

**COOPERATIVE AGREEMENT**  
**BETWEEN**  
**CITY OF KANSAS CITY, MISSOURI**  
**AND**  
**HEALTH SCIENCES COMMUNITY**  
**IMPROVEMENT DISTRICT**

Dated \_\_\_\_\_, \_\_\_\_, 2021

## COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT (the “**Agreement**”) is made as of the \_\_\_ day of \_\_\_\_\_, 2021 (the “**Effective Date**”), by and between the **CITY OF KANSAS CITY, MISSOURI**, a constitutionally chartered municipal corporation of the State of Missouri (the “**City**”) and the **HEALTH SCIENCES COMMUNITY IMPROVEMENT DISTRICT**, a political subdivision of the State of Missouri (the “**Health Sciences CID**”) (collectively, the “**Parties**”).

### RECITALS

- A. The Health Sciences CID desires to cooperate with the City to provide funding for infrastructure improvements, including pedestrian access and pathways, signage, landscaping, and other improvements (the “**Infrastructure Improvements**”), and to invest in residential housing related improvements that directly improve health and quality of life (the “**Housing Improvements**,” and together with the Infrastructure Improvements, collectively, the “**District Improvements**”);
- B. Truman Medical Center and Children’s Mercy Hospital recently completed two projects: (i) Truman Medical Center’s UH 2 (“**UH 2**”), a medical office building and parking structure, which is now being occupied following receipt of certificate of occupancy in late 2020; and (ii) Children’s Mercy Hospital’s Research Institute (the “**Research Institute**”), a research tower, which was completed in the fall of 2020 and is now being occupied. UH 2 and the Research Institute are referred to herein as the “**Generator Developments**”. The Generator Developments are estimated to provide, over the course of several years, approximately 1,200 jobs for the City with an average salary for such jobs expected to be \$75,000 per year;
- C. The Health Sciences CID is depicted on **Exhibit A** and legally described on **Exhibit B** (the “**CID Area**”);
- D. Certain property owners in the Health Sciences CID (specifically, the University of Missouri at Kansas City, Truman Medical Center, Inc., and The Children’s Mercy Hospital (collectively, the “**Members**”)) have discussed future developments with the City, such as an office building, to further the objectives of the Health Sciences CID. Such potential future developments are referred to herein as the “**Anticipated Projects**,”
- E. It is anticipated that the District Improvements will encourage new commercial and residential development, rehabilitation of existing housing stock, rehabilitation of existing commercial structures, and construction or rehabilitation of public infrastructure;
- F. A portion of the economic activity taxes generated and collected within CID Area would be used to fund the District Improvements pursuant to the terms of this Agreement;
- G. The City finds that the District Improvements serve a public purpose in that they will promote office industry, job growth, and other economic development goals in the City and will serve as a catalyst for additional investment and development;

- H. The City finds that the District Improvements and Generator Developments serve a public purpose by furthering the City's policy of encouraging economic stability and growth;
- I. The City and the Health Sciences CID desire to work toward developing an economic development plan for the CID Area;
- J. The City and the Members own real property within and near the CID Area which is underutilized for surface parking, vacant space and temporary uses;
- K. The City and the Health Sciences CID desire to partner on the accelerated development of health and educational facilities within the underutilized properties and throughout the CID Area as part of the economic development plan;
- L. The City further finds that the Agreement will promote and expand the development of Housing Improvements within the neighborhoods in the vicinity of the CID Area;
- M. The City further finds that the Agreement will both provide substantial additional employment opportunities, and significantly improve and expand the availability and extent of health services for all citizens of Kansas City; and
- N. The City and the Health Sciences CID desire to enter into this Agreement for the purpose of setting forth the covenants, agreements and obligations of the City and the Health Sciences CID to make possible the District Improvements and to improve health services and increase employment.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE I

### GENERAL PROVISIONS, DEFINITIONS AND EXHIBITS

**Section 1.01 Recitals.** The Recitals to this Agreement are incorporated into and shall constitute a part of this Agreement.

**Section 1.02 Scope of Agreement.** The purpose of this Agreement is to provide a coordinated and clear outline of the obligations contemplated of the City and the Health Sciences CID concerning the financing of District Improvements that promote the Parties' public purposes.

**Section 1.03 Definitions and Rules of Interpretation.**

(a) Unless the context clearly indicates to the contrary or unless otherwise provided herein, the following rules of interpretation shall apply to this Agreement:

- (i) 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 this Agreement.

- (ii) 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.
- (iii) Words of the masculine gender shall be deemed and construed to include correlative words of the 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, limited liability companies, partnerships, joint ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.
- (iv) The 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.

**Section 1.04 Defined Terms.** In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings set forth as follows:

(a) “Advisory Committee” means a nine-member advisory committee consisting of representatives of the CID, neighborhoods within the Benefit District, as defined herein, and City staff and officials that will make recommendations related to the use of Redirected EATS to the CID and the City Council

(b) “Benefit District” means the area bounded by Brooklyn Avenue on the east, Gillham Road on the west, 22<sup>nd</sup> Street on the north and 27<sup>th</sup> Street on the south which is depicted on **Exhibit E**.

(c) “City Council” means the City Council of the City.

(d) “EATS” means the annual taxes generated from the City’s:

- (i) 1.00% capital improvements tax pursuant to Section 68-446 of the City’s Code of Ordinances (or any successor provision thereto),
- (ii) 0.25% public safety sales tax imposed pursuant to Section 68-447 of the City’s Code of Ordinances (or any successor provision thereto),

(iii) 1.00% Earnings Tax.

