City shall be entitled to retain and use any funds on deposit with the City pursuant to Section 11 of the Letter of Intent between the City and the Developer as approved by Resolution R-14-42.

(b) If the Developer elects in its sole discretion not to consummate the Closing of the transfer of the Phase 1 Property or to Commence Construction of the Phase 1 Project Improvements as provided in this Agreement, then the parties understand and agree that the City may terminate this Agreement by written notice to the Developer and notwithstanding anything set forth herein to the contrary, the City will be solely responsible for all of the City's costs and expenses incurred in connection with this Agreement and the Developer will be solely responsible for all of the Developer's costs and expenses incurred in connection with this Agreement, except that the City shall be entitled to retain and use any funds on deposit with the City pursuant to Section 11 of the Letter of Intent between the City and the Developer as approved by Resolution R-14-42.

(c) In the event the Closing of the Phase 1 Property has not been consummated on or before May 1, 2015, this Agreement shall automatically terminate without the necessity of notice of default in accordance with **Article XII**.

(d) In the event the Closing of the Phase 2 Property has not been consummated on or before the later of (i) the date of Completion of Construction of the Phase 1 Project Improvements or (ii) December 31, 2015, then this Agreement shall automatically terminate with respect to Phase 2 without the necessity of notice of default in accordance with **Article XII**.

## ARTICLE V

### DEVELOPMENT OBLIGATIONS

**Section 5.01. Commitment to Construct the Project.** The Developer agrees, subject to the fulfillment of the Conditions of Performance, to design, develop and construct the Project on the Property. The Parties understand and agree that the Project includes the Phase 1 Project Improvements, the Phase 2 Project Improvements, and the Developer Public Improvements.

**Section 5.02. Commencement and Completion of the Project.**

(a) The Developer agrees to proceed with Commencement of Construction of the Phase 1 Project Improvements not later than ninety (90) days following the Closing Date for the transfer of the leasehold interest in the Phase 1 Property or such later date as may be agreed to by the City, provided, however such date shall be subject to extension due to Excusable Delay and be subject to the limitations of **Section 4.02**.

(b) The Developer agrees to proceed with Commencement of Construction of the Phase 2 Project Improvements not later than ninety (90) days following the Closing Date for the transfer of the leasehold interest in the Phase 2 Property or such later date as may be agreed to by the City, provided, however such date shall be subject to extension due to Excusable Delay and be subject to the limitations of **Section 4.02**.

(c) The Developer agrees to diligently pursue and proceed with the Completion of Construction of the Project.

(d) The Developer further agrees that Completion of Construction of (i) the Phase 1 Project Improvements will occur not later than fourteen (14) months following the Commencement of Construction for Phase 1, except that Completion of Construction of the space to be occupied by the North Kansas City School, which is expected to be approximately 60,000 square feet, will occur not later than April 1, 2016, (ii) the Phase 2 Project Improvements will occur not later than twelve (12) months following Commencement of Construction of the Phase 2 Project Improvements, all subject to extension due to Excusable Delay. Upon Completion of Construction of the Project, the Developer shall submit to the City a Certificate of Completion of Construction in substantially the form attached hereto as **Exhibit E**.

**Section 5.03. Failure to Construct the Project.** The Developer agrees that in the event the Developer fails to materially comply with the requirements of this **Article V**, then the City may, in its reasonable discretion, declare such failure a Developer Event of Default pursuant to **Article XII** of this Agreement and pursue the remedies available to the City pursuant to **Article XII**, including the additional remedies set forth in **Section 12.04**.

**Section 5.04. Land Uses and Land Use Restrictions.** In addition to the land use restrictions that are established pursuant to the City's zoning and subdivision regulations, unless approved in writing by the City, the types of land uses set forth in the attached **Exhibit F** shall not occur on the Property.

**Section 5.05. Maintenance and Maintenance Reserve.**

(a) Maintenance. The Developer agrees to maintain and keep the Phase 1 Property and the Phase 2 Property in good repair throughout the term of the Tax Abatement. Developer shall not commit waste or cause damage to the Phase 1 Property and the Phase 2 Property or the Project, nor shall

Developer permit the appearance of the Phase 1 Project Improvements and the Phase 2 Project Improvements to deteriorate.

(b) Maintenance Reserve. In the event Developer's lender for the Project does not require the creation and funding of a maintenance reserve which substantially complies with the requirements of this **Section 5.05**, and in order to provide for the maintenance, upkeep, and repair of the Phase 1 Property, the Phase 2 Property, the Phase 1 Project Improvements and the Phase 2 Project Improvements, the City will establish an escrow account (the "**Maintenance Reserve Escrow Account**") in accordance with such assurances and guarantees as necessary to satisfy the Parties as to the safe-keeping and proper authorized use of the deposited funds. The Developer will deposit annually during the term of the Tax Abatement, into the Maintenance Reserve Escrow Account, an amount equal to Twenty-Five Cents (\$0.25) per square foot. Such deposits in the Maintenance Reserve Escrow Account may be used by the Developer, Developer's lender, or the City, subject to the approval of all necessary parties, to fund the costs of the maintenance, upkeep, and repair of the Phase 1 Property, the Phase 2 Property, the Phase 1 Project Improvements and the Phase 2 Project Improvements, and shall be disbursed in accordance with a separate written agreement among the City, the Developer, the Developer's lender, and a third party escrow agent.

**Section 5.06. Special Taxing District.** The Parties acknowledge and agree that the City may authorize the formation of a special taxing district in accordance with applicable State law, which could include the Property within its boundaries. The City agrees that the only authorized funding source for such special taxing district will be a sales tax. The Developer agrees to cooperate as necessary in the formation of the special taxing district.

**Section 5.07. Operation of Project.** During the term of this Agreement and the Chapter 100 Lease, the Project shall be managed by Developer or other entity approved by the City. The Project shall be operated and leased by the Developer as a class "A" office building.

## ARTICLE VI

### COMPLIANCE WITH CITY ORDINANCES

**Section 6.01. General.** Except as otherwise provided herein, the Developer shall be required to comply with all of the City's ordinances, rules and procedures in connection with the Project.

**Section 6.02. Permits and Approvals.** Developer shall obtain and comply with all necessary permits, licenses, consents, approvals, and other authorizations required from Governmental Authorities, including those required by Environmental Laws (the "**Permits**"), and the City will cooperate with the Developer to obtain any and all such permits and the City shall use reasonable efforts to expedite any such Permits which are within the City's control.

## ARTICLE VII

### DESIGN OF THE PROJECT

**Section 7.01. General.** The Developer shall be responsible for the design of the Project, including the Developer Public Improvements, subject to the City's right of review in accordance with this Article and all City rules, regulations and ordinances. The Parties understand that the North Kansas City School District will participate in the design of the Project, including any space needs studies to be conducted by the professionals designing the Project.

**Section 7.02. Review and Approval of Preliminary Plans and Specifications.** The Developer shall provide the City with preliminary Plans and Specifications for the Project when they are prepared. The City, in connection with North Kansas City School District, shall review such Plans and Specifications to determine whether they are in substantial conformance with the rules, regulations and ordinances of the City and this Agreement. The City shall provide the Developer with its approval or reasonable objection to the Plans and Specifications within thirty (30) business days of the City's receipt of the Plans and Specifications. Failure of the City to provide its approval or objection to the Plans and Specifications within such thirty (30) business day period shall be deemed as approval by the City of the preliminary Plans and Specifications. In the event the City has reasonable objections to the preliminary Plans and Specifications, the City shall provide a written notice of such objections detailing the substantial non-conformance of the preliminary Plans and Specifications with the rules, regulations and ordinances of the City and this Agreement and its specific demands of modification to the Plans and Specifications. The City and the Developer shall meet within five (5) business days to discuss any such objections by the City. The Developer shall thereafter exercise reasonable good faith efforts to modify the Plans and Specifications to respond to the demands of the City and shall submit the Plans and Specifications to the City for final approval.

**Section 7.03. Final Plans and Specifications.** Upon approval of the preliminary Plans and Specifications, the Developer shall:

(a) Prepare final Plans and Specifications, including detailed drawings, construction plans, design data, estimates, and technical specifications to show the character and scope of the work to be performed by contractors for the Project.

(b) Furnish to the City copies of such final Plans and Specifications as may be required to secure approval of such Government Authorities as may have jurisdiction over design criteria applicable to the Project.

## **ARTICLE VIII**

### **CONSTRUCTION**

**Section 8.01. General.** The Developer will diligently proceed with the construction of the Project, including the Developer Public Improvements, according to the final Plans and Specifications which are approved pursuant to **Section 7.03** above, subject only to Excusable Delay.

**Section 8.02. The Developer Public Improvements.** The Developer shall be responsible for the design, construction and completion of the Developer Public Improvements, subject to the City's right to review and approve the Plans and Specifications for the Developer Public Improvements. The City will cooperate with the Developer in the construction of the Developer Public Improvements to insure that such improvements adequately serve the Project. The Developer Public Improvements shall be constructed and utilized in accordance with the budget and restrictions set forth in **Exhibit D**. A portion of the Developer Public Improvements will be identified by a traffic study paid for by the Developer, the final form of which shall be reasonably acceptable to the City.

**Section 8.03. Progress Reports.** From the Effective Date through the Commencement of Construction, the Developer shall meet with representatives of the City and provide written progress reports to the City on a monthly basis for the purposes of reporting upon the progress of the design of the Project. In order to enable the City to monitor the Developer's compliance with this Agreement following the Commencement of Construction of the Project, the Developer shall meet with

representatives of the City and provide written progress reports to the City on a quarterly basis for the purposes of reporting upon the progress of the construction of the Project. The Developer shall promptly notify the City of the occurrence of any event of Excusable Delay. Such progress reports shall be in substantially the form attached hereto as **Exhibit H**.

**Section 8.04. Inspections.** In order to enable the City to monitor the Developer's compliance with this Agreement, the Developer agrees to permit the City, or its designees, to inspect and observe the construction of the Project in order to ascertain and determine that the standards of the City and the terms of this Agreement have been met. The frequency and level of inspections shall be determined by the City and subject to the approval of the Developer. If the Project is not being constructed in any material respect in accordance with this Agreement, after consulting with the Developer, the City may promptly deliver written notice to the Developer and the Developer shall promptly correct such deficiencies. The right of inspection under this **Section 8.04** shall not limit the rights of the City to inspect the Project in conjunction with any permits issued for the construction of the Project pursuant to Applicable Laws and Requirements.

**Section 8.05. Changes.** Following approval of the final Plans and Specifications pursuant to **Section 7.03** above, the Developer must provide written notice to the City of any material changes in the Plans and Specifications.

**Section 8.06. Insurance.**

(a) During the performance of its obligations under this Agreement, the Developer shall cause the Project to be continuously insured against such risks and in such amounts, with such deductible provisions as are customary in connection with the construction and operation of facilities of the type and size comparable to the Project. The Developer shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid in a timely manner the premiums for at least the following insurance with respect to the Project and the Property (unless the requirement therefor shall be waived by the City in writing):

(i) Commercial general liability ("CGL") insurance providing coverage for those liabilities which is equal or broader than that currently covered by a CGL policy (a standard ISO CGL form) including at least the following hazards: (1) premises and operations; (2) products and completed operations; and (3) blanket contractual liability for all legal contracts; such insurance to be on an "occurrence" form with a combined limit of not less than the maximum amount of liability as published annually by the Department of Insurance in the Missouri Register, in accordance with Section 537.610 RSMo which is made applicable to political subdivisions pursuant to Section 537.600, RSMo;

(ii) Workers' compensation insurance or self-insurance, subject to statutory limits and employer's liability insurance with a limit of at least \$1,000,000 per accident and per disease per employee, and \$1,000,000 for disease aggregate in respect of any work or operations on or about the Property, or in connection with the Property or its operation if applicable in accordance with the applicable worker's compensation laws.

(b) Each insurance policy obtained in satisfaction of the foregoing requirements:

(i) shall be by such insurer or insurers as shall be financially responsible, and shall have a rating equal to or higher than A- or better by Best Insurance Guide and Key Ratings or shall be acceptable to the City as evidenced by a written certificate delivered to the City, and

(ii) shall be in such form and with such provisions as are generally considered standard provisions for the type of insurance involved as evidenced by a written report delivered to the City.

(c) All such policies, or a certificate or certificates of the insurers that such insurance is in full force and effect, shall be deposited with the City and, prior to expiration of any such policy, the Developer shall furnish the City with satisfactory evidence that such policy has been renewed or replaced or is no longer required by this Agreement; provided, however, the Developer may choose to satisfy this requirement by providing blanket policies now or hereafter maintained by the Developer if the City's insurance consultant certifies to the effect that such coverage is substantially the same as that provided by individual policies. All policies evidencing such insurance required to be obtained under the terms of this Agreement shall provide for prior written notice to the City of any cancellation or reduction in amount of coverage.

(d) In the event the Developer shall fail to maintain, or cause to be maintained, the full insurance coverage required by this Agreement, the City shall provide notice of such failure to the Developer. In the event Developer does not provide evidence of such insurance within ten (10) days of such notice, the City may (but shall be under no obligation to) contract for the required policies of insurance and pay the premiums on the same; and the Developer agrees to reimburse the City to the extent of the amounts so advanced, with interest thereon at the 7% per annum. The City shall notify the Developer in writing that the Developer has failed to maintain the insurance coverage required by this Agreement prior to purchasing any such insurance.

