CERTIFIED MAIL
NOTICE TO TAXING JURISDICTIONS

Tammy Queen, Finance Director City Hall, 3rd Floor 414 E. 12th Street Kansas City, MO 64106	Monica Johnston Metropolitan Community College Administrative Office 3200 Broadway Kansas City, MO 64111
Keith Smith KC School District 2901 Troost Kansas City, MO 64109	
Pritha Hariharan Kansas City Public Library 14 West 10th Street Kansas City, MO 64105	Tom Holcomb Developmental Disability Services 8511 Hillcrest Rd, Ste 300 Kansas City, MO 64138
Gerald Robinett Blind Pension Fund 301 W. High Street, Rm. 330 Jefferson City, MO 65101	Clerk to the County Legislature Jackson County Courthouse 415 E. 12th Street, 2nd Floor Kansas City, MO 64106
Mario Vasquez City Hall, 29th Floor 414 E. 12th Street Kansas City, MO 64106	Linda Falk Kansas City Zoo 6800 Zoo Drive Kansas City, MO 64132
Michelle Hataway Director MO Dept of Economic Development 301 W. High Street Jefferson City, MO 65101	Chairman Jackson Co. Mental Health Fund 1627 Main, Suite 500 Kansas City, MO 64108

Blue Cross Blue Shield of Kansas City
Chapter 100 Industrial Development Plan

On behalf of the City of Kansas City, Missouri ("City"), all affected taxing jurisdictions are invited to attend a meeting where a City Council committee will consider an ordinance to approve an Industrial Development Plan for the Blue Cross Blue Shield of Kansas City project. The Plan supports the issuance of Chapter 100 bonds for Blue Cross Blue Shield of Kansas City ("Company"). The plan will be introduced to City Council on Thursday, July 17th, 2025, and assigned to the Finance, Governance, and Public Safety Committee. The committee meeting will be held on Tuesday, July 22nd, 2025, at 10:30 am on the 26th Floor, City Hall, 414 East 12th Street, Kansas City, Missouri. The City invites you to submit comments to the City Council on the proposed Plan. All comments will be fairly and duly considered by the City. The plan may be available for full approval by the City Council on Thursday, July 24th, 2025.

The project will occur at the existing office building located at 1400 Baltimore Avenue, Kansas City, Missouri. This project will retain 460 KCMO jobs at an average salary of $105,000, relocate 75 jobs at an average salary of $75,000, and create 50 jobs at an average salary of

$90,000. The project will benefit from 10 years of 50% abatement of Personal property, at a benefit value of approximately $997,339. The project will also benefit from Sales Tax Exemption on Personal Property, at a benefit value of approximately $1,974,500. These are estimates and not a guarantee.

Total investment will be approximately $75 million with approximately $54 million invested in construction and renovation and the remaining $21 million invested in machinery and equipment.

The total cost of the Project is expected to be approximately $75 million. The City has offered the issuance of a maximum of $22 million of Chapter 100 bonds (the "Bonds") to fund the Project. The personal property funded with the proceeds of the Bonds will be owned by the City and leased back to the Company pursuant to a Lease Agreement (the "Lease"). The underlying real property is not part of the Chapter 100 transaction. The Bonds will be repaid solely by the Company under the terms of the Lease, and do not create an obligation of the City and do not reflect on the City's credit rating. The Project will also benefit from MoWorks and Missouri One Start benefits through the State of Missouri.

The Company will be subject to operational/performance standards commensurate with the anticipated investment for this Project, standards which will be incorporated into the Lease.

Dated: July 3rd, 2025

Economic Development Corporation of Kansas City
Attention: David Leader
300 Wyandotte, Suite 400
Kansas City, Missouri 64105
(816) 691-2129

Chapter 100 Industrial Development Plan
Blue Cross Blue Shield of Kansas City

This Chapter 100 Industrial Development Plan (the "Plan") provides information required by Missouri State Statute Section 100.050 and Committee Substitute for Resolution No. 041033. The Plan supports the issuance of Chapter 100 bonds for Blue Cross Blue Shield of Kansas City, a Missouri Corporation (the "Company"), for the purchase and installation of personal property to furnish their new office location at 1400 Baltimore Avenue (the "Project") in Kansas City, Missouri (the "City"). Ordinance approval of the Chapter 100 Plan also authorizes the City to issue its Chapter 100 Taxable Industrial Revenue Bonds in an amount not to exceed $22,000,000 for the Project and allows for Sales Tax Exemption on Personal Property Purchases.