(iv) 10% Utilities Tax.

(e) “Earnings Tax” means the tax collected by the City pursuant to Section 68-382 of the Code of Ordinances of Kansas City, Missouri, or any amendment or successor provision thereto (exclusive of penalties and interest) on earnings of employers and employees of employers located in the City.

(f) “Redirected EATS” means an amount equal to fifty percent (50%) of the EATS generated by the Generator Developments and, if agreed to by the parties in writing pursuant to Section 3.04(b) of this Agreement, Anticipated Project(s).

(g) “Redirection Period” means the period beginning on May 1, 2022 and ending on April 30, 2032; unless extended for one additional ten (10) year period ending on April 30, 2042 at the option of the City Manager, in accordance Section 3.04 (l) of this Agreement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

#### Section 2.01 City Representations and Warranties.

(a) Organization, Authorization. The City (1) is a constitutionally chartered city validly existing under the laws of the State of Missouri; (2) has lawful power and authority to enter into, execute and deliver this Agreement and to carry out its obligations hereunder, and (3) by all necessary action has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

(b) Effect on Prior Agreements. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the performance of or compliance with the terms and conditions of this Agreement by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the City or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

(c) Litigation. To the best knowledge of the City, there is no action, threatened or pending, against the City, which would prevent or impair the City’s performance hereunder.

(d) Warranty. The City represents and warrants to the Health Sciences CID that the foregoing items (a), (b) and (c) are true, accurate and complete as of the Effective Date and agrees that upon closing any transaction contemplated by this Agreement, the City

shall confirm that the foregoing items (a), (b) and (c) shall be accurate, true and complete as of the closing date of such transaction.

**Section 2.02 Health Sciences CID Representations and Warranties.**

(a) Organization, Authorization. The Health Sciences CID (1) is a political subdivision Community Improvement District validly existing under the laws of the State of Missouri; (2) has lawful power and authority to enter into, execute and deliver this Agreement and to carry out its obligations hereunder; and (3) by all necessary action has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

(b) Prior Agreements. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms or conditions hereof do not and will not conflict with or result in a breach of any 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.

(c) Litigation. To the best knowledge of Health Sciences CID, there is no action, threatened or pending, against the Health Sciences CID which would prevent or impair the Health Sciences CID's performance hereunder.

(d) Warranty. The Health Sciences CID represents and warrants to the City that the foregoing items (a), (b) and (c) are true, accurate and complete as of the Effective Date and agrees that upon closing any transaction contemplated by this Agreement the Health Sciences CID shall confirm that the foregoing items (a), (b) and (c) shall be accurate, true and complete as of the closing date of such transaction.

**ARTICLE III**

**THE GENERATOR DEVELOPMENTS AND DISTRICT IMPROVEMENTS**

**Section 3.01 Generator Properties.** The Generator Developments consists of: (i) a 79,000 square foot medical office building including 1,500 square feet of retail and a parking structure; and (ii) a 375,000 square foot research tower with 2,500 square feet of retail.

**Section 3.02 Projections.** The Generator Developments are projected to provide, over the course of several years, approximately 1,200 jobs for the City with an average salary for such jobs expected to be \$75,000 per year.

**Section 3.03 Advisory Committee.** The Advisory Committee will make recommendations to the CID related to the use of Redirected EATS to provide funds for the Infrastructure Improvements and Housing Improvements, and to the City and the CID related to the use of Redirected EATS for funds for Housing Improvements.

(a) The Advisory Committee will consist of 9 individuals who have a residency or civic interest (personal, political, and/or business) within Benefit District. The members of the Advisory Committee will be:

(i) Two council members whose Council District contains the CID Area or their designee,

(ii) One representative of the City Planning & Development Department or Public Works Department as determined by the City Manager,

(iii) Three representatives from the Health Sciences CID board or their designee, and

(iv) Three neighborhood representatives appointed by the Mayor. The neighborhood representatives must reside in one or more of the following neighborhoods: Mount Hope, Wendell Phillips, Longfellow, Beacon Hill and Hospital Hill.

### **Section 3.04 Redirection for District Improvements.**

(a) Redirection. In order to make possible the District Improvements, the City agrees to redirect the Redirected EATS for the Redirection Period to provide financing to support the expenses of the District Improvements, subject to Section 3.04(i) of this Agreement. The Redirected EATS from the Generator Projects will be allocated as follows: The Housing Improvements will receive not less than 30% and the Infrastructure Improvements will receive up to 70% of the Redirected EATS. The Health Sciences CID shall furnish to the City such information, in such format as the City may reasonably require, with respect to taxes generated within the Generator Developments as the City may require for purposes of calculating the amount to be remitted, and the City shall not be required to budget or contribute any sums in the absence of the Health Sciences CID's full compliance.

(b) Estimated Redirected EATS. The Redirected EATS generated over the Redirection Period will be used to implement the District Improvements. An estimate for of the Redirected EATS is set forth on **Exhibit C**. The estimate of Exhibit C does not reflect any Redirected EATS which may be generated by any Anticipated Project(s). The implementation of any Anticipated Project(s) may generate additional Redirected EATS which would be used to fund District Improvements by an amendment to this Agreement. The City Manager is authorized to execute any such amendment for Anticipated Project Redirected EATS, so long as the such Redirected EATS are consistent with any City policy in place for like development.

(c) Infrastructure Improvements.