(e) The City shall be named as an additional insured on all policies, if and to the extent that the City has an insurable interest, including all policies on which the Developer is named as an insured. Nothing in this Agreement shall be deemed to waive the City's sovereign immunity or a defense against any tort claim based on sovereign immunity.

(f) Developer shall not permit its general contractor to commence or continue work until they shall have obtained or caused to be obtained all insurance required under this Section and the City's Applicable Laws and Requirements. Developer shall also require its general contractor to require all of its subcontractors to obtain all insurance required under this Section and the City's Applicable Laws and Requirements. Said insurance shall be maintained in full force and effect until the issuance of a Certificate of Completion of Construction for the phase of improvements being constructed by such contractor or subcontractor.

**Section 8.07. Right-of-Way and Easement Dedication.** The Developer shall cooperate with the City to dedicate to the City at no cost certain right-of-way and easements over the Property which are reasonably necessary for the ownership and maintenance of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project. The form of any such right-of-way and/or easements shall be acceptable to the City and the Developer. The City shall be under no obligation to accept the dedication or conveyance of any right-of-way or easements until the City has determined that the right-of-way or easements are necessary for the ownership and maintenance of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project, and that the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project have been inspected and approved to the reasonable satisfaction of the City.

**Section 8.08 Liens.** The Developer will complete the Project free of any laborer's, materialman's, mechanic's or other liens (other than liens associated Developer's financing of the Project) ("**Lien**") and shall not voluntarily permit any Lien to be filed or otherwise imposed on any part of the Project or the Property.

**Section 8.09. Bonds.** The Developer shall, or shall ensure that its contractors shall, provide for the following bonds for the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project:

(a) Performance Bond and Payment Bond. Prior to commencement of construction and ending upon acceptance of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project, the Developer shall, or shall ensure that its contractors shall, maintain a performance and payment bond in a form approved by the City Counselor, in an amount equal to the cost of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project covered by such bond, as determined by the City Engineer, conditioned upon the faithful performance of the provisions, terms and conditions of the construction contract. The performance and payment bond shall name the City as an obligee and copies of certificates of such bond shall be delivered to the City.

(b) Maintenance Bonds. Prior to acceptance and dedication of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project, the Developer shall, or shall ensure that its contractors shall, provide a maintenance bond in a form approved by the City Counselor, in an amount equal to the full cost of the Developer Public Improvements and any other public facilities which will be dedicated to the City in connection with the Project as approved by the City Engineer, which shall be in effect for a term of two (2) years from the date that the City issues a Certificate of Completion of Construction for such improvements covered by the bond, conditioned upon the faithful performance of the provisions, terms and conditions of the construction contract. The maintenance bond shall name the City as an obligee and copies of certificates of such bond shall be delivered to the City. With respect to maintenance issues which may arise after dedication of the such improvements to the City, the City shall first make any claim which arises related to such improvements for which a bond claim may be made against the bonding company, and shall make reasonable efforts to pursue the claim, prior to making demand upon the Developer to satisfy the claim.

(c) Indemnity for Failure to Provide Bonds. The Developer shall, or shall ensure that its contractors shall, indemnify the City and its officers and employees for any damage resulting to the City, its officers or employees from failure of the Developer to provide the bonds set forth in this Section.

**Section 8.10. Prevailing Wage.** The Developer shall comply with all applicable laws regarding the payment of prevailing wages to contractors or subcontractors of the Developer, and the Developer shall indemnify the City for any damage resulting to the City from failure of either the Developer or any contractor or subcontractor to pay prevailing wages pursuant to applicable laws, and pay the costs of defense of the City in response to any such claims. Developer shall be responsible for payment of all costs associated with the payment of prevailing wages.

## ARTICLE IX

### DEVELOPMENT INCENTIVES

**Section 9.01. Cooperation to Implement Development Incentives.** As a condition of the Developer's consummation of the Closing of its acquisition of a leasehold interest in the Phase 1 Property and the Phase 2 Property, and to the extent allowed by applicable law, the Developer shall cooperate and the City shall use best faith efforts to authorize and implement the issuance of revenue bonds pursuant to the Chapter 100 Act, as described in more detail in **Article X** below (the "**Tax Abatement**").



**Section 9.02. Timing of Implementation of Development Incentives.** The Parties shall cooperate to complete all steps necessary to implement the Tax Abatement for Phase 1 and Phase 2 in order to ensure that the City has adequate time to complete the statutory processes necessary for approval of the Tax Abatement in time to fully realize the benefits of the Tax Abatement.

**Section 9.03. Development Incentives and Bond Costs.** The City will provide to the Developer a schedule containing an estimate for all costs associated with the issuance of the Chapter 100 Bonds (the “**City’s Expenses**”). Assuming that all of the Conditions of Performance have been satisfied and Developer shall have consummated the Closing of the Phase 1 Property and Commencement of Construction of Phase 1 of the Project, then all of the City’s Expenses which are consistent with such estimates shall be paid by the Developer. The Developer will pay, on the date of the initial issuance of the Chapter 100 Bonds, the City’s Expenses, including all costs of issuance of the Chapter 100 Bonds (including fees and expenses for Bond Counsel, the cost of the statutorily-required cost-benefit analysis required by **Section 10.05**, and the costs of the bond trustee for the Chapter 100 Bonds). The Developer must also pay the annual fees of the bond trustee. Each party shall pay its own attorney fees. Developer reserves the right to include its attorneys’ fees in the cost of issuance. In the event that the Conditions of Performance are not fully satisfied and Developer shall elect not to consummate the Closing of the Phase 1 Property and Commencement of Construction of Phase 1 of the Project, then the Developer shall not have any obligation to pay the City’s Expenses or the other costs, fees and expenses set forth in this **Section 9.03**.

## ARTICLE X

### TAX ABATEMENT

**Section 10.01. Estimate of the Cost of the Project.** It is estimated that the Developer will make a total investment in the acquisition of and improvements to the Phase 1 Property and the Phase 2 Property and in personal property for Phase 1 and Phase 2 of the Project in the total amount of approximately Thirty-Five Million and No/100 Dollars (\$35,000,000.00). Notwithstanding the foregoing, if the Developer is able to fully complete the Project for less than the estimated investments set forth herein, the City understands and agrees that the Developer shall not be in default under the terms of this Agreement and the Developer shall still be entitled to the Tax Abatement and the other rights and benefits set forth in this Agreement.

**Section 10.02. Terms of Abatement and Chapter 100 Lease.**

(a) **Real Property and Improvements.** The City will consider Tax Abatement for the Phase 1 Property and the Phase 2 Property and the Project improvements thereon (the “**Chapter 100 Property**”), under the Chapter 100 Act for a period of twenty-three (23) years, beginning in the first year following commencement of the sublease with the North Kansas City School District and continue for twenty-three (23) years after the date the North Kansas City School District begins paying rent under the sublease, but shall not in any event be greater than twenty-five (25) years. The Chapter 100 Property is expected to be exempt from taxation under Chapter 100, but will be subject to payment of PILOTs as set forth in **Exhibit G** and in accordance with a performance agreement to be entered into by the Parties in a form mutually agreeable to the Parties (the “**Performance Agreement**”).

(b) **Chapter 100 Lease.** At all times during the Tax Abatement period, the City must be the legal owner of the Chapter 100 Property. The Chapter 100 Property will be leased to the Developer by the City in accordance with the terms of a lease agreement (the “**Chapter 100 Lease**”). The Chapter 100 Lease will be for a term ending in the year the Tax Abatement for the Chapter 100 Property ceases. The

Developer will have the option to purchase the Chapter 100 Property at the termination of the Chapter 100 Lease for One Thousand and No/100 Dollars (\$1,000.00). The Parties agree that the Chapter 100 Lease will be subordinate to the lien granted by the Developer to finance Phase 1 and Phase 2 of the Project, including the acquisition of the Phase 1 Property and the Phase 2 Property, and the construction financing, permanent financing and re-financing, of Phase 1 and Phase 2 of the Project by Developer. The City agrees to cooperate with the Developer and Developer's lender in any re-financing of the Project.

(c) Developer Public Improvements. Notwithstanding other provisions of this Agreement, the parties agree that the Chapter 100 Bonds will not finance the Developer Public Improvements.

**Section 10.03. Payments in Lieu of Taxes.** The Developer will be required to make annual PILOTs on the Chapter 100 Property for all years in which Tax Abatement is in place in accordance with the Performance Agreement. The PILOT schedule to be included in the Performance Agreement shall be as set forth in **Exhibit G**.

**Section 10.04. Bonds.** Under the Chapter 100 Act, the City has legal authority to take title to the Chapter 100 Property as security for bonds issued under the Chapter 100 Act. Therefore, in order to establish the framework to permit Tax Abatement under the Chapter 100 Act, the City will provide funding for Phase 1 and Phase 2 of the Project from proceeds of any sale of revenue bonds pursuant to the Chapter 100 Act (the "**Chapter 100 Bonds**") to be issued by the City. The Chapter 100 Bonds will be issued upon such terms, in such amounts and at such time as shall be satisfactory to the City and the Developer, and subject to the conditions of issuance of the Chapter 100 Bonds set forth herein. The parties hereby agree that the Chapter 100 Bonds shall be able to be prepaid at any time without penalty. The Developer will make Chapter 100 Lease payments equal to the principal and interest on the Chapter 100 Bonds. The Chapter 100 Bonds will not be an indebtedness or general obligation, debt or liability of the City within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 10.05. City Approvals.**

(a) Prior to the issuance of the Chapter 100 Bonds, using information supplied by the Developer, the City agrees to prepare a plan and cost-benefit analysis for the Project meeting the requirements of Section 100.050 RSMo, as amended (the "**Plan**"). Approval of the Plan by a majority vote of the governing body of the City shall be a precondition to the issuance of the Chapter 100 Bonds by the City for the Project.

(b) The Developer agrees that, so long as the City has legal title to the Chapter 100 Property, the City must approve any use or additional development of the Property other than for the Project.

(c) The City hereby understands and agrees that the Developer may withdraw its application for Tax Abatement at any time prior to issuance of the Chapter 100 Bonds, in which event the bonds shall not be issued.

(d) The approval of this Agreement shall not affect or constitute any approval required by any City department or pursuant to any City ordinance, resolution, code, regulation or any other governmental approval required by law, nor does any approval by the City pursuant to this Agreement constitute approval of the quality, structural soundness or safety of any portion of the Project. The City will not unreasonably withhold any consent or approval required by any City ordinance, resolution, code, regulation or any other governmental approval required by law related to the Project; provided that nothing herein shall be construed to obligate the City to grant municipal permits or other approvals the City would not be obligated to grant, acting as a political subdivision, absent this Agreement. The City

agrees that the City will not adopt or approve any ordinance, resolution, code, or regulation not in force and effect on the Effective Date which would materially adversely affect the Project and which would exclude or exempt other similarly situated properties or facilities within the City.

**Section 10.06. Sales Tax Exemption.** The City shall issue the Developer a sales tax exemption certificate for the purpose of providing a sales tax exemption on materials used in the construction of the Project. It is the City and the Developer's expectation that the purchase of any and all such materials shall be exempt from taxation pursuant to Article III, Section 39(10) of the Missouri Constitution and Section 144.062, RSMo. The Developer shall account for all purchases for which the sales tax exemption is used and shall provide such accounting to the City at least quarterly. The Developer shall reimburse the City and/or the other recipients of sales tax if it is determined that such exemption was improperly used or that the City did not have the legal authority to issue such certificate for such purposes, and shall otherwise indemnify and defend the City pursuant to **Section 11.01** with respect to the use of the sales tax exemption certificate.

**Section 10.07. Issuance of Bonds.**

(a) The Developer will cooperate with the City in the City's issuance of all or a portion of the Chapter 100 Bonds in an amount to be agreed upon by the City and the Developer. Developer covenants to cooperate and take all reasonable actions necessary to assist the City and its Bond Counsel and financial advisors in the preparation of the Financing Documents to issue the Chapter 100 Bonds.

(b) At the time of issuance of the Chapter 100 Bonds, the Developer further agrees (i) to provide a closing certificate in a form mutually agreeable to the Parties (which shall include a certification regarding the accuracy of the information relating to the Developer and the Project), and (ii) to cause its counsel to provide a legal opinion, subject to reasonable assumptions, qualifications and limitations from the Developer's counsel in substantially the form attached as **Exhibit I**. Developer shall provide information on an ongoing basis so that the City can comply with its continuing disclosure obligations, as requested by the City.

**Section 10.08. City to Select Bond Counsel, Bond Trustee, and Financial Advisor; Term.** The City shall have the right to select the designated Bond Counsel, the bond trustee and the financial advisor (and such additional consultants as the City deems necessary for the issuance of the Chapter 100 Bonds).

## **ARTICLE XI**

### **INDEMNIFICATION AND RELEASE**

**Section 11.01. Indemnity.** Developer agrees to indemnify, defend, and hold the City, its officials and employees (collectively, the "**City Indemnified Parties**") harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, costs and/or expenses, including court costs and reasonable attorneys' fees, directly resulting from:

(a) the Developer's actions and undertaking in implementation of the Project and this Agreement;

(b) the negligence or willful misconduct of Developer, its employees, agents or independent contractors in connection with the implementation of the Project and this Agreement;

(c) any unreasonable delay or expense resulting from any litigation filed against the Developer by any prospective investor, prospective partner or joint venture partner, lender, co-proposer, architect, contractor, consultant or other vendor;

(d) the Developer's failure to provide the bonds set forth in **Section 8.09**; or

(e) the Developer's failure to comply with all applicable laws regarding the payment of prevailing wages to contractors or subcontractors of the Developer.