A. Plan requirements per Missouri State Statute 100.050

1) Project Description

The project to be financed by the bonds consists of the purchase and installation of Furniture and Fixtures in the new office located at 1400 Baltimore Avenue, Kansas City, Missouri. This project will retain 460 KCMO jobs at an average salary of $105,000, relocate 75 jobs at an average salary of $75,000, and create 50 jobs at an average salary of $90,000. The project will benefit from 10 years of 50% abatement of Personal property, at a benefit value of approximately $997,339. The project will also benefit from Sales Tax Exemption on Personal Property, at a benefit value of approximately $1,974,500.

2) Cost Estimate

COST CATEGORIES	TOTAL AMOUNT	COSTS FINANCED WITH BOND PROCEEDS
Acquisition	$0 (Lease)	$0 (Lease)
Site work	$0	$0
Construction/Renovation	$54,000,000	$0
Tenant Improvements	$0	$0
Furniture and Fixtures	$21,000,000	$21,000,000
Machinery and Equipment	$0	$0
Other (including interest)	$0	$0
TOTAL PROJECT COSTS	**$75,000,000**	**$21,000,000**

See Attachment 1 for the annualized cost breakdown.

3) Sources of Funds

The Project will be funded by the proceeds of the Bonds, and if needed other available funds of the Company, and the Bonds will be purchased by the Company with funds available through an existing line of credit. No additional debt is anticipated as a result of this plan.

4) Lease/Disposal Terms

The Company will purchase and install machinery and equipment on the project site in accordance with the Lease. The City shall be the sole, titular owner of the personal property during the term of the Lease. The underlying real property will be leased to Blue Cross Blue Shield of Kansas City and is not part of the Chapter 100 transaction. While the personal property is owned by the City and is subject to the Lease, the Company's leasehold interest should be abated by 50% for 10 years. Purchase of the Personal Property will be done with Sales Tax Exemption on Personal Property. The sales tax rate for Jackson County is 8.975%. The value of the Sales Tax Exemption is $1,974,500. The term of the Lease will be approximately 11 years, with the precise length to account for a 1-year installation period and a 10-year abatement period thereafter (The Lease term can be shortened at the Company's option in accordance with the terms of the Lease). The Company will comply with City Code Section 74-12 and substantially complete the Project within three (3) years of the date this Plan is approved by ordinance. Failure to comply with City Code Section 74-12 shall result in forfeiture of all right to any incentives authorized by this Plan.

5) Affected Taxing Jurisdictions

The following taxing jurisdictions will be affected by the Project: The City of Kansas City, Missouri, Jackson County, Missouri, Kansas City Public School District, Jackson County Mental Health Fund, EITAS, State of Missouri, State Blind Pension Fund, Kansas City Public Library, and Metropolitan Community College.

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

Real Property: $29,440,000 - There is $54,000,000 worth of new real property improvements on the site to facilitate the office move and expansion, and as described herein the underlying real property is not being included in the Chapter 100 transaction.

Personal Property: $0

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

Personal Property		
		Equalized
Year	Appraised	Assessed
	Value	Value
		33%
1	$21,000,000	$6,999,999
2	$14,733,600	$4,911,200
3	$11,577,300	$3,859,100
4	$9,004,800	$3,001,600
5	$6,432,300	$2,144,100
6	$3,859,800	$1,286,600
7	$2,100,000	$700,000
8	$2,100,000	$700,000
9	$2,100,000	$700,000
10	$2,100,000	$700,000

*Class Life of equipment being purchased is 7 years. Depreciation schedule applied from RSMo 137.122(3)

c) Equalized Assessed Valuation of Improvements to Real Property in Project – After Development

The property at 1400 Baltimore Avenue is currently assessed at $29,440,000. It is estimated that $54,000,000 worth of work to the Real Property will occur from construction. After taking into consideration the active Real Property tax abatement, approximately $10,368,000 of assessed value will be added to the Real Property value as a result. At project completion, it would be expected for the project to be assessed at approximately $39,808,000.