(i) Recommendations. After hearing the recommendations of the Advisory Committee, the Health Sciences CID shall annually present to the City Council recommended Infrastructure Improvements for which the allocated portion of the Redirected

EATS (**Infrastructure Improvements Funds**) are intended to be used. The recommendation to Council shall include a line-item budget for each project and any reasonable administrative costs of the in-kind services provided by the Health Science CID for management and construction of the Infrastructure Improvements for which the CID seeks reimbursement. City Council shall retain ultimate authority for approval of the Infrastructure Improvements for which Redirected EATS are to be used.

- (ii) Plan Review. Upon notification of the approved Infrastructure Improvements, the Health Sciences CID shall submit professionally sealed engineered detailed drawings, plans and specifications of the approved Infrastructure Improvements to City's Director of Public Works for review. If City determines that modifications to the plans and specifications need to be made, it shall notify CID of its determination and Health Sciences CID shall submit revised plans and specifications for review. No construction, deconstruction or installation of the Infrastructure Improvements shall commence unless and until approval of the plans and specifications has been obtained, nor shall any construction, deconstruction or installation be permitted to proceed except in accordance with the plans and specifications as approved by City. The Health Sciences CID will contract for construction of the projects and select the contractors to perform the construction and seek reimbursement for the costs of each project pursuant to the certification procedure stated in Section 3.04(e).
- (iii) Contractor Obligations. Health Sciences CID shall insure that any contractor hired to work on the Infrastructure Improvements shall comply with the following obligations:
  - (1) Obtain all appropriate permits for the completion of work. Submit a copy of all permits and related plans and specifications prior to the commencement of work.
  - (2) Contract for and oversee every facet of work necessary to plan for and complete the projects in a manner that complies with the terms of this Agreement and all applicable codes.
  - (3) Ensure that all projects are constructed in conformity with the requirements imposed by all governmental entities having authority to permit, prohibit or otherwise impose conditions on the construction of the Infrastructure Improvements.
  - (4) Ensure that the construction of the project(s) is completed no later than nine months from the approval by the Director of



Public Works pursuant to this Section, unless a longer period of time is approved by the Director of Public Works, in writing.

- (5) Apply the funds contributed by City exclusively towards the actual costs of constructing the projects.
- (6) Comply with the prevailing law of the State of Missouri and the MBE/WBE ordinance and policy of the City.
- (7) Comply with all other requirements applicable to the Health Sciences CID as set forth in this Agreement.

(iv) City Obligations.

- (1) Review and approve or deny within a reasonable time all documents required to be submitted to City as provided for in Section 3.04(c)(ii) of this Agreement.
- (2) Take all steps reasonably necessary to allow the construction of the Infrastructure Improvements provided all required permits are obtained, which City shall not unreasonably withhold.
- (3) Waive the solicitation requirement as to all contractors the Health Sciences CID uses to construct the projects.
- (4) Comply with all other requirements applicable to City as set forth in this Agreement.

(d) Housing Improvements. The Advisory Committee will submit recommendations to the City Council and the Health Sciences CID for use of the Redirected EATS allocated to the Housing Improvements under this Agreement (“**Housing Improvements Funds**”). The City and the Health Sciences CID will work toward a mutual agreement to adopt a program that includes the nature, scope and location of the project(s) using the Housing Improvements Funds (“Program”). The initial Housing Improvements selected for use of the Housing Improvements Funds would commence on May 1, 2022, or the date when the Council approves the 2022/23 annual budget. The Programs will be (a) investment in residential housing related improvements that directly improve health and quality of life within the Benefit District; and (b) other Programs agreed upon by the City and the Health Sciences CID.

(e) Redirection Obligations. Subject to the provisions of this Agreement, the City in connection with the redirection assumes the following obligations:

- (i) City Agreement to Redirect. The City will, during the Redirection Period and subject to an annual appropriation for such purposes by

the City Council, provide all Redirected EATS received by the City to the Health Sciences CID to be applied per this Agreement.

(ii) Payment of Redirection Amount. During the Redirection Period, the City shall semi-annually transfer the funds to the Health Sciences CID and the Health Sciences CID shall transfer the agreed portion of these funds to (a) an account for the Housing Improvements Funds to be utilized pursuant to Section 3.04(d), or (b) an account for the Infrastructure Improvements Funds to be utilized pursuant to Section 3.04(c). Use of the Infrastructure Improvements Funds shall be subject to certification of expenditures by City or its designee of costs of Infrastructure Improvement expenditures or administrative expenses as provided in this Agreement. Any costs associated with the certification of expenditures shall be deducted from the Redirected EATS allocated to Infrastructure Improvements.

(f) Certificate of Expenditure and Earnings Tax. The Health Sciences CID shall periodically (not more frequently than monthly) submit to the City's Director of Finance or his/her designee a certificate of expenditure ("**Certificate**") certifying the Infrastructure Improvements' expenditures were made in accordance with the City Council approval pursuant to Section 3.04(c)(1):

- (i) Each Certificate submitted by the Health Sciences CID shall be substantially in the form as approved by the City, and shall set forth the amount expended.
- (ii) Each Certificate shall be accompanied by such bills, contracts, or invoices, or other documentation as the City shall reasonably request to verify the amount of such expenditures and that the items to which such expenditures relate constitute Infrastructure Improvements' expenditures of the Health Sciences CID.
- (iii) Upon receipt, the City or its designee shall review each Certificate submitted and the accompanying supporting documentation. If the City requires any additional documentation or information, it shall use good faith efforts to identify and request such additional documentation within fifteen (15) days after receipt of the Certificate, and the City agrees that it will, within thirty (30) days after receipt of the Certificate, complete such review and (A) as to such items listed on the Certificate as to which City in good faith determines it requires additional documentation or information, request such additional documentation or information, and (B) as to such items listed on the Certificate as to which the City does not require additional documentation or information, the City will certify or deny certification of such items use of Infrastructure Improvement Funds and certify or deny certification of the amount expended as eligible for use of Infrastructure Improvement Funds.