**Section 11.02. Notification of Action.** In the event any suit, action, investigation, claim or proceeding (collectively, an "**Action**") is begun or made as a result of which the Developer may become obligated to one or more of the City Indemnified Parties hereunder, any one of the City Indemnified Parties shall give prompt notice to the Developer of the occurrence of such event. After receipt of such notice, the Developer may elect to defend, contest or otherwise protect the City Indemnified Parties against any such Action, at the reasonable cost and expense of the Developer, utilizing counsel of the Developer's choice. The City Indemnified Parties shall assist, at Developer's sole discretion, in the defense thereof. In the event that the Developer shall fail timely to defend, contest or otherwise protect any of the City Indemnified Parties against such Action, the City Indemnified Parties shall have the right to do so, and (if such defense is undertaken by the City Indemnified Parties after notice to the Developer asserting the Developer's failure to timely defend, contest or otherwise protect against such Action) the reasonable and necessary cost of such defense shall be at the expense of the Developer.

**Section 11.03. Settlement.** Any one of the City Indemnified Parties shall submit to the Developer any settlement proposal that the City Indemnified Parties shall receive which may only be accepted with the approval of the Developer. The Developer shall be liable for the payment of any amounts paid in settlement of any Action to the extent that and only with respect to any part the Developer expressly assumes in writing as part of such settlement. Neither the Developer nor the City Indemnified Parties will unreasonably withhold its consent to a proposed settlement.

**Section 11.04. Survival.** The right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

## **ARTICLE XII**

### **EVENTS OF DEFAULT AND REMEDIES**

**Section 12.01. Developer Event of Default.** Subject to Excusable Delays, a "**Developer Event of Default**" shall include the following:

(a) The failure of the Developer to consummate the Closing of the transfer of the Phase 1 Property or the Phase 2 Property in accordance with the requirements of **Article III** hereof after the full satisfaction of the applicable Conditions of Performance and the continuance of such failure for a period of fifteen (15) business days after the City has notified the Developer in writing of a default under **Article III**;

(b) The failure of the Developer to initiate Commencement of Construction of the Project in accordance with the requirements of **Article V** hereof after the full satisfaction of the applicable Conditions of Performance and the continuance of such failure for a period of forty-five (45) business days after the City has notified the Developer in writing of a default under **Article V**;

(c) The failure of the Developer to complete the construction of the Project and the continuance of such failure for a period of ninety (90) business days after the City has notified the Developer in writing of a default under **Article XII** hereof;

(d) A "Transfer" by the Developer in violation of **Article XIV** hereof;

(e) Abandonment of Construction as defined in **Section 1.01** hereof;

(f) Any representation or warranty made by the Developer herein or in the notice of Commencement of Construction or in any written statement or certificate furnished to the City proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within forty-five (45) days after there has been given to the Developer by the City a written notice specifying such untruth and requiring it to be remedied; provided, that if such untruth cannot be fully remedied within such forty-five (45) day period, but can reasonably be expected to be fully remedied and the Developer is diligently attempting to remedy such untruth, such untruth shall not constitute an event of default if the Developer shall immediately upon receipt of such notice diligently attempt to remedy such untruth and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(g) The entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Developer, or adjudging the Developer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Developer under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Developer or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of one hundred twenty (120) consecutive days; or

(h) The commencement by the Developer of a voluntary case or proceedings to be adjudicated a bankrupt or insolvent, or the consent by the Developer of bankruptcy or insolvency proceedings against it, or the filing by the Developer of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by the Developer to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Developer or any substantial part of its property, or the making by the Developer of an assignment for the benefit of creditors, or the admission by the Developer in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by the Developer in furtherance of any such action; or

(i) Substantial default by the Developer in the performance or breach of any other covenant or agreement of the Developer in this Agreement not specifically covered in (a) through (h) above, and continuance of such default or breach for a period of sixty (60) days after City has delivered to Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such sixty (60) day period, but can reasonably be expected to be fully remedied and the Developer is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the Developer shall, immediately upon receipt of such notice, diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch; provided, however, notwithstanding any other provision of this Agreement to the contrary, in no event shall a Developer Event of Default be deemed to exist if the facts underlying the specific potential Developer Event of Default have been caused by a City Event of Default.

(j) Substantial default by the Developer in the performance or breach of any covenant or agreement of the Developer in the Chapter 100 Lease, upon notice and right to cure as provided in the Chapter 100 Lease.

**Section 12.02. City Event of Default.** A "City Event of Default" shall include the following:

(a) The failure of the City to consummate the Closing of the transfer of the Phase 1 Property or the Phase 2 Property in accordance with the requirements of **Article III** hereof and the continuance of such failure for a period of fifteen (15) days after the Developer has notified the City in writing of a default under **Article III**;

(b) Any representation or warranty made by the City herein proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within forty-five (45) days after there has been given to the City by the Developer a written notice specifying such untruth and requiring it to be remedied; provided, that if such untruth cannot be fully remedied within such forty-five (45) day period, but can reasonably be expected to be fully remedied and the City is diligently attempting to remedy such untruth, such untruth shall not constitute an event of default if the City shall immediately upon receipt of such notice diligently attempt to remedy such untruth and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) The occurrence and continuance of any default in the performance or breach of any covenant or agreement of the City in this Agreement, and continuance of such default or breach for a period of sixty (60) days after there has been given to the City by Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such sixty (60) day period, but can reasonably be expected to be fully remedied and the City is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the City shall, immediately upon receipt of such notice, diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch; provided, however, notwithstanding any other provision of this Agreement to the contrary in no event will a City Event of Default be deemed to exist if the facts underlying the specific potential City Event of Default have been caused by a Developer Event of Default.

(d) The failure of the City to provide the proceeds from the sale of any Chapter 100 Bonds to the Developer for use in constructing and completing the Project in accordance with the requirements of **Article X** hereof and the continuance of such failure for a period of fifteen (15) days after the Developer has notified the City in writing of a default under **Article X**.

**Section 12.03. Remedies.**

(a) In addition to the remedies set forth in **Section 12.04** hereof, upon the occurrence of a Developer Event of Default, the City shall have the right to pursue any one or more of the following courses of action: (i) to declare an event of default under the Chapter 100 Lease; (ii) to take such actions as deemed necessary by the City to remedy the breach, the costs of which may be charged to the Developer or offset against any payments due under this Agreement to the defaulting Party; (iii) to terminate this Agreement by written notice to the Developer, which termination shall be effective as of the effective date which is set forth in said notice, provided that said effective date shall be at least thirty (30) days after the date of said notice; and (iv) to institute any and all proceedings permitted by law or equity including, without limitation, actions for specific performance and/or damages.

(b) Upon the occurrence of a City Event of Default, the Developer shall have the right to pursue any one or more of the following courses of action: (i) to take such actions as deemed necessary

by the Developer to remedy the breach, the costs of which may be charged to the City or offset against any payments due under this Agreement to the City; (ii) to terminate this Agreement by written notice to the City, which termination shall be effective as of the effective date which is set forth in said notice, provided that said effective date shall be at least thirty (30) days after the date of said notice; and (iii) to institute any and all proceedings permitted by law or equity including, without limitation, actions for specific performance and/or damages.

**Section 12.04. Survival of Representations.** The representations of the Parties set forth in this Agreement shall survive the termination of this Agreement and the Closing of the transfer of the Property.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

**Section 13.01. Consents and Cooperation.** Wherever in this Agreement the consent or approval of the City and the Developer is required, such consent or approval shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. Further, the City and the Developer agree to take such reasonable actions as may be necessary to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out such terms, provisions and intent. Any consent or approval required by the City may be provided by the City Manager and the City Manager may seek the input or a decision from the City Council on any matter.

**Section 13.02. Relationship.** In the performance of this Agreement, the Developer shall act solely as an independent contractor. Neither this Agreement nor any agreements, instruments, documents, or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making the Developer a partner, joint venturer with, or agent of, the City. The City and the Developer agree that neither party will make any contrary assertion, claim or counterclaim in any action, suit, arbitration or other legal proceedings involving the City and the Developer.

**Section 13.03. Applicable Law.** This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by, the laws of the State of Missouri for all purposes and intents.

**Section 13.04. Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the City and the Developer with respect to the matters herein and no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the City and the Developer.

**Section 13.05. Counterparts.** This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instrument.

**Section 13.06. Severability.** In the event any section, term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect to the extent the remainder can be given effect without the invalid provision.

**Section 13.07. Limit on Liability.** The Parties agree that:

(a) No official, director, officer, agent, employee, representative, attorney or consultant of the City shall be personally or otherwise in any way liable to the Developer in the event of any default,

breach or failure of performance by the City under this Agreement or for any amount which may become due to the Developer or with respect to any agreement, indemnity, or other obligation under this Agreement.

(b) No member or shareholder of the Developer and no director, officer, agent, employee, shareholder, representative or consultant of the Developer shall be personally or otherwise in any way liable to the City or any third-party in the event of any default, breach or failure of performance by the Developer under this Agreement or for any amount which may become due to the City with respect to any agreement, indemnity or other obligation under this Agreement.

**Section 13.08. Headings.** Headings of articles and sections are inserted only for convenience and are in no way to be construed as a limitation or expansion on the scope of the particular articles, sections or subsections to which they refer. Words in the singular shall include the plural, and vice versa, where appropriate.

**Section 13.09. Notices.** Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States First Class Mail, postage prepaid, or delivered personally or by a reputable overnight delivery service:

In the case of the Developer to: Gladstone CAP, LLC  
c/o CBC Real Estate Group  
4706 Broadway, Suite 240  
Kansas City, Missouri 64112  
Attention: Dan Carr

With a copy to: Stinson Leonard Street  
1201 Walnut, Suite 2900  
Kansas City, Missouri 64106  
Attention: Allen Blair

In the case of the City to: City of Gladstone, Missouri  
7010 North Holmes  
Gladstone, Missouri 64118  
Attention: City Manager

With a copy to: City of Gladstone, Missouri  
7010 North Holmes  
Gladstone, Missouri 64118  
Attention: City Counselor

With a copy to: Gilmore & Bell, P.C.  
2405 Grand Boulevard, Suite 1100  
Kansas City, Missouri 64108  
Attention: Rick McConnell

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

**Section 13.10. Waiver.** The failure of either Party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy contained in this Agreement, shall not be construed as a waiver or as a relinquishment for the future of such term,



provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either Party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such Party.

**Section 13.11. Negotiation of Agreement.** The City and the Developer are governmental and business entities, respectively, each having been represented and advised by competent counsel, and each has fully participated in the negotiation and drafting of this Agreement and has had ample opportunity to review and comment on all previous drafts. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Agreement differs in any respect from any previous draft hereof.

**Section 13.12. Tax Implications.** The Developer acknowledges and represents that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents have provided to the Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

**Section 13.13. Exhibits.** All exhibits which are attached or referred to in this Agreement are specifically incorporated herein by reference and form an integral part hereof.

**Section 13.14. Agreement to Control.** In the event of any conflict between the terms of this Agreement and any other agreements between the City and the Developer the provisions of this Agreement shall control and supersede the conflict.

**Section 13.15. Term of Agreement.** Except as otherwise provided herein, this Agreement shall continue in force for so long as (a) any Chapter 100 Bonds shall remain outstanding; or (b) any phase of the Project is titled in the name of the City. This Agreement shall terminate on the retirement of all Chapter 100 Bonds issued with respect to the Project.

## ARTICLE XIV

### ASSIGNMENT

**Section 14.01. Assignment or Sale Prior to Completion of Construction.** Prior to the Completion of Construction of the Project, the Developer shall not assign any of its rights hereunder, or transfer its leasehold interest in the Phase 1 Property or the Phase 2 Property to another person or entity (each, a “**Transfer**”) without first obtaining the written consent of the City. Notwithstanding the foregoing, so long as the Developer is not in default hereunder, the Developer may (a) consummate a Transfer to an Affiliate without the necessity of obtaining the City’s consent, or (b) transfer interests in the Developer to capital investors and/or merge with or into other interests who will contribute capital to the Project (“**Permitted Transfers**”) without the consent of the City. Developer shall notify City of any Permitted Transfer within ten (10) days of closing on such assignment.

In the event of a Transfer which is consented to by the City pursuant to this **Section 14.01**, upon delivery to the City of an assumption document as described in **Section 14.02(b)** below, the Developer shall be released from any further obligations set forth herein accruing after the date of such assignment.

**Section 14.02. Assignment or Sale After Completion of Construction.** Following Completion of Construction of the Project, this Agreement and the rights, duties and obligations hereunder as they relate to the Project may be fully and freely assigned by the Developer subject to the following:

(a) The Developer shall represent to the City that in the sole and subjective opinion of the Developer the assignee is reputable, credit-worthy and possesses the management experience to operate the Project. Notwithstanding the foregoing, the Developer shall have no liability to the City in the event that the assignee is later found not to be reputable, credit-worthy or have the management experience to operate the Project.

(b) Every assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the City, assume all of the obligations of the Developer under this Agreement and any agreements associated with the Tax Abatement and agree to be subject to all the conditions and restrictions to which the Developer is subject.

In the event this Agreement is assigned in whole pursuant to this **Section 14.02** upon delivery to the City of the assumption document required by subparagraph (b), the Developer shall be released from any further obligations set forth herein accruing after the date of such assignment. Developer shall notify City of any such assignment including presentation of the assumption of obligation instrument within ten (10) days of closing on such assignment.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on the date first written above.