7) 10 Year Cost/Benefit Analysis (Average Costs – Amounts below are Net Benefits/(Costs))

Taxing Authority	Public Benefits:		Public Costs & Incentives:		Net Benefits (Costs):
City of Kansas City	3,816,764		1,907,715		1,909,049
Jackson County	1,063,930		353,009		710,921
Mental Health Fund	37,873		23,752		14,121
EITAS	49,320		29,306		20,013
Blind Pension Fund	16,622		7,370		9,252
KCPL	189,287		100,744		88,543

Kansas City Zoo District	47,493		9,227		38,266
Kansas City Public School District	2,027,211		1,171,412		855,799
Metro Community Colleges	94,655		67,297		27,359
State of Missouri	9,049,688		2,818,423		6,231,265

See Attachment 2 for cost/benefit analysis. These estimates provide partial abatement under EEZ.

8) Anticipated PILOTs and Disposition of Payments

Year	Assessed Value	Full PP Taxes	PP Tax Savings	PILOT Payments
1	$6,999,999	$547,252.95	$273,626.47	$273,626.47
2	$4,911,200	$383,952.67	$191,976.33	$191,976.33
3	$3,859,100	$301,700.55	$150,850.27	$150,850.27
4	$3,001,600	$234,662.06	$117,331.03	$117,331.03
5	$2,144,100	$167,623.58	$83,811.79	$83,811.79
6	$1,286,600	$100,585.09	$50,292.55	$50,292.55
7	$700,000	$54,725.29	$27,362.65	$27,362.65
8	$700,000	$54,725.29	$27,362.65	$27,362.65
9	$700,000	$54,725.29	$27,362.65	$27,362.65
10	$700,000	$54,725.29	$27,362.65	$27,362.65
TOTAL	**$25,002,597**	**$1,954,678.07**	**$977,339.03**	**$977,339.03**

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

1) Project Integration with Area Plans

Project will Comply with the Greater Downtown Area Plan.

2) 10-Year Cost/Benefit of the Project (Amounts Below are Net Benefits/(Costs), see Attachment 2)

Taxing Authority	Public Benefits:		Public Costs & Incentives:		Net Benefits (Costs):
City of Kansas City	3,816,764		1,907,715		1,909,049
Jackson County	1,063,930		353,009		710,921
Mental Health Fund	37,873		23,752		14,121
EITAS	49,320		29,306		20,013
Blind Pension Fund	16,622		7,370		9,252
KCPL	189,287		100,744		88,543
Kansas City Zoo District	47,493		9,227		38,266
Kansas City Public School District	2,027,211		1,171,412		855,799
Metro Community Colleges	94,655		67,297		27,359
State of Missouri	9,049,688		2,818,423		6,231,265

See Attachment 2 for complete cost/benefit analysis.

3) Project Compliance with City Contracting Program and Non-Discrimination Policies

The Company will comply, and will cause its contractors to comply, with all City Code requirements, including, but not limited to, the Affirmative Action, MBE/WBE participation, Construction Workforce, and Prevailing Wage requirements outlined in Code Chapter 3, Art. IV, as well as the non-discrimination requirements provided in Code Chapter 38, Art. III for the Project, unless those requirements are waived or modified by City Council.