As to any items for which additional documentation or information is requested by the City, the City agrees that it will certify or deny use of Infrastructure Improvement Funds for such expenditures and certify or deny certification of the amount expended within thirty (30) days after receipt of the requested additional documentation or information. For any use of Infrastructure Improvement Funds that the City denies as eligible, the Health Sciences CID, shall return the amount of expended funds to the account for Infrastructure Improvement Funds within 30 days subject to its reasonable right to review such decision with the City and its remedies in Section V of this Agreement.

(g) Records Access. In connection with this Agreement, the Health Sciences CID will provide, or will cause its Members to provide, the City with access to sales, earnings, or other appropriate tax returns for economic activities located in or generated by each Generator Project and shall provide such related information reasonably requested by the City in connection therewith, including certification of the number of employees and total payroll (not to include personal information of individuals such as individual salaries).

(h) Budget for Redirected EATS. The City agrees to budget on or before the last day of each City fiscal year commencing with the Effective Date, money sufficient to fulfill its obligation with respect to the next succeeding fiscal year. City's obligation to budget such funds shall expire at such time as the Redirection Period shall have expired.

(i) Annual Budget Request. The chief executive of the City or other officer of the City at any time charged with the responsibility of formulating budget proposals shall include in the budget proposals submitted to the City Council, in each fiscal year in which this Agreement shall be in effect, a budgeted amount to be paid under this Agreement for the ensuing fiscal year; it being the intention of the City that the decision to budget or not to budget under this Agreement shall be made solely by the respective governing body and not by any other official of the City. The City agrees, subject to the provisions above respecting the failure of the City to budget, to contribute in accordance with this Agreement.

(j) Restriction on Use of Proceeds. Notwithstanding any provision of this Agreement to the contrary, the parties acknowledge and agree that the Redirected EATS may include sums generated from sales taxes that are restricted in their use to such purposes as are included within the terms of those statutes and ordinances authorizing the imposition and collection of such sales taxes. In the event that a court of competent jurisdiction shall have finally determined that any portion of the Redirected EATS may not lawfully be made for the purposes of reimbursing or paying certain costs related to the implementation of the District Improvements, then the City shall not be required to budget or contribute such portions.

(k) Redirected EATS to Constitute Current Expense. The parties acknowledge and agree that the Redirected EATS shall constitute currently budgeted expenditures of the City, and shall not in any way be construed or interpreted as creating a liability or a general

obligation or debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of general credit, tax revenues, funds or money of the City. The City's payment obligations under this Agreement shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the then current fiscal year.

(1) Extension of Redirection Period. Ninety days (90) days prior to the expiration of the Redirection Period on April 30, 2032, the Health Sciences CID will submit a report concerning the progress on the District Improvements and the development of projects within the CID Area to the City Manager. The City Manager will review the progress in the CID Area in the Redirection Period and provide a report on such progress as a communication to the Mayor and City Council. The Manager will also meet with the staff and Board of the Health Sciences CID on such progress and make a determination in the Manager's sole discretion to extend or not to extend the Redirection Period for an additional ten years expiring on April 30, 2042.

**Section 3.05 Intentionally deleted.**

**Section 3.06 Affirmative Action.** The City's Civil Rights and Equal Opportunity Department is responsible for establishing MBE/WBE goals and the Health Sciences CID will make good faith efforts to achieve the goals established by the Civil Rights and Equal Opportunity Department for professional and construction services. The Health Sciences CID will submit its estimated professional and construction services budget for its public Infrastructure Improvements to the Civil Rights and Equal Opportunity Department for establishing goals as required for any District Improvements.

**Section 3.07 Construction Employment Program.** The Health Sciences CID will make good faith efforts to achieve construction employment goals of ten percent (10%) minority participation and two percent (2%) female participation of the total hours worked on all public Infrastructure Improvements. The Health Sciences CID will cooperate with the Civil Rights and Equal Opportunity Department with reporting its subcontractors' (which includes the general contractor) construction employment employees and the hours of those employees on public Infrastructure Improvements.

**Section 3.08 Reporting for MBE/WBE and Construction Employment Program.** The Health Sciences CID agrees compliance reporting will be submitted electronically on public Infrastructure Improvements. This reporting will be for both contract payments to subcontractors, contract payments to MBE/WBE firms, and reporting the construction employment hours of its general contractor and subcontractors. Health Sciences CID agrees to utilize forms provided by City for any non-electronic submittals required for the MBE/WBE and Construction Employment Program.

**Section 3.09 Economic Development.**

(a) District Plan. The Health Sciences CID will work with the City toward developing an economic development plan for the CID Area with goals including increased

walkability, multi-modal accessibility and safety, pedestrian safety, and potential development of educational and medical facilities (collectively, the “**District Plan**”). The District Plan will encourage projects within the vacant and underutilized properties and be updated periodically to reflect changes in circumstances.

(b) **Members’ Individual Plans.** The Health Sciences CID will work with its Members (UMKC, Children’s Mercy Hospital, and Truman Medical Center) to reasonably collaborate with respect to their respective planning, goals and objectives for future development within the CID Area.