CITY OF GLADSTONE, MISSOURI

By: Kirk L. Davis  
Kirk L. Davis  
City Manager



(SEAL)

ATTEST:

Ruth Bocchino

Ruth Bocchino  
City Clerk

**ACKNOWLEDGMENT**

STATE OF MISSOURI    )  
                                  ) ss.  
COUNTY OF CLAY     )

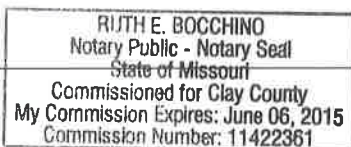
BE IT REMEMBERED, that on this 14th day of October, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Kirk L. Davis, the City Manager for the City of Gladstone, Missouri, a City existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said City, and such person duly acknowledged the execution of the same to be the free act and deed of said City.

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

Ruth E. Bocchino  
Notary Public

[SEAL]

My Commission Expires:



GLADSTONE CAP, LLC

By: *Daniel Carr*  
Name: *Dan Carr*  
Title: *member*

ACKNOWLEDGMENT

STATE OF *Missouri* )  
COUNTY OF *Jackson* ) ss.

BE IT REMEMBERED, that on this *13<sup>th</sup>* day of *October*, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came *Daniel Carr*, *Member* of Gladstone Cap, LLC, a Missouri limited liability company, who is personally known to me to be the same person who executed the within instrument on behalf of said limited liability company, and such person duly acknowledged the execution of the same to be the free act and deed of said limited liability company.

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

[SEAL]



KRISTI STUEDLE  
My Commission Expires  
November 4, 2017  
Clay County  
Commission #13473833

*Kristi Stuedle*  
Notary Public

My Commission Expires:

*November 4, 2017*

**EXHIBIT A**

**DESCRIPTION OF THE PROPERTY**

The following description will be subject to re-platting to occur prior to Closing:

**Tract 1:** Linden Lots 12, 13, and 14, Block 38, located in the City of Gladstone, Clay County, Missouri, Clay County Assessor Parcel No. 13-614-00-26-001.00.

**Tract 2:** Linden Lots 1-11, Block 38, and North  $\frac{1}{2}$  vacated street adjacent on south, and West  $\frac{1}{2}$  vacated street adjacent on east, in Section 23, Township 51, Range 33, located in the City of Gladstone, Clay County, Missouri, Clay County Assessor Parcel No. 13-614-00-26-002.00.

**Tract 3:** Linden Block 37, East  $\frac{1}{2}$  vacated street adjacent on west, North  $\frac{1}{2}$  vacated street adjacent on south, West  $\frac{1}{2}$  vacated street adjacent on east, located in the City of Gladstone, Clay County, Missouri, Clay County Assessor Parcel No. 13-614-00-27-001.00.

## **EXHIBIT B**

### **DESCRIPTION OF THE PROJECT**

The Project shall be generally as depicted in **Exhibit C** hereto. The Project will include the Developer Public Improvements.

The Project shall consist of building(s) to be occupied by a variety of public and private tenants. The building(s) will be designed to reflect the character of emerging Downtown Gladstone and with the input of the public partners/tenants. The Project is not a school but will contain a significant educational component. The quality of the building shall be generally considered as Class "A". The building(s) should be LEED "certified".

The Project encompasses the construction of (1) the Phase 1 Project Improvements, (2) the Phase 2 Project Improvements, and (3) the Developer Public Improvements set forth in **Exhibit D**.

Phase 1 Project Improvements: The Phase 1 Project Improvements will include the design, engineering and construction of: (i) a minimum of 90,000 square feet of net leasable area, including surface parking to support the development in Phase 1, as generally depicted on **Exhibit C**, (ii) one legally subdivided, graded, fully served by utilities, and building ready pad site to support the Phase 2 Project Improvements, and (iii) the Developer Public Improvements.

Phase 2 Project Improvements: The Phase 2 Project Improvements will include the design, engineering and construction of a minimum of 50,000 square feet of net leasable area which will be Class A office space, and a parking deck to support the development in Phase 1 and Phase 2, as generally depicted on **Exhibit C**.

**EXHIBIT C**

**CONCEPTUAL DEPICTION OF THE PROJECT**

(See attached)

(Subject to further change by Developer in its Reasonable Discretion, and approval by the City, which approval will not be unreasonably withheld or delayed)

Section 23, Township 51, Range 33  
Gladstone, Clay County, Missouri

Exhibit "A"



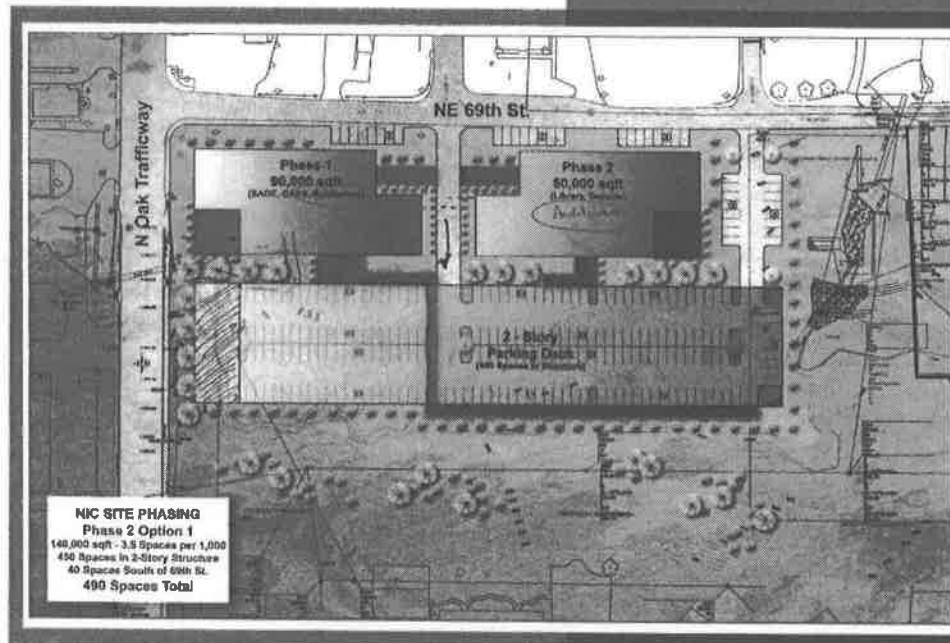
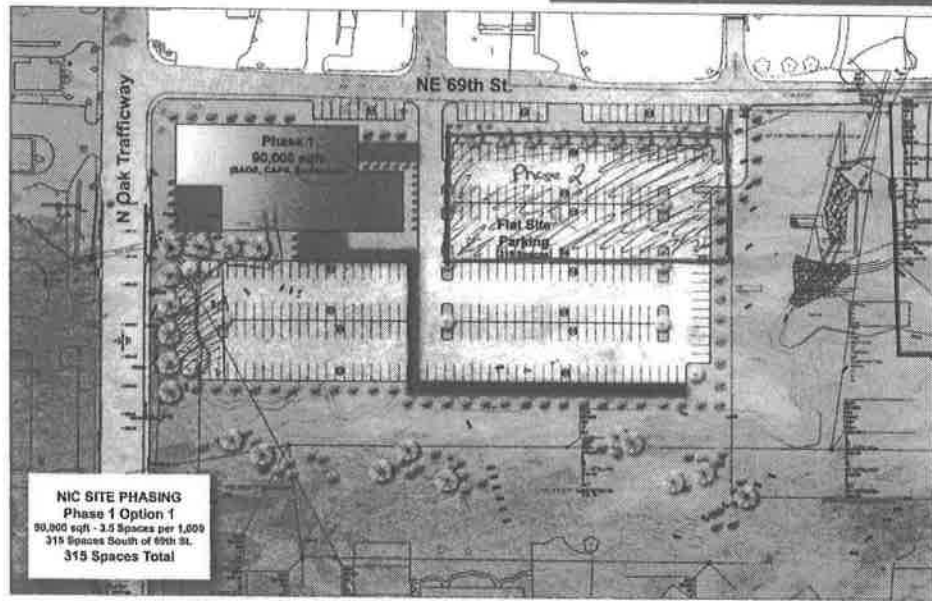
A TRACT OF LAND LOCATED IN SECTION 23, TOWNSHIP 51, RANGE 33, GLADSTONE, CLAY COUNTY, MISSOURI, COMMENCING AND BEGINNING AT A POINT BEING THE INTERSECTION OF THE EAST LINE OF NORTH OAK STREET TRAFFICWAY AND THE SOUTH LINE OF N.E. 69TH STREET; THENCE N89°57'44"E A DISTANCE OF 124.15 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE N89°57'44"E 154.15 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE N89°57'44"E 164.69 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE N89°57'44"E 69.15 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE S00°02'16"E A DISTANCE OF 256.80 FEET TO A POINT; THENCE N89°57'44"E A DISTANCE OF 94.52 FEET TO A POINT; THENCE S89°57'44"W A DISTANCE OF 154.82 FEET TO A POINT; THENCE S89°57'44"W A DISTANCE OF 328.36 FEET TO A POINT; THENCE S89°57'44"W A DISTANCE OF 328.36 FEET TO A POINT; THENCE S89°57'44"W A DISTANCE OF 278.30 FEET TO A POINT ON SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY; THENCE N00°02'16"W A DISTANCE OF 245.81 FEET ALONG SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY; THENCE N00°02'16"W A DISTANCE OF 165.75 FEET ALONG SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS 8.27 ACRES, MORE OR LESS.

Basis of Bearings: This is not a legal survey.

NOT A LEGAL DOCUMENT  
FOR CONCEPTUAL  
USE ONLY



Northland Innovation Center - Gladstone, MO  
Recent Site Phasing - Option #1

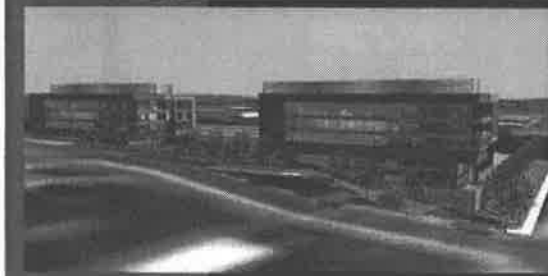


HOEFER WYSOCKI  
Architects

NORTHLAND INNOVATION CENTER

CamBairCrandall  
P.L.L.C.

**Northland Innovation Center - Gladstone, MO**  
**Iterative Process and Design Development**



**HOFER WYSOCKI**  
*Architects*

**NORTHLAND INNOVATION CENTER**

**CamBakerCrandall**  
*Engineers*

## **EXHIBIT D**

### **DEVELOPER PUBLIC IMPROVEMENTS**

As part of the Project, and subject to appropriate planning, design and approvals, the Developer will design and construct public parking along 69<sup>th</sup> Street, public sidewalk and streetscape, at least 3 pieces of public art, public green areas or gathering places, soil manipulation, excavation and, on site improvements including water, sewer and stormwater. Developer will also design and construct off-site public traffic improvements to be identified by the traffic study provided for in **Section 8.02** of this Agreement, provided that the Developer's contribution for such off-site public traffic improvements shall not to exceed \$300,000. The total Developer investment in public improvements associated with the Project will be at least \$1,100,000 (inclusive of the maximum \$300,000 in off-site public traffic improvements). The following items are included to the extent they are allocable to public improvements:

<b>DESCRIPTION</b>	<b>COST</b>
Stormwater	\$ 270,000
Streets	\$ 270,000
Water	\$ 80,000
Traffic	\$ 270,000
Public Art	<u>\$ 80,000</u>
Construction Subtotal	\$ 970,000
Engineering	<u>\$ 130,000</u>
Soft Cost Subtotal	\$ 130,000
<b>TOTAL BUDGET</b>	<b>\$1,100,000</b>

**EXHIBIT E**

**FORM OF CERTIFICATE OF COMPLETION OF CONSTRUCTION**

**CERTIFICATE OF COMPLETION OF CONSTRUCTION**

The undersigned, \_\_\_\_\_ (the "Developer"), pursuant to that certain DEVELOPMENT AGREEMENT (the "Development Agreement") effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the CITY OF GLADSTONE, MISSOURI (the "City"), a third class city and political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, and Developer, hereby certifies to the City as follows:

1. That as of \_\_\_\_\_, 20\_\_\_\_, the construction of the Project (as such term is defined in the Development Agreement) has been completed in accordance with the Development Agreement.
2. The Project has been completed in a good and workmanlike manner and in accordance with the Plans & Specifications (as defined in the Development Agreement).
3. The Project has achieved substantial completion as defined in the principal construction contract.
4. This Certificate of Completion of Construction is being issued by the Developer to the City in accordance with the Development Agreement to evidence the Completion of Construction and the Developer's satisfaction of all obligations and covenants with respect to constructing the Project.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**GLADSTONE CAP, LLC**  
a Missouri limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACCEPTED:**

**CITY OF GLADSTONE, MISSOURI**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Insert Notary Form(s) and Legal Description)

## **EXHIBIT F**

### **RESTRICTED LAND USES**

1. Title loan, check cashing, or unsecured loan business
2. Adult business, adult entertainment, adult personal services
3. Car repair
4. Car sales
5. Boat dealers
6. Boat, RV, and maintenance equipment storage
7. Building or grounds maintenance
8. Bus Terminal
9. Cemetery or mausoleum
10. Cocktail lounge, bar or tavern, except as accessory to hotel or restaurant use
11. Heavy equipment rental, sales, or service
12. Kennel with outside runs
13. Laundry, dry cleaning or garment services (not including drop-off & pick-up dry cleaning service)
14. LP gas or fuel oil sales (unless as an accessory use)
15. Manufactured home sales
16. Motorcycle sales
17. Outdoor or indoor gun club, skeet or trap shoot or archery range
18. Pawn shop
19. Plumbing and heating equipment dealers
20. RV sales
21. Tattoo parlor
22. Drive-in theater
23. Travel trailer camp
24. Truck sales or lease
25. Penal or correctional institution
26. Commodity purchase facilities (i.e. Cash for Gold stores)
27. Asphalt plant
28. Aviation field, Airport and Heliport
29. Cement, lime, gypsum and plaster of paris manufacture
30. Chemical and allied products
31. Concrete batch plant
32. Garbage processing facility
33. Landfill, sanitary and demolition
34. Mining
35. Mini-warehouse facility
36. Oil and gas production
37. Railroad lines, yards or station
38. Salvage yard, scrap yard, junkyard and automobile wrecking yard
39. Sewage treatment facility
40. Solid waste transfer station
41. Tow lot
42. Trucking and courier service
43. Drug and alcohol rehabilitation services
44. Guns and ammunition sales and service

**EXHIBIT G**

**PILOT SCHEDULE**

Developer will pay a fixed annual Payment in Lieu of Taxes in the amount of \$7,313.00.