(c) **Projects.** The Parties agree to work toward identification of a future educational or health related project within the CID Area as part of the initial District Plan.

(d) **State and Federal Assistance.** The Parties agree to take reasonable cooperative actions to obtain infrastructure, planning, and other resources from the State of Missouri and the United States that further the goals and objectives of the District Plan.

## ARTICLE IV

### TERM AND TERMINATION

**Section 4.01 Term.** This Agreement shall become effective on the Effective Date, and shall remain in full force and effect until the end of the Redirection Period including any extension thereof made pursuant to Section 3.04(1).

## ARTICLE V

### DEFAULT AND REMEDIES

**Section 5.01 Event of Default.** A party (the “**Defaulting Party**”) to this Agreement shall be in default of this Agreement upon the happening of any of the following events if within thirty (30) days after notice of the happening of any of the following events by any other party to this Agreement (a “**Non-Defaulting Party**”) to the Defaulting Party, the Defaulting Party shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period (each, an “**Event of Default**”):

Any party does not comply with the provisions of this Agreement, in that a party shall do, permit to be done, or fail or omit to have done anything contrary to or required of it by this Agreement.

The suspension or revocation of any act, power, license, permit or authority that has the effect of preventing and stopping the Health Sciences CID or the City from performing under this Agreement;

The failure of any party to perform its materials obligations under this Agreement.

**Section 5.02 Breach; Compliance.** Upon an Event of Default, a Non-Defaulting Party shall have the option to pursue any one or more or all of the following remedies, without notice or demand whatsoever, except as otherwise provided for herein:

(a) The Non-Defaulting Party, at its option, may terminate this Agreement and the Non-Defaulting Party shall be entitled to pursue any other rights or remedies at law or in equity as a result of such Event of Default.

(b) A Non-Defaulting Party may maintain this Agreement in full force and effect, in which case the Parties shall perform all of their respective obligations hereunder, subject to a Non-Defaulting Party's right to elect to terminate this Agreement at any time, provided any such Event of Default remains uncured.

(c) A Non-Defaulting Party may do whatever a Defaulting Party is obligated to do under the terms of this Agreement, in which event the Defaulting Party shall reimburse the Non-Defaulting Party on demand for any expenses, including, without limitation, reasonable attorney's fees, which the Non-Defaulting Party may incur and thus effecting satisfaction and performance of, or compliance with, the Defaulting Party's duties and obligations under this Agreement.

(d) Pursuit by the Non-Defaulting Party of any of the foregoing remedies shall not preclude pursuit by the Non-Defaulting Party of any other remedies herein provided or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver or any amounts then due to the Non-Defaulting Party hereunder or of any amounts accruing to the Non-Defaulting Party by reason of the violation of any of the terms, provisions, and covenants herein contained. No waiver by the Non-Defaulting Party of any violation or breach of any of the terms, provisions or covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions or covenants herein contained. Forbearance by the Non-Defaulting Party in enforcing one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default or of the Non-Defaulting Party's right to enforce any such remedies with respect to any such default of any subsequent default. In case suit be brought because of the breach of any agreement or obligations contained in this Agreement on the part of the Health Sciences CID or the City to be kept or performed, and a breach is established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorney's fees.

(e) The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by a party shall apply to obligations beyond those expressly waived.

## ARTICLE VI

### MISCELLANEOUS

**Section 6.01 Acceptance, Approval, Consent of the City.** Any consent, approval or acceptance by the City permitted or required pursuant to this Agreement, may be exercised in the reasonable discretion of the City Manager without further City Council approval, unless approval

by the City Council is otherwise required by any provision of law in effect on the Effective Date of this Agreement.

**Section 6.02 Modification.** The terms, conditions and provisions of this Agreement, including the exhibits, can be neither modified, amended nor eliminated, except by written agreement of each signed by the Health Sciences CID and the City. The City Manager shall have the authority to execute any amendment to this Agreement, and any other documents required or contemplated by this Agreement, without further approval of the City Council, provided such amendment does not result in an additional material monetary obligation of the City.

**Section 6.03 No Gratuities and Kickbacks.** The provisions of Kansas City Municipal Code Section 3-303 prohibiting gratuities to City employees, and kickbacks by contractors, and Sections 3-307 and 3-309, imposing sanctions and penalties for violations shall apply to this Agreement.

(a) Gratuities. No party to this Agreement has or will offer or give any City employee or officer a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation or preparation of any part of a contract requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract, or to any solicitation or proposal therefor.

(b) Kickbacks. The City and the Health Sciences CID certify that no payment, gratuity, offer of employment or benefit has been or will be made by or on behalf of or solicited from any third-party contractor under a contract to the City or the Health Sciences CID as an inducement for the award of a subcontract or order in connection with the subject matter of this Agreement.

**Section 6.04 Conflicts of Interest.** The provisions of the Kansas City Municipal Code Section 3-301, prohibiting City officers and employees from having a personal financial interest in any contract with the City, and Sections 3-307 and 3-309, imposing sanctions and penalties for violations, shall apply to this Agreement. The City and the Health Sciences CID each certify that no officer or employee of the City or the Health Sciences CID has, or will have, a direct or indirect financial interest in this Agreement which is incompatible with the officer's or employee's discharge of official duties in the public interest, and that no officer or employee of the City or the Health Sciences CID, or member of such officer's or employee's immediate family, either has negotiated, or has or will have an arrangement, concerning employment to perform services on behalf of the City or the Health Sciences CID in this Agreement.