## **EXHIBIT H**

### **FORM OF PROGRESS REPORT**

The following is submitted pursuant to Section 8.03 of the Development Agreement between the City of Gladstone, Missouri (the "City"), and Gladstone CAP, LLC (the "Developer"), dated as of October \_\_\_\_, 2014 (the "Development Agreement"). Capitalized terms used herein and not otherwise defined have the meaning set forth in the Development Agreement.

Each of the following should be answered as applicable based on the status of the Project. The City and the Developer agree that the following information is based on best, good-faith estimates of the Developer at the time the information is given and that such information could likely change in the future.

#### **Information Regarding Satisfaction of Conditions of Performance:**

1. What is the projected date of satisfaction of all Conditions of Performance for Phase 1?  
\_\_\_\_\_
2. What is the projected date of satisfaction of all Conditions of Performance for Phase 2?  
\_\_\_\_\_

Additional narrative regarding status of satisfaction of Conditions of Performance:

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#### **Information Regarding Phase 1**

1. Percentage of Design Completion - \_\_\_\_\_%
2. Projected date of Commencement of Construction - \_\_\_\_\_
3. Projected Date of Completion of Construction - \_\_\_\_\_

Additional narrative regarding status of completion of Phase 1:

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#### **Information Regarding Phase 2**

1. Percentage of Design Completion - \_\_\_\_\_%
2. Projected date of Commencement of Construction - \_\_\_\_\_
3. Projected Date of Completion of Construction - \_\_\_\_\_



Additional narrative regarding status of completion of Phase 2:

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Dated: \_\_\_\_\_, \_\_\_\_\_

**GLADSTONE CAP, LLC**  
a Missouri limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## FORM OF OPINION

**20**

1. The Company is a corporation duly organized and validly existing under the laws of the State of Missouri and is authorized to do business in and is in good standing under the laws of the State of Missouri.

2. The Lease Agreement, the Performance Agreement, and the Deed (collectively, the "Company Documents") have been duly authorized by all requisite action on the part of the Company, and each such document has been duly executed and delivered by or on behalf of the Company by duly authorized officers of the Company, and constitute the Company's valid and binding obligations, enforceable in accordance with their respective terms (except as such enforceability may be limited by any bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or any general principles of equity, including without limitation, the exercise of judicial discretion in connection with any grant of specific performance).

3. The execution, delivery and compliance with the provisions of the Company Documents by the Company have not and will not (with the passage of time or the giving of notice, or both) (i) result in or constitute a breach of or default under any indenture, mortgage, deed of trust, lease or other agreement or instrument known to us to which the Company is a party or by which it or any of its property is bound, (ii) violate any provision of the organizational documents of the Company, or of any constitutional or statutory provision applicable to the Company or its property, or (iii) violate any order, rule or regulation of any court or governmental authority known to us applicable to the Company or its property.

4. All consents, approvals, authorizations or orders of, or registrations or filings with, any court or governmental agency or body required with respect to the Company for the valid execution and delivery by the Company of, or the performance of its obligations under, the Company Documents have been obtained or made.

5. To the best of our knowledge, there is no action, suit or other proceeding pending or threatened against the Company, at law or in equity or before any governmental authority, which might adversely affect the validity or enforceability of the Company Documents or the ability of the Company to perform its obligations under the Company Documents or which might materially and adversely affect the condition, financial or otherwise, of the Company.

The opinions and statements expressed herein are subject to the following additional limitations and qualifications:

A. We express no opinion with respect to any instrument or document other than the Company Documents; further, we express no opinion as to the validity or enforceability of any provision in the Company Documents if the validity or enforceability of such provision is dependent upon or is in conflict with or is inconsistent with any instruments or documents other than the Company Documents. We express no opinion as to any choice of law or choice of judicial forum provisions contained in any of the Company Documents.

B. We have made no examinations of title with respect to any of the personal property described in the Bill of Sale and, accordingly, we express no opinion as to the title thereto.

C. We express no opinion as to the existence, enforceability, perfection or priority of any lien or security interest created or purported to be created under any of the Company Documents.

D. Our opinions and statements expressed herein are restricted to matters governed by the laws of the State of Missouri, the General Corporation Law of the State of Missouri, and the Federal law of the United States of America.

E. The enforceability of each of the Company Documents and any other instrument referred to herein is subject to (i) applicable bankruptcy, insolvency, reorganization, receivership, fraudulent transfer, fraudulent conveyance, moratorium and similar laws relating to or affecting the enforceability of creditors rights generally, and (ii) general equitable principles (regardless of whether enforcement is sought in equity or at law), limitations on the availability of equitable remedies (such as specific performance), and similar principles governing enforceability, such as but not necessarily limited to standards of commercial reasonableness.

F. Particular provisions, rights, waivers and remedies in the Company Documents may not be enforceable in accordance with their terms, and the enforceability of any instrument referred to herein is subject to statutes and judicial decisions affecting the enforcement of contracts generally; provided, however, that none of the foregoing will materially interfere with the practical realization (except the economic consequences of any delay which may result therefrom) of the benefits provided by the Company Documents, subject to each and all of the other limitations, qualifications and assumptions set forth herein.

G. Default, acceleration, repossessions and other remedies are all subject to judicial supervision and, accordingly, accelerations, repossessions and other remedies may be limited by a court of competent jurisdiction to material defaults.

H. We express no opinion as to the enforceability of any provision insofar as it relates to: (i) the right of any party to enter upon or take possession of any property without notice or judicial process or exercise any other self-help remedy; (ii) the right of any party to exercise remedies that would be wholly or partially a duplication of remedies; (iii) the continuation of obligations of a party under any document after termination of such document; or (iv) entering into additional agreements or instruments other than agreements or instruments which are limited in effect to effectuating the express terms of the Company Documents and do not expand or modify such terms.

I. We express no opinion as to the statutes, administrative decisions and rules and regulations of county, municipal and special political subdivisions, except as set forth in paragraph 4 above.

J. Any provision contained in the Company Documents that permit any person to take action or make determinations, or to benefit from indemnities or similar understandings, may be subject to requirements that such action be taken or such determinations be made, or that any action or inaction by such person that may give rise to a request for payment under such indemnity or similar understanding be taken or not taken on a reasonable basis and in good faith. Additionally, indemnities may be unenforceable or limited to the extent that they (i) violate public policy considerations, (ii) provide for indemnification for violation of securities law, or (iii) provide for indemnification or exculpation of parties with respect to intentional acts or gross negligence.

K. We express no opinion with respect to any environmental laws, rules or regulations or any laws or regulations governing the sale or issuance of securities.

L. We express no opinion as to the enforceability of any right of set-off in any of the Company Documents.

M. We express no opinion as to any provision that provides for the severability of any provisions of any of the Company Documents.

N. Whenever any opinion or statement herein with respect to the existence or absence of facts, conditions or circumstances is qualified by the phrase "known to us" or is based upon our "knowledge," "best of our knowledge," or any similar phrase, it is intended to indicate that, during the course of our limited representation of the Company, no information has come to our attention that would give us actual knowledge of the existence or absence of such facts, conditions or circumstances. The terms "knowledge," "best of our knowledge," "known to us" and similar phrases refer to the actual present knowledge of the attorneys in our firm who have devoted substantive attention to matters for which we have been engaged by the Company and not to the knowledge of the firm or its partners or employees generally. Moreover, we have made no independent investigation as to any opinion or statement qualified by the terms "knowledge," "best of our knowledge," "known to us" or similar phrases.

The foregoing opinions shall not be relied upon by any party other than the parties to whom this letter is addressed, their successors and/or assigns, and their respective counsel in connection with the transaction contemplated by the Company Documents. This opinion is not to be otherwise used, circulated, quoted or referred to in connection with any other transaction. This opinion is issued only with respect to the present status of law in the State of Missouri, the General Corporation Law of the State of Missouri and the laws of the United States and we undertake no obligation or responsibility to update or supplement this opinion in response to subsequent changes in the law or future events affecting the transactions contemplated by the Company Documents.

Very truly yours,

STINSON LEONARD STREET LLP

# Northland Innovation Center

Space Needs Assessment

City of Gladstone, Missouri and North Kansas City School District



# Northland Innovation Center

## Space Needs Assessment

### Introduction

#### Scope

The scope of this document considers the following tasks:

- Obtain information from nine (9) partner organizations concerning proposed operational and facility needs.
  - Assess technology needs for each partner.
  - Develop short term and long range estimates for space needs of the partners.
  - Determine the parking/transportation needs of each partner.
  - Assess security needs for each partner.
  - Develop preliminary finish level desires for each partner.
  - Assess and recommend options for the efficient and functional sharing of space based on needs, proximity, hours of operation and other factors.

### Methodology

- Interview key staff of each partner to determine requirements for the new development.
- Develop a written program for each partner, describing the required spaces.
- Determine the amount of space each partner will require if they move into the development.
- Develop schematics of each room or space.
- Publish findings.

### The Northland Innovation Center

represents a partnership between the City of Gladstone, Missouri and the North Kansas City School District. This partnership will result in the development of property located at the southeast corner of North Oak Trafficway and NE 69th Street in Gladstone, Missouri.



Prepared by:



Williams Spurgeon Kuhl & Freshnock Architects, Inc.  
110 Armour Road  
North Kansas City, Missouri 64116  
816-300-4101

September 17, 2014

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## Tenant Partners

The following list is of potential tenant partners that have expressed an interest in leasing space in the new Northland Innovation Center:

- North Kansas City School District – SAGE Program
- Northland Center for Advanced Professional Studies
- Metropolitan Community College – MCC Maple Woods
- Northwest Missouri State University – Kansas City Center
- Northwest Missouri State University - Center for Innovation and Entrepreneurship – Kansas City
- Mid-Continent Public Library – N. Oak Replacement Library (or)
- Mid-Continent Public Library - N. Oak Satellite Library
- Clay County Economic Development Council – Offices
- Clay County Economic Development Council - Northland Information Technology Research and Technology Transfer Center
- B & B Theatres
- Northland Innovation Center Auditorium
  - North Kansas City School District
  - Metropolitan Community Colleges – MCC Maple Woods
  - Northwest Missouri State University
  - Mid-Continent Public Library
  - Clay County Economic Development Council
  - B&B Theatres

These tenant partners, if all agree to occupy space, would account for 135,000 s. f. (MCPL N. Oak Replacement Library) or 123,500 s. f. (MCPL Satellite Library). This represents a substantial commitment to this development. The tenant partners would all provide services that would be beneficial to each other. Additionally several of the tenant partners would provide valuable services to the residents of Gladstone., MO.

## North Kansas City School District

### Students in Academically Gifted Education (SAGE)

SAGE (Students in Academically Gifted Education) allows gifted students to become independent learners and decision makers who recognize their potential and responsibilities in a changing global society. The SAGE program has a proud heritage of serving gifted children in the Northland since 1975.

The new SAGE Center will serve academically gifted K-5 students, which currently are at Centers located throughout the district. It is an integral part of the school curriculum that does not substitute or replace classroom instruction and enrichment. The new Center will allow the District to recover classrooms in twelve (12) Elementary Schools for use as general classrooms.

The new SAGE center will require being located on the first or ground floor of the new development. The center will be secured from the rest of the development, with its own exterior entry vestibule. Access to the common corridor in the building shall be necessary to allow SAGE students and staff to access to the Mid-Content Public Library. The School District shall provide access control at all entrances. Additionally there may be some interaction with students from the NWMSU – Kansas City Center and NCAPS.

The district's intent is that the Center is very flexible in its design, and should not look like a typical school. The Center should have flexible display systems that can be easily be changed and relocated throughout the center. These display features would be for displaying instruction themes as well as student work.

SAGE students first attend their home schools and are then transported to the center by school busses. A bus lane will have to be provided at the entrance to the center. Busses will drop-off students at 9:15 am and pick-up students at 3:15 pm. In the future there exists a possibility that students will be transported by bus or by parents directly from their homes. The drive for school busses should not be accessed off of North Oak but rather 69<sup>th</sup> Street due to safety concerns. The bus lane should be incorporated into the driveway system so as to not be a dedicated space.

The SAGE program provides lunches for the students and will have a warming kitchen. Prepared food will be delivered, daily, to be served to the students. To accommodate the delivery truck, a loading area should be located near the kitchen with an entrance to the kitchen.

Students will be at the Center all day so a fenced playground will be required. The playground should be located away from streets and parking areas. Staff parking can be located in the main parking lot. There should be some accommodation, through reserved parking spaces, for parents who visit the center, close to the main entrance.



North Kansas City School District  
2000 NE 46<sup>th</sup> Street  
Kansas City, Missouri 64116  
816-413-5000  
[www.nkcscd.k12.mo.us](http://www.nkcscd.k12.mo.us)

Information Provided by:

- Dr. Todd White; NKCS - Superintendent
- Julia Alsobrook; NKCS - SAGE Coordinator

**SAGE Program - Rooms**

ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Vestibule	1	Opens directly into administration office. Additional pair of secure doors that open directly into main corridor of building.	100	100
Administrative Office Suite	1	Reception Desk at entry area. Nurse area with cot, refrigerator and sink for ill students. (1) Administrator's Office; (1) shared counselor office; (1) Work Room, (1) Conference Room.	1,200	1,200
Standard Classroom	14	(14) Flexible classroom for 15 students per classroom. Minimal counter space with a sink.	1,020	14,280
Highly Gifted Classroom	4	(4) Flexible classroom for 15 students per classroom. Minimal counter space with a sink.	1,020	4,080
Science Classroom	1	(1) Science Lab Classroom set up with (3) counter spaces with a sink at each. Science Storage area off of instruction wall.	1,200	1,200
Science Storage Room	1	(1) Storage room that opens directly from science classrooms as well as off of hallway. Room to include tall cabinets, wall cabinets, base cabinets and countertop space.	360	360
Kitchen	1	Warming kitchen with direct access to a dedicated unloading zone for food service vehicles. Provide serving area for students, located directly off of multipurpose room. Hand Sink and 3-compartment sink. Prep table and room for equipment and transport carts.	480	480
Multipurpose Room	1	Open and flexible room to provide the following functions: Lunch Room, Meeting Room, Display Space and Large Student Collaboration Space.	1,050	1,050





[illegible]

## Northland Center for Advanced Professional Studies (Northland CAPS)

Northland Center for Advanced Professional Studies (Northland CAPS) students are immersed in professional environments engaging in curriculum developed by industry professionals and program instructors – ensuring that what is taught in the classroom is relevant to the workforce. Learning is enhanced by project work direct from industry partners who engage to mentor students and ensure timely, accurate and real project results.

The space envisioned for the Northland CAPS program shall amount to thirty thousand square feet (30,000 s. f.) of leasable tenant space. This space shall be leased by the North Kansas City School District who will in turn sub-lease to tenants that will be business partners with the Northland CAPS program. The tenants of this space, as part of their lease, shall be required to provide accommodations for the students enrolled in the program. Within this tenant space the District will construct two (2) collaboration spaces for students to gather to study, collaborate on projects, and relax. These spaces would be located on different floors of the building.

Currently the program offers advanced training in the following areas:

- Technology Solutions
- Engineering and Advanced Manufacturing
- Medicine and Healthcare
- Global Business and Entrepreneurship



2000 NE 46th Street - Kansas City, MO 64116

816-413-5188

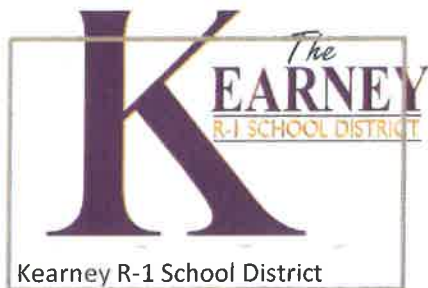
[www.northlandcaps.org](http://www.northlandcaps.org)

Information provided by:

- Dr. Todd White; North Kansas City School District
- Donna Deeds: Northland CAPS

## NCAPS Participating School Districts:

Currently there are six (6) Northland School Districts participating in the NCAPS program. Students will travel to this development or to the partner businesses.



### NCAPS Program - Rooms

[illegible]

[illegible]

## Metropolitan Community College

### MCC - Maple Woods

The Metropolitan Community College views the space in the new development as an office location for counselors and instructors to assist students in the Northland CAPS program. The counselors will also be available for students attending MCC – Maple Woods without having to go to campus.

The design of the space shall be very flexible since no staff will be assigned to this location. Rather staff will be transient and be able to use any open workstation. Functions that may occur in this office could be:

- Assist high school students with dual-level college classes.
- Assist high school seniors; sign up for classes at MCC - Maple Woods.
- Provide face-to-face interviews with students to assist in guidance counseling.
- MCC - Maple Woods may provide instructors for the Northland CAPS program in business locations in the development. Office would provide work space for them before and after classes or a space to talk to students.
- MCC – Maple Woods has a Performing Arts Associate Degree program but does not have facilities on campus. If the auditorium is constructed then MCC - Maple Woods would provide some instructions in the auditorium spaces. Instructors would be able to use this office space.



Metropolitan Community College – Maple Woods  
2601 NE Barry Road  
Kansas City, Missouri 64156  
816-604-3044  
[www.mcckc.edu](http://www.mcckc.edu)

Information provided by:

- Dr. Utpal Goswami; MCC-Maple Woods President



MCC - Maple Woods - Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA (sq. ft.)
Open Office	1	Systems Furniture for 8 staff members. Staff is transient and not assigned a desk.	1,000	1,000
Conference Room	1	Seating for 8 at a table; fully interactive A/V	300	300
Workroom	1	space for copier and cabinets for office supplies	150	150
Data/Server Room	1	Server racks	100	100
Toilets	2	Located in Building's Common Area	0	0
Custodial Closet	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
		Room Subtotal	1,550	1,550
		Grossing Factor 22%		341
		Program Total Area (s. f.)		1,891





## Northwest Missouri State University Kansas City Center

Northwest Missouri State University started its Kansas City Center in 2000. Since that time it has relocated several times and is currently using classroom and office space at MCC - Maple Woods. The Kansas City Center provides Programs of Study for:

- Preparation Courses
- Certification Programs
- Master Degree Programs
  - Master of Arts in English
  - Master of Business Administration
  - Master in Education
- Specialist Programs
  - Education Specialist
- Doctorate Program
  - Doctorate of Education

The facility in the new development will be mainly classrooms space and as such can be located anywhere in the building. Classrooms will have fully interactive A/V systems allowing both viewing and broadcasting remotely. Each student is provided a laptop computer for use.

Security is not an issue for students as most are now working full-time and attending classes at night. Classes are offered as follows:

- Fall/Spring are night classes from 5 pm to 11:00 pm
- Summer classes are from 7:30 am – 9:30 pm

The Kansas City Center's student population is growing. Projections are that the Center will start with five (5) standard classrooms and grow to nine (9). The following area spread sheet includes 9 standard classrooms in the total area requirement.

As noted above, during the fall and spring semesters, student parking will be after 5:00 pm. In the summer, classes are offered all day. With the number of classrooms, there exists a potential for 300 +/- parking spaces required. NWMSU is looking into another Program of Study that would allow use of the facilities during the day. This will be an important consideration for parking requirements. No decision or timetable has been set for implementing this program.



Northwest Kansas City Center  
2601 N.E. Barry Road  
CB-111  
Kansas City, MO 64156  
Phone: 816.604.3171  
[www.nwmissouri.edu](http://www.nwmissouri.edu)

Information provided by:

- Terry Barmann; NWMSU Outreach Director at MCC - Maple Woods
- Colleen Lainhart; NWMSU Outreach Office Manager

[illegible]



## Center for Innovation and Entrepreneurship – Kansas City

The Dean L. Hubbard Center for Innovation and Entrepreneurship, located on the main campus of NWMSU at Maryville, is a service-oriented business incubator connecting industry and academics which offers state-of-the-art research facilities, a commercial analytical lab, and tailored support for business acceleration. It is the intent of NWMSU to provide incubator space in this development that would specialize in small IT-related businesses.

The Center, located in this development, would allow tenants to capitalize on the academic and other resources at Northwest Missouri State University by working closely with professors and students from the marketing, computer science and other departments.

As a potential second phase, NWMSU would provide wet labs and office space to start-up companies. These tenants would be able to utilize the state of the art equipment and in-house analytical chemist at the main campus.

This space could be located in any part of the building and has no special security issues. Operating hours will vary. Some after hour access is envisioned. Parking would consist of 42 spaces for staff and tenants.



The Dean L. Hubbard Center for Innovation and Entrepreneurship  
1402 North College Drive  
Maryville, Missouri 64468  
Phone: 660-562-0823  
[www.nwmissouri.edu](http://www.nwmissouri.edu)

Information provided by:

- Larry Lee; Director, Center for Innovation and Entrepreneurship

[illegible]

[illegible]



## Mid-Continent Public Library

Mid-Continent Public Library is currently completing a Master Plan which analyzed the condition of all of their facilities. Additionally a "condition grade" has been assigned to each facility along with a cost and schedule. The North Oak facility was graded with a "C" for the building and a "D" for the site. The conclusion was that the facility will need to be replaced and enlarged on a different site.

Mid-Continent Public Library has presented two (2) possible scenarios for a facility in this development, as follows:

### North Oak Replacement Library:

This scenario would replace the North Oak Library at this development. The Library would require 17,000 s.f. Special emphasis would be placed on "On-Line" resources as well as collaboration and meeting spaces. This location is ideal, since it will provide services to a number of the potential tenants.

#### The Library's Hours of Operation:

- Monday – Thursday: 9 am – 9 pm
- Friday: 9 am – 6 pm
- Saturday: 9 am – 5 pm

Parking is based upon the number of spaces currently at the North Oak Facility, A factor that needs to be used in determining the total number of parking spaces is peak usage times as follows:

- School Year 10 am -12 pm and 3 pm -8 pm weekly
- Summer – all day

Ideally, the Library should be located on a floor with access to grade as a drive-thru lane would be beneficial. The Library has a very strong children's program and youth program.

In addition, Mid-Continent Public Library has developed a "Library to Go" System. This would be located in a room off of the Lobby that could be accessed 24/7. The system is a concept exclusive to MCPL. A user goes on line and orders materials they require. Material is delivered to a locker system and keyed to user's library card number. User keys in library card number and opens locker. Locker system has a book return.

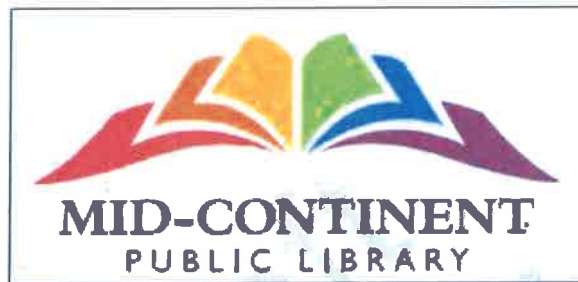


## Satellite Library

In this scenario, Mid-Continent Public Library would build the North Oak Replacement Library elsewhere in the Northland. The satellite library would require 6,000 s.f. and could be located anywhere in the building. This Library would emphasize "On-Line" resources, collaboration spaces, and meeting spaces. Material on hand at the Library would be tailored to the higher education uses of other potential tenants.

This facility would still require the space for the "Library to Go". Operating hours would be the same as the first scenario, but parking requirements would be greatly reduced.

The following spread sheets are for each scenario.



Mid-Continent Public Library  
Administration Headquarters  
15616 E. 24 Highway  
Independence, Missouri 64050  
816-836-5200  
[www.mymcpl.org](http://www.mymcpl.org)

Information provide by:

- Steven Potter; CEO & Library Director

MCPL - N. Oak Replacement Library - Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Meeting Room	1	Meeting room for 75 - 100 users; operable walls to create 2 smaller rooms	2,500	2,500
Computer Lab	1	Computer lab with 20 computers. Provide stacking glass wall along one side to allow room to be open to adjacent open seating	780	780
Collaboration Rooms	6	Small collaboration rooms with glazing along one side, marker board and interactive table and monitor	120	720
Main Collection	1	500 l. f. shelving	3,500	3,500
General Seating / General Computers	1	50 seats at table; 20 lounge seats; computer kiosks; check-out kiosks)	2,000	2,000
Display Area	1	Provide 4 - 6 Large Display Cabinets - moveable - Locate in General Seating Area	0	0
Young Adults	1	100 l. f. shelving; 20 chairs at tables; 10 lounge chairs	2,000	2,000
Children's Area	1	220 l. shelving; 30 chairs at tables; 10 lounge seats	1,500	1,500
Story Room	1	30 children seats; 2 lounge chairs; integrated A/V system	600	600
Check-Out Area	1	Service Desk	150	150
Staff Workroom	1	Space for staff; desks, tables and computer stations	500	500
Librarian Office	1	Private Office	150	150
Drive-up Window	1	Located in Staff Workroom	0	0
Staff Break Room	1	Lockers for 20 staff members & Break Room with sink	150	150
Staff Toilet	1	Uni-Sex	50	50
IT/Data Room	1	Server Racks	100	100

### MCPL - N. Oak Replacement Library - Rooms

ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Library-To-Go	1	Building Common Area - Automated Book pick-up and drop-off (200 sq. ft.)	200	200
Toilets	2	Located in Building's Common Area	0	0
Custodial	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
		<b>Room Subtotal</b>	<b>14,300</b>	<b>14,900</b>
		<b>Grossing Factor 22%</b>		<b>3,278</b>
		<b>Program Total Area (s. f.)</b>		<b>18,178</b>

MCPL - N. Oak Replacement Library - Site		
AREA NAME	DESIGN REQUIREMENTS	PROPOSED AREA (sq. ft.)
<b>Parking</b>		
Staff Parking	15 spaces	-
Visitor/Parent Parking	40 spaces	-
<b>Site Requirement</b>		
Drive-Thru Lane for Drive-Up Window		
Library-To-Go	24/7 Access to Library-to-Go Space off of Vestibule	-

MCPL (Satellite Library) - Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Meeting Room	1	Meeting room for 50 users	1,000	1,000
Computer Lab	1	Computer lab with 20 computers. Provide stacking glass wall along one side to allow room to be open to adjacent open computer lab	780	780
Collaboration Rooms	6	Small collaboration rooms with glazing along one side, marker board and interactive table and monitor	120	720
Main Collection	1	300 l. f. shelving	1,000	1,000
General Seating / General Computers	1	Seating (30 seats at table and lounge seats)	750	750
Display Area	1	Provide 4 - 6 Large Display Cabinets - moveable	-	-
Check-Out Area	1	Automated Terminal and Manned Check-out Desk	60	60
Staff Workroom	1	Space for staff at desks, tables and computer stations	500	500
Librarian Office	1	Private Office	150	150
Staff Break Room	1	Lockers for 10 staff members & Break Room with sink	120	120
Staff Toilet	1	Uni-Sex	50	50
IT/Data Room	1	Data Racks	100	100
Library-To-Go	1	Building Common Area - Automated Book pick-up and drop-off (200 sq. ft.)	200	200
Toilets	2	Located in Building's Common Area	0	0
Custodial	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
Room Subtotal			4,830	5,430
Grossing Factor 22%				1,195
Program Total Area (s. f.)				6,625



## Clay County Economic Development Council

### Offices

The Clay County Economic Council is a valuable source of information for development, site selection and business assistance in the Kansas City Northland of Clay County, Missouri. The EDC offers support for area businesses, site and building searches or expansion and quality of life in the Northland.