**Section 6.05 Notice.** All notices required by this Agreement shall be in writing and shall be served either personally or by certified mail, or by any other delivery service which obtains a receipt for delivery unless any such notice is required by law and such law provides a different form of delivery or service. Any such notice or demand served personally shall be delivered to the party being served (provided that such notice may be delivered to the receptionist or any other person apparently in charge of such party's office at its address hereinafter set forth), and shall be

deemed complete upon the day of actual or attempted delivery, as shown by an affidavit of the person so delivering the notice. Any notice so served by certified mail shall be deposited in the United States Mail with postage prepaid and addressed to the party or parties so to be served at its address hereinafter stated, and service of any such notice by certified mail shall be deemed complete on the date of actual or attempted delivery as shown by the certified mail receipt. Service of any such notice by another delivery service shall be deemed complete upon the date of actual or attempted delivery as shown on the receipt obtained by such delivery service. Notices shall be addressed as follows:



City: City Manager  
City Hall, 29<sup>th</sup> Floor  
414 E. 12<sup>th</sup> Street  
Kansas City, Missouri 64106

with a copy to: City Attorney  
City Hall, 23<sup>rd</sup> Floor  
414 E. 12<sup>th</sup> Street  
Kansas City, Missouri 64106

Health Sciences CID: Health Sciences District  
c/o Allison Troutwine  
Project Manager, UMKC Health Sciences District  
Email: alison.troutwine@tmcmcd.org

with a copy to: Lathrop GPM LLP  
2345 Grand Boulevard, Suite 2200  
Kansas City, Missouri 64108  
Attn: Jerry Riffel  
Facsimile: (816) 292-2001  
Email: jerry.riffel@lathropgpm.com

and a copy to: Polsinelli  
900 W. 48<sup>th</sup> Place, Suite 900  
Kansas City, Missouri 64112  
Attn: Korb Maxwell  
Email: kmaxwell@polsinelli.com

**Section 6.06 Indemnification.** Health Sciences CID shall indemnify, protect, defend and hold City and each of its respective officers, directors, commissioners, employees and agents (collectively, the **City Indemnified Parties**) harmless from and against any and all losses incurred by the City Indemnified Parties as the result of any of the following:

(a) any breach or failure by Health Sciences CID to satisfy any of the covenants, agreements, warranties, representations or conditions of Health Sciences CID contained in this Agreement, and

(b) any activities undertaken by or on behalf of Health Sciences CID pursuant to the terms of this Agreement.

**Section 6.07 Validity and Severability.** It is the intention of the Parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or

portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

If this Agreement contains any unlawful provisions not an essential part of this Agreement and which shall not appear to have a controlling or material inducement to the making thereof, such provisions shall be deemed of no effect and shall be deemed stricken from this Agreement without affecting the binding force of the remainder. In the event any provision of this Agreement is capable of more than one interpretation, one which would render the provision invalid and one which would render the provision valid, the provision shall be interpreted so as to render it valid.

**Section 6.08 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. This Agreement sets forth the entire agreement between the Parties in regard to the subject matter hereof and supersedes any and all prior agreements between the Parties in regard to the subject matter hereof.

**Section 6.09 Time is of the Essence.** Time and exact performance are of the essence of this Agreement. The Health Sciences CID and the City agree to diligently seek to adhere to the timeline attached hereto as **Exhibit D** for the District Improvements.

**Section 6.10 Binding Effect; Entirety.**

(a) Binding Effect. This Agreement shall be binding upon the Parties hereto and upon their assigns, transferees and successors in interest, provided no party may assign this Agreement or the rights or obligations hereunder without the express written consent of the other Parties.

(b) Entirety. This Agreement sets forth the complete understanding of the City and the Health Sciences CID and supersedes all previous negotiations, representations and agreements between them and their agents.

**Section 6.11 Multiple Counterparts.** This Agreement may be executed in multiple counterpart copies, each of which will be considered an original and all of which shall constitute but one and the same instrument, binding on all Parties hereto, even though all the Parties are not signatory to the same counterpart. Any counterpart of this Agreement which has attached to it separate signature pages which together contain the signatures of all Parties hereto shall be deemed for all purposes a fully executed original.

**Section 6.12 Continued Cooperation of Parties.** The City and the Health Sciences CID agree, upon the request of another party, to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications and provide such other information as may be reasonably requested, necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent and to give full force and effect to the intent of the provisions, terms and covenants of this Agreement.

**Section 6.13 Further Actions.** The City and the Health Sciences CID acknowledge that this Agreement contemplates the execution of further agreements, that the objectives of this

Agreement necessitate such further agreements being executed, that the purpose and intent of this Agreement will be frustrated, to the detriment of the City and the Health Sciences CID, if such further actions do not occur as contemplated herein, and that the contractual expectations arising under this Agreement will be impaired unless such further actions shall proceed on a timely basis pursuant to the schedules established by this Agreement. Therefore, the City Manager is authorized and directed, without further City Council approval, to take such further actions as are consistent with the realizing of the objectives of this Agreement, including, but not limited to, executing any further document, however denominated, which might be necessary or beneficial in the implementation of this Agreement.