The EDC facilitates a number of important initiatives. From small business loans through Midwest Small Business Finance to international trade, education and workforce programs, the EDC and its members constantly seek to make Clay County a better place to live and do business. Collaborating with other area organizations, the EDC also promotes activities to enhance local quality of life and support other organizations in these efforts

The Clay County Economic Development Council is considering moving and expanding their offices in the new development. The office could be located anywhere in the building and would require 4,000 sq. ft. No special security is required.

Parking requirements for staff and visitors will be 35 spaces with additional requirements on days the Board of Directors (37 members) meets or other special meeting days.



Clay County Economic Development Council  
1251 NW Briarcliff Parkway  
Suite 25  
Kansas City, MO 64116  
816-468-4989  
[www.clayedc.com](http://www.clayedc.com)

Information provided by:

- Jim Hampton; Executive Director



Clay County EDC Offices- Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Reception and Waiting	1	Reception Desk and seating for 6	300	300
Executive Director's Office	1	Private office	224	220
Director of Finance Office	1	Private office	150	150
Loan Processors Office	2	Private office	150	300
Director of Business Retention	1	Private office	150	150
Director of Business Attraction	1	Private office	150	150
Director of Angel Finance Group Office	1	Private office	150	150
Director of NITRTT Center Office	1	Private office	150	150
Office	1	Private office	150	150
Open Office	1	Systems furniture for 4 support staff	400	400
Conference Room	1	Table and Chairs for 30, base cabinet, Interactive A/V	700	700
Work Room	1	Copier. Printer, files and office supplies	180	180
Storage Room	1	General Storage	200	200
Data/Server Room	1	Located in NITRTT Center	0	0
Toilets	2	Located in Building's Common Area	0	0
Custodial Closet	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
Room Subtotal			3,054	3,200
Grossing Factor 22%				704
Program Total Area (s. f.)				3,904



[illegible]

## Northland Information Technology Research and Technology Transfer Center

The Clay County EDC has initiated the new Northland Information Technology Research and Technology Transfer Center project to improve economic growth opportunities in Clay County. The new Center is considering locating in this development and would require 10,000 s.f.

Northland Information Technology Research and Technology Transfer Center supports research to advance the knowledge and application of computer science and information technologies. The center will facilitate a learning environment for tomorrow's technology workforce and fosters new and growing businesses through technology transfer. This support includes the management of new discoveries having commercial applications, as well as the management of corporate research agreements leading to discovery of application-based solutions.

The Northland Information Technology Research and Technology Transfer Center will also be associated with the Northland Center for Advanced Professional Studies (NCAPS) program. The educational component will be extended through college-level certificates and degrees, including post-baccalaureate.

The space could be located anywhere in the building and security would be due to internal operations. The personnel will probably require 24/7 access to the building and their space. Parking requirements would be for 43 spaces for staff and employees.



Clay County Economic Development Council  
1251 NW Briarcliff Parkway  
Suite 25  
Kansas City, MO 64116  
816-468-4989  
[www.clayedc.com](http://www.clayedc.com)

Information provided by:

- Jim Hampton; Executive Director

### Clay County - Northland Information Technology Research and Technology Transfer Center - Rooms

ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Reception and Waiting	1	Reception Desk and seating for 6	250	250
Private Office	3	Systems furniture for 1; 2 side chairs	150	450
Open Office Space	1	Flexible design with systems furniture; programmers; occupant number unknown	6,500	6,500
Conference Room	2	Table and Chairs for 10, base cabinet, Interactive A/V	250	500
Work Room	1	Copier, Printer, files and office supplies	200	200
Storage Room	1	General Storage	200	200
Data/Server Room	1	Server Racks	200	200
Break Room	1	Located in Building's Common Area	0	0
Toilets	2	Located in Building's Common Area	0	0
Custodial Closet	1	Located in Building's Common Area	0	0
Room Subtotal			7,750	8,300.00
Grossing Factor 22%				1,826
Program Total Area (s. f.)				10,126.00

[illegible]

## B&B Theatres

### NIC Auditorium

B&B Theatres stands for Bills and Bagby, two families who both launched movie theatres and joined forces in 1980. Today, B&B operates theaters in towns of all sizes, and has opened multiplex theaters in many of the same places that once were home to their old-time single-screen and twin theaters.

B&B Theatres has discussed, with Gladstone, Missouri, the possibility of providing movies in the NIC Auditorium. They stated they believe a single-screen theater would be possible in the Northland. The proposed auditorium would have a majority of the equipment required to show movies. B&B would require the following additional features:

- Larger screen
- DOLBY 7.1 Surround Sound and digital sound system (this in addition to Theatre Sound System)
- Digital projectors (3-D capabilities) in separate projection room
- Concession Stand
- Dedicated Ticket Box Office

B&B discussed the issue of scheduling the use of the auditorium with the other tenants. They would be able to offer movies in the evenings, but probably would not be able to provide screenings of movie openings, first weekend. They also see where there may be conflicts for events scheduled in the evening.



B&B Theatres  
2101 W Kansas  
P. O. Box 129  
Liberty, Kansas 64068  
816-407-7469  
[www.bbtheatres.com](http://www.bbtheatres.com)

Information provided by:

- Dennis McIntire; Director of Strategic Planning

B&B Theatres - Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA (sq. ft.)
Projection Booth	1	Room for digital projector and digital sound system	225	225
Ticket Box Office	1	Secure room for ticket purchase	250	250
Concession Stand	1	Larger space for concessions	400	400
Toilets	2	Located in Building's Common Area	0	0
Custodial Closet	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
Room Subtotal			875	875
Grossing Factor 22%				193
Program Total Area (s. f.)				1,068

[illegible]



## Northland Innovation Center Auditorium

### 400-Seat Auditorium

Several of the tenant partners for the development, have expressed an interest in auditorium space. Recent studies have indicated that a gap exists in the Northland for auditorium space between 250 – 700 seats. At 400 seats this venue would provide a needed venue in the Northland.

Potential users who have expressed an interest in use of the space are:

- City of Gladstone, Missouri
- North Kansas City School District
- MCC – Maple Woods
- Northwest Missouri State University
- Mid-Continent Public Library
- Clay County EDC
- B&B Theatres

The cost to develop this facility could be split among the users and the lease amortized. MCC Maple-Woods currently offers a program in Communications and Theater Arts but does not have a Performing Arts Auditorium on campus. They would use this facility for instruction and performances. Students would be able to take their classes in the various spaces that make up the auditorium.

All tenant partners expressed a desire for the auditorium facility, but stated they could not use it on a daily basis. With many potential users, the facility would be able to be used on a more regular basis. If this size of facility were included in the development, there are other groups in the Northland, that would have an interest in providing programs.

The auditorium, as we have programmed it, has all of the support spaces required for a Performing Arts venue and would require 17,000 s.f. The envisioned use would be that most productions would be at night, although occasionally there may be productions during office hours. Parking would only be an issue if the facility was used during those hours. MCC - Maple Woods would be providing students, instructions during the day.

Location of the NIC Auditorium should be on the lowest level with the fly loft being an open space of 3 stories. Ideally the facility would have an entrance directly to the Lobby, so the remainder of the building could be secured after-hours.



Northland Innovation Center Auditorium - Rooms				
ROOM NAME	QTY.	DESIGN REQUIREMENTS	AREA (s.f.)	EXTENDED AREA
Lobby	1	Partial lobby; remainder in Building Common Area	300	300
Ticket/Business Office	1	Ticket Office; manager's office	200	200
Coats	1	Coat rack for self-serve or valet	150	150
Seating	1	Auditorium seating for 400	7,000	7,000
Control Booth	1	Lighting and sound control boards	250	250
Stage House	1	Stage with rigging, lights, curtains, projection screen and wood floor	2,000	2,000
Stage Shop	1	Workroom for prop production; instructions	1,000	1,000
Receiving	1	Loading dock	400	400
Costume Shop and Storage	1	Costume production; Instruction	575	575
Large Dressing Room	2	Counter, sinks, lighting for performers	400	800
Dressing Room Toilets	2	2 water closets; 2 lavatories	120	240
Private Dressing Room	2	Counter, sinks, lighting for performers	150	300
Private Toilets	2	1 water closet; 1 lavatory	70	140
Storage Areas	2	Storage of props and equipment	450	900
Concessions	1	Small concession stand	200	200
Public Toilets	2	Located in Building's Common Area	0	0
Custodial	1	Located in Building's Common Area	0	0
Vending	1	Located in Building's Common Area	0	0
Lobby	1	Located in Building's Common Area	0	0
Instructor's Workroom	1	Located in MCC-Maple Woods space	0	0
<b>Room Subtotal</b>			<b>13,265</b>	<b>14,455</b>
<b>Grossing Factor 22%</b>				<b>3,180</b>
<b>Program Total Area (s. f.)</b>				<b>17,635</b>



## Tenant Partner Space Summary

This table is a summary of the Tenant partners requirements for leasable space and a proposed date to occupy space.

Tenant Partners		
Tenant Name	AREA (s.f.)	Occupancy Date
North Kansas City School District – SAGE Program	30,000	January 2016
Northland Center for Advanced Professional Studies	30,000	January 2016
Metropolitan Community College – MCC Maple Woods	2,000	Unknown
Northwest Missouri State University – Kansas City Center	18,000	August 2016
Northwest Missouri State University - Center for Innovation and Entrepreneurship – Kansas City	5,000	August 2016
Mid-Continent Public Library – N. Oak Replacement Library	18,000	January 2017
Mid-Continent Public Library – N. Oak Satellite Library	6,500	January 2017
Clay County Economic Development Council – Offices	4,000	June 2016
Clay County Economic Development Council - Northland Information Technology Research and Technology Transfer Center	10,000	June 2016
B & B Theatres	1,000	Unknown
Northland Innovation Center Auditorium	17,000	Unknown
<b>Partner Tenant Area if MCPL builds Replacement Library</b>	<b>135,000</b>	
<b>Partner Tenant Area if MCPL builds Satellite Library</b>	<b>123,500</b>	

Parking Requirements		
Tenant Name	Staff	Parking
North Kansas City School District – SAGE Program	30	5
Northland Center for Advanced Professional Studies	35	104
Metropolitan Community College – MCC Maple Woods	10	10
Northwest Missouri State University – Kansas City Center	20	200
Northwest Missouri State University - Center for Innovation and Entrepreneurship – Kansas City	2	40
Mid-Continent Public Library – N. Oak Replacement Library	15	40
Mid-Continent Public Library – N. Oak Satellite Library	4	30
Clay County Economic Development Council – Offices	15	20
Clay County Economic Development Council - Northland Information Technology Research and Technology Transfer Center	2	30
B & B Theatres		
Northland Innovation Center Auditorium	10	200
<b>Total Parking Spaces</b>	<b>143</b>	<b>679</b>

## Northland Innovation Center

### Shared Spaces

One of the hopes for this development was that there would be spaces that the Tenant partners could share and not duplicate. After we had conducted our interviews, with the Tenant partners it became apparent that there were not many spaces that could be shared. The space requirements for each tenant is for space they believe will be used on a daily basis. Spaces that could be common to the building are:

- Vending or food service with a lounge area.
  - North Kansas City School District stated they would provide this service in conjunction with the food service provided for the SAGE Program.
- Toilets
- Custodial Space

Some tenants did require some of the above spaces, due to their operations, so there is some slight duplication.

The NIC Auditorium is one space that would be used by most of the Tenant partners in addition to outside entities. The challenge for this space will be in the management of the use schedule and marketing to prospective users. Additionally the manager should be responsible for promoting events.

## Appendix

### Program Information

Attached are individual program sheets and room sketches for each Tenant Partner:

- NKCSO SAGE Program
- Northland CAPS
- MCC – Maple Woods
- NWMSU – Kansas City Center
- NWMSU – Center for Innovation and Entrepreneurship
- MCPL – North Oak Replacement Library
- MCPL – Satellite Library
- Clay County EDC – Offices
- Clay County EDC - Northland Information Technology Research and Technology Transfer Center
- B&B Theatres
- Northland Innovation Center Auditorium



# North<sup>1</sup> and Innovation Center Conceptual Perspective Views



From Intersection of N.Oak and 69th St.



# Northland Innovation Center Conceptual Perspective Views



From 69th St. Looking South



# North and Innovation Center Conceptual Perspective Views



From N.Oak Looking Northeast



# Northland Innovation Center Conceptual Perspective Views



From N. Oak Looking Southeast



# Northland Innovation Center Conceptual Perspective Views



Intersection of N. Oak and 69th St. Looking East

Northland Innovation Center Update  
September 22, 2014

**Phasing Issue**

- Allows for two phases with performance requirements.

Phase I

- Public infrastructure- Parking, stormwater, streets, sewer, grading, traffic, art.
- 90,000 sf building at 69<sup>th</sup> and N. Oak.

Phase II

- Parking deck.
- 50,000 sf building at 69<sup>th</sup> and N. Locust – working for 60,000 sf

**Timing**

- Bond closing February 1, 2015.
- Phase 1 completion April 1, 2016
- If phase 2 leases totaling 25,000 sf in place by December 31, 2015, then phase 1 and 2 developed together.
- If phase 2 leases not in place by 12/31/15 then phase 2 starts 90 days after leases executed.

Termination

- If phase 1 not started by May 1, 2015
- If phase 2 not started by completion of phase 1 or by 12/31/16.
- If phase 2 not started by CBC then City retains right to construct (or contract for) phase 2

**Incentive**

- Land- At closing developer will pay City \$500,000. The remaining land value of \$1.1 million will be invested in public infrastructure.
- City provides leasehold interest in property. Phase 1 at time of phase 1 and phase 2 at time of phase 2.
- Tax Abatement for 23 years subject to PILOT. Total abatement estimated to be \$889,000/yr. (less PILOT)
- PILOT. Approximately equal to tax receipts prior to City ownership. \$7,000 total/yr.
- Sales tax exemption for material purchases.

**Conditions to Closing**

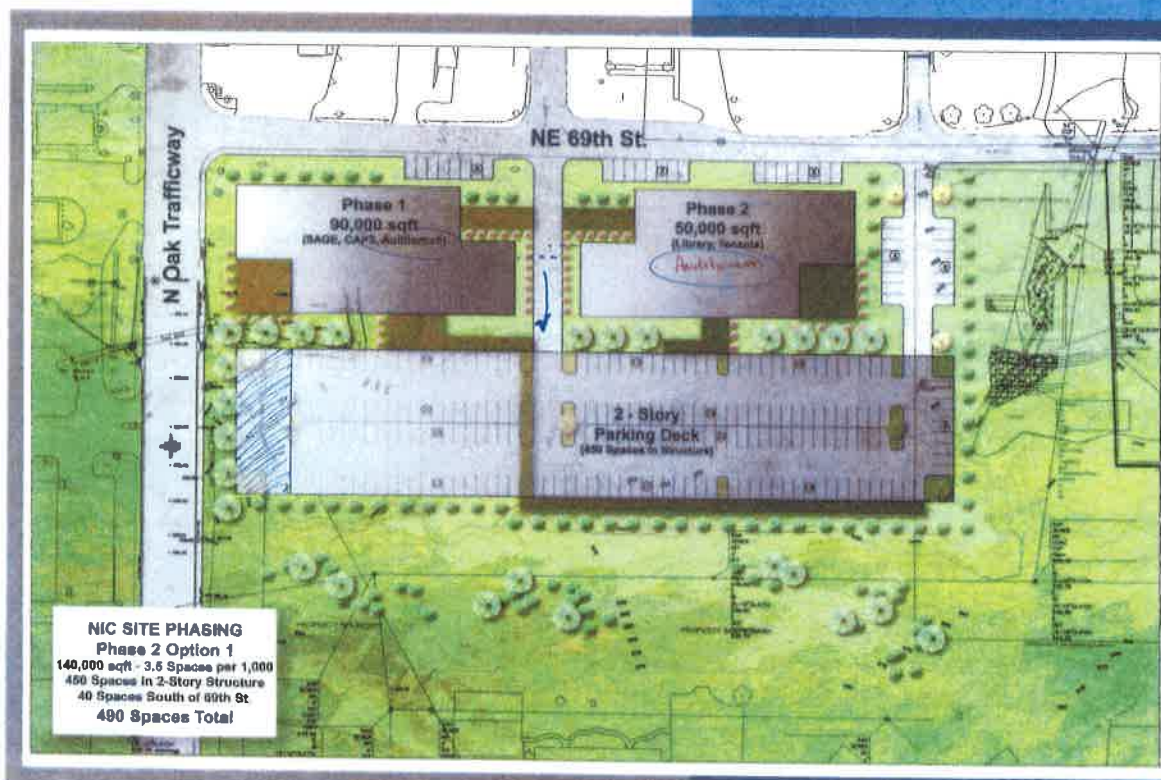
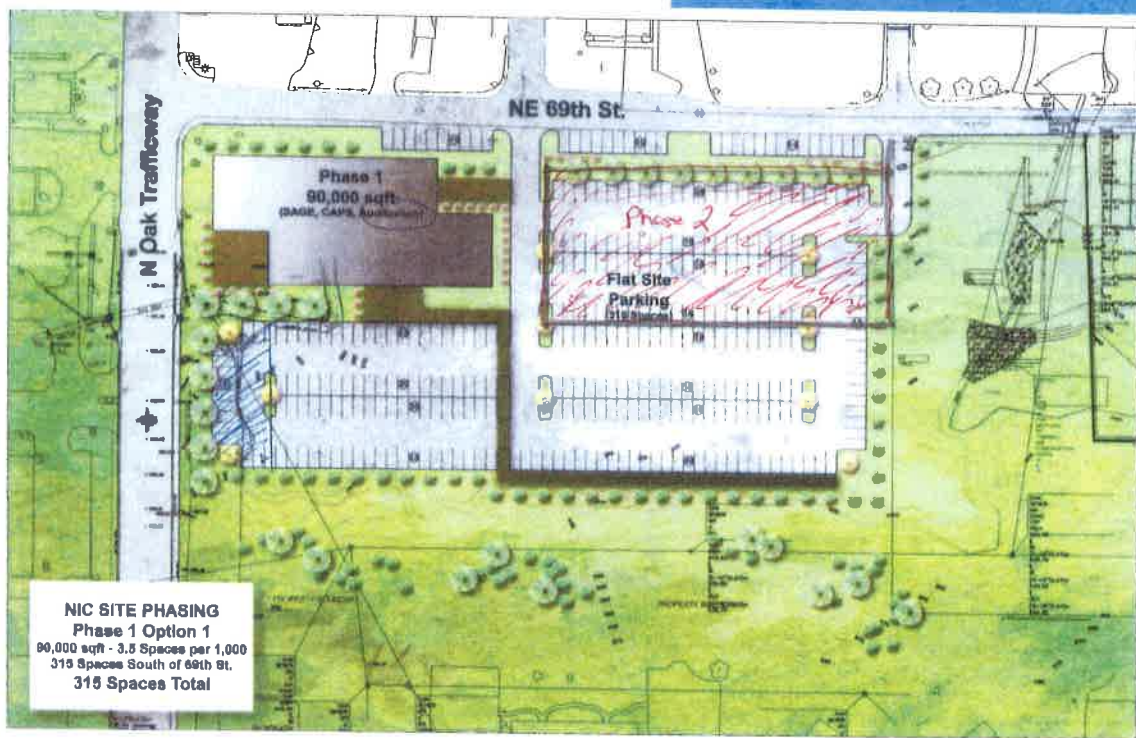
- Development Agreement
- Zoning, site plan, plat, permit.
- Cost benefit plan.
- CH 100 Bonds
- Subleases
  - NKCS 60,000 sf
  - (Phase 2- 25,000 sf)

### **Next Steps**

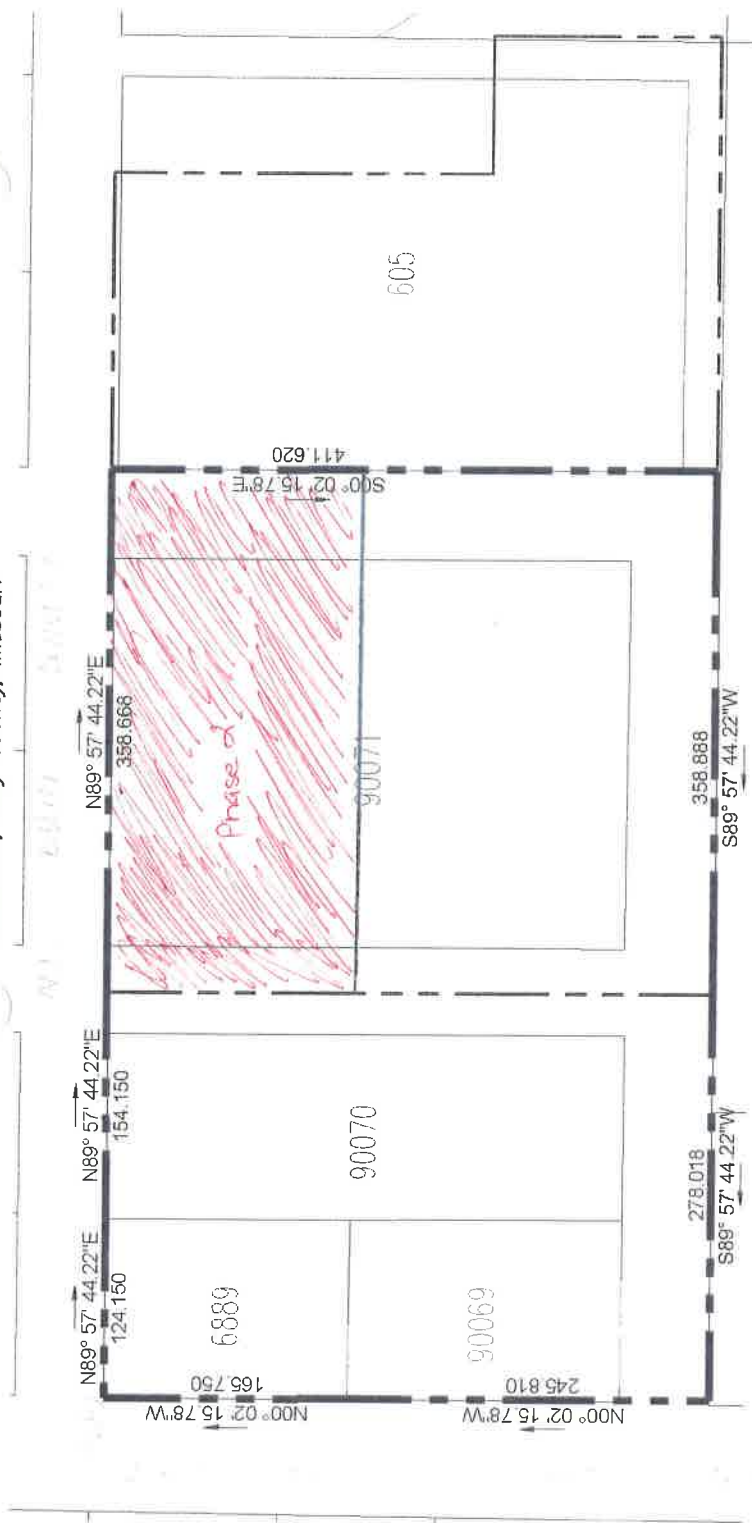
- Development Agreement to City Council.
- October 7- NKCS Board of Education project presentation.
- October- December
  - NKCS Board of Education Lease approval
  - Additional partner leases.
  - Conditions to closing.
  - Auditorium partnership.



Northland Innovation Center - Gladstone, MO  
Recent Site Phasing - Option #1



Section 23, Township 51, Range 33  
Gladstone, Clay County, Missouri



NOT A LEGAL DOCUMENT  
FOR CONCEPTUAL  
USE ONLY

A TRACT OF LAND LOCATED IN SECTION 23, TOWNSHIP 51, RANGE 33, GLADSTONE, CLAY COUNTY, MISSOURI, COMMENCING AND BEGINNING AT A POINT BEING THE INTERSECTION OF THE EAST LINE OF NORTH OAK STREET TRAFFICWAY AND THE SOUTH LINE OF N.E. 69TH STREET; THENCE N89°57'44"E A DISTANCE OF 124.15 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE N89°57'44"E 154.15 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE N89°57'44"E 358.67 FEET ALONG SAID SOUTH LINE OF N.E. 69TH STREET TO A POINT; THENCE S00°02'16"E A DISTANCE OF 411.62 FEET TO A POINT; THENCE S89°57'44"W A DISTANCE OF 358.89 TO A POINT; THENCE S89°57'44"W A DISTANCE OF 278.30 FEET TO A POINT ON SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY; THENCE N00°02'16"W A DISTANCE OF 245.81 FEET ALONG SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY; THENCE N00°02'16"W A DISTANCE OF 165.75 FEET ALONG SAID EAST LINE OF NORTH OAK STREET TRAFFICWAY TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS 6.03 ACRES, MORE OR LESS.

Basis of Bearings: This is not a legal survey