*[Signature Pages Follow]*

**CITY OF KANSAS CITY, MISSOURI**

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

Print Name: Bryan Platt

Title: City Manager

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

STATE OF MISSOURI            )  
  )  
COUNTY OF JACKSON        )

On this \_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public in and for said state, personally appeared Bryan Platt, the City Manager of the City of Kansas City, Missouri, who is personally known to me to be the same persons who executed, as an official, the within instrument on behalf of said City, and such person duly acknowledged to me that they executed the same for the purposes herein stated, and that the execution of the same was the free act and deed of the City.

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

\_\_\_\_\_  
Notary Public

My Commission Expires:

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**HEALTH SCIENCES COMMUNITY  
IMPROVEMENT DISTRICT**, a political  
subdivision of the State of Missouri

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

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

Title: Chairman

STATE OF MISSOURI            )  
  )  
COUNTY OF JACKSON        )

On this \_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public in and for said state, personally appeared \_\_\_\_\_, the Chairman of the Health Sciences Community Improvement District, personally known to me to be the same person who executed the within instrument on behalf of said District, and such person duly acknowledged to me that he executed the same for the purposes herein stated, and that the execution of the same was the free act and deed of \_\_\_\_\_.

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

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

## INDEX OF EXHIBITS

- A CID Area
- B Legal Description
- C Estimated Redirected EATS
- D Timeline
- E Site Plan of Benefit District

**EXHIBIT A**

**CID Area**



## **EXHIBIT B**

### **Legal Description of CID**

A tract of land in Jackson County, Missouri:

Beginning at the intersection of the centerlines of East 22<sup>nd</sup> Street and Kenwood Avenue; thence south along the centerline of Kenwood Avenue to the intersection of the centerlines of Kenwood Avenue and East 23<sup>rd</sup> Street; thence west along the centerline of East 23<sup>rd</sup> Street to the intersection of the centerlines of East 23<sup>rd</sup> Street and Locust Street; thence south along the centerline of Locust Street to the intersection of the centerlines of Locust Street and Gillham Road; thence south along the centerline of Gillham Road to the intersection of the centerlines of East 25<sup>th</sup> Street and Gillham Road; thence east along the centerline of East 25<sup>th</sup> Street to the intersection of the centerlines of East 25<sup>th</sup> Street and Cherry Street; thence south along the centerline of Cherry Street to the point where the centerline of Cherry Street would intersect with the southern boundary of Lot 65, Duquesne Heights, a subdivision in Jackson County, Missouri, according to the recorded plat thereof; thence east along such southern boundary of Lot 65 to the point where such southern boundary would intersect with the centerline of the north-south alleyway located between Cherry Street and Holmes Street; thence north along the centerline of such north-south alleyway to the intersection of the centerlines of such alleyway and East 25<sup>th</sup> Street; thence east along the centerline of East 25<sup>th</sup> Street to the intersection of the centerlines of East 25<sup>th</sup> Street and Troost Avenue; thence north along the centerline of Troost Avenue to the intersection of the centerlines of Troost Avenue and East 24<sup>th</sup> Street; thence west along the centerline of East 24<sup>th</sup> Street to the intersection of the centerlines of East 24<sup>th</sup> Street and Campbell Street; thence north long the centerline of Campbell Street to the intersection of the centerlines of Campbell Street and East 22<sup>nd</sup> Street; thence west along East 22<sup>nd</sup> Street to the point of beginning.



**EXHIBIT C**

**Estimated Redirected EATS**

<b>Generator Projects (UH2 and Children’s Mercy Research Institute)</b>					
Year	Earnings	Utilities	Sales	Total	
1	2022	\$ 152,425.00	\$ 51,253.00	\$ 10,000.00	\$ 213,678.00
2	2023	\$ 227,500.00	\$ 52,790.59	\$ 10,300.00	\$ 290,590.59
3	2024	\$ 234,325.00	\$ 54,374.31	\$ 10,609.00	\$ 299,308.31
4	2025	\$ 241,354.75	\$ 56,005.54	\$ 10,927.27	\$ 308,287.56
5	2026	\$ 248,595.39	\$ 57,685.70	\$ 11,255.09	\$ 317,536.18
6	2027	\$ 256,053.25	\$ 59,416.27	\$ 11,592.74	\$ 327,062.27
7	2028	\$ 263,734.85	\$ 61,198.76	\$ 11,940.52	\$ 336,874.14
8	2029	\$ 271,646.90	\$ 63,034.73	\$ 12,298.74	\$ 346,980.36
9	2030	\$ 279,796.30	\$ 64,925.77	\$ 12,667.70	\$ 357,389.77
10	2031	\$ 288,190.19	\$ 66,873.54	\$ 13,047.73	\$ 368,111.47
11	2032	\$ 296,835.90	\$ 68,879.75	\$ 13,439.16	\$ 379,154.81
12	2033	\$ 305,740.98	\$ 70,946.14	\$ 13,842.34	\$ 390,529.45
13	2034	\$ 314,913.21	\$ 73,074.52	\$ 14,257.61	\$ 402,245.34
14	2035	\$ 324,360.60	\$ 75,266.76	\$ 14,685.34	\$ 414,312.70
15	2036	\$ 334,091.42	\$ 77,524.76	\$ 15,125.90	\$ 426,742.08
16	2037	\$ 344,114.16	\$ 79,850.50	\$ 15,579.67	\$ 439,544.34
17	2038	\$ 354,437.59	\$ 82,246.02	\$ 16,047.06	\$ 452,730.67
18	2039	\$ 365,070.71	\$ 84,713.40	\$ 16,528.48	\$ 466,312.59
19	2040	\$ 376,022.84	\$ 87,254.80	\$ 17,024.33	\$ 480,301.97
20	2041	\$ 387,303.52	\$ 89,872.45	\$ 17,535.06	\$ 494,711.03
					\$ 7,512,403.62
<b>District Improvements</b>					
Infrastructure Improvements (up to 70% of sources)					\$5,238,682.53
Affordable Housing Program (at least 30% of sources)					\$2,253,721.09
<b>Blanket Assumptions:</b>					
Statutory EATS are 50% of total EATS collected by the City and County					
Inflation considered at 3% per year					
Individual earnings taxes rate of 1%					
Annual utilities of \$2.14 per square foot at a tax rate of 10%					
Annual retail sales of \$200 per square foot at a tax rate of 2.5%					
<b>Generator Project Assumptions</b>					
Initial term of 10 years is extended pursuant to the process in Section 3.04(l)					
469 jobs with an average income of \$65,000 starting in 2022, 700 jobs starting in 2023 <sup>1</sup>					
454,000 square feet with 4000 square feet of retail					

<sup>1</sup> This projection is based on the assumption that beginning on May 1, 2023, the number of jobs at the CMH Research Tower will be 500. This assumption continues throughout the 20-year term and is based on CMH reaching maximum use of the building as presently configured, which may or may not occur.

**EXHIBIT D**

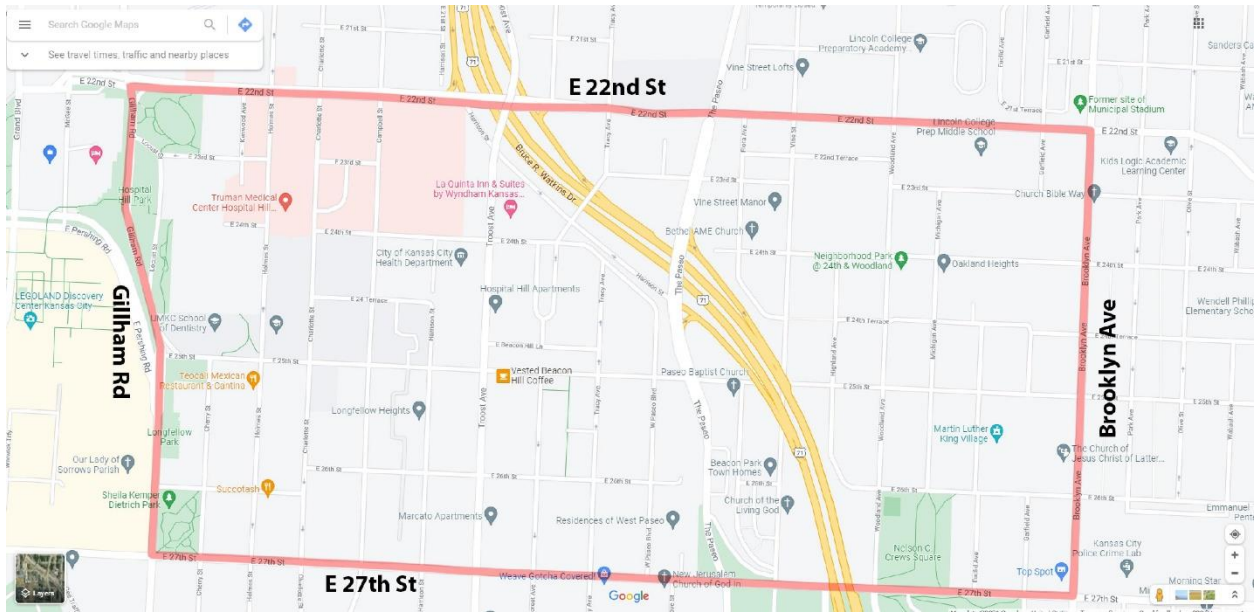
**Timeline for District Improvement Projects**

<b>Infrastructure Improvements*</b>	
Project Planning	Winter 2021/22
Project Selection	Spring 2022
Project Development/Construction	Fall 2022
*Infrastructure Improvement projects will be identified and developed throughout the Redirection Period on an ongoing basis.	

<b>Housing Improvements</b>	
Housing Improvements Planning	Winter 2021/22
Contribution to Housing Account	Fall 2022
Program Development/Implementation	Ongoing

# EXHIBIT E

## Site Plan for Benefit District



**[#47884156] [v4] Cooperative Agreement Hospital Hill Council Version.docx (compared to [#47884156] [v5] Cooperative Agreement Hospital Hill Council Version.docx)**

Done by compareDocs - 12/13/2021 7:43:37 AM

**Main document changes**

**Change #1 - Deleted**

47884156v.4

**Change #2 - Inserted**

47884156v.5

**Change #3 - Deleted**

47884156v.4

**Change #4 - Inserted**

47884156v.5

**Change #5 - Deleted**

47884156v.4

**Change #6 - Inserted**

47884156v.5

**Change #7 - Deleted**

(1)

**Change #8 - Changed**

"who " changed to "whose "

**Change #9 - Changed**

"'s " changed to " "

**Change #10 - Inserted**

or their designee

**Change #11 - Inserted**

Infrastructure Improvements' expenditures for which reimbursement will be sought and the

**Change #12 - Inserted**

together with the reasonable administrative costs of the in kind services provided by the Health Science CID for management and construction of the Infrastructure Improvements.

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**Change #13 - Inserted**

CID,

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**Change #14 - Inserted**

subject to its reasonable right to review such decision with the City and its remedies in Section V of this Agreement