4) Other Evaluation Criteria

a) Number of New Jobs/Retained Jobs

This project will retain 460 KCMO jobs at an average salary of $105,000, relocate 75 jobs at an average salary of $75,000, and create 50 jobs at an average salary of $90,000.

b) Total Amount of Projected Investment

Total investment is approximately $75 million. This includes all items associated with the building modifications and the equipment/furnishing associated with the Project.

c) Average Wage

This project will retain 460 KCMO jobs at an average salary of $105,000, relocate 75 jobs at an average salary of $75,000, and create 50 jobs at an average salary of $90,000.

d) Capability to Attract sales from Outside KCMO

The Company is a regional insurance company. Unlikely to create or attract sales from outside the city/region solely due to this project.

e) Financial Strength of the Business

The Company is an established brand and company. BCBS of Kansas City generated over $3 billion in revenue in 2023.

f) Additional Residents to the Area

The Project is unlikely to generate any new residents.

g) Potential for Future Expansion

The company is taking over space in the building at 1400 Baltimore Avenue. It is unlikely that more space will be needed soon.

h) Existing versus New Business to the City

The Company is an existing business.

i) General Environmental Impact on the Area

The Company is not aware of any detrimental environmental impact that will result from the proposed Project.

j) Use of Federal and State Incentives for the Project

The Company will also leverage MoWorks benefits at the state level.

k) Evidence of the Need for Chapter 100 Bonds

The availability of Chapter 100 Personal Property Abatement is a deciding factor in the Company's decision to retain and relocate jobs in Kansas City, Missouri.

l) Evidence of Support by Affected Taxing Jurisdictions

All taxing jurisdictions will be notified in accordance with Missouri State Statute 100.059. In addition, EDC staff and the Company will respond to questions regarding the Project with the taxing jurisdictions in advance of the City Council hearing.

m) Estimated Impact to Proximate Businesses/Competition in KCMO

It is not anticipated that this Project will have any substantial negative impacts on other businesses in the City.

ATTACHMENT 1:

ANNUALIZED
ESTIMATED COST BREAKDOWN

Year 1	$54,000,000
Year 2	$21,000,000
Total Budget	$75,000,000

ATTACHMENT 2:

COST/BENEFIT ANALYSIS

Cost-Benefit Summary - 10-year analysis

Per-capita impacts calculated at 100% of total average revenues and costs.

Benefits	City of Kansas City	Jackson County	Mental Health Fund	EITAS	Blind Pension Fund	KCPL	Kansas City Zoo District	Kansas City Public School District	Metro Community Colleges	State of Missouri
Sales Taxes:	$ 1,425,149	$ 605,130	--	--	--	--	$ 40,987	--	--	$ 2,272,597
Property Taxes:	$ 589,251	$ 327,635	$ 37,555	$ 40,510	$ 11,822	$ 187,655	--	$ 1,954,540	$ 70,144	$ -
Income Taxes:	$ 937,533	--	--	--	--	--	--	--	--	$ 4,664,867
Other Revenues:	$ 864,831	$ 131,166	$ 318	$ 8,810	$ 4,800	$ 1,631	$ 6,507	$ 72,670	$ 24,511	$ 2,112,224
Total Revenues:	$ 3,816,764	$ 1,063,930	$ 37,873	$ 49,320	$ 16,622	$ 189,287	$ 47,493	$ 2,027,211	$ 94,655	$ 9,049,688
Costs										
Costs for Services:	$ 1,366,721	$ 252,206	$ 4,974	$ 9,051	$ 1,459	$ 6,916	$ 9,227	$ 194,142	$ 32,225	$ 2,818,423
Incentives:	$ 540,994	$ 100,803	$ 18,777	$ 20,255	$ 5,911	$ 93,828	$ -	$ 977,270	$ 35,072	$ -
Total Costs:	$ 1,907,715	$ 353,009	$ 23,752	$ 29,306	$ 7,370	$ 100,744	$ 9,227	$ 1,171,412	$ 67,297	$ 2,818,423
Net Cost/Benefit										
Public Benefits:	$ 3,816,764	$ 1,063,930	$ 37,873	$ 49,320	$ 16,622	$ 189,287	$ 47,493	$ 2,027,211	$ 94,655	$ 9,049,688
Public Costs & Incentives:	$ 1,907,715	$ 353,009	$ 23,752	$ 29,306	$ 7,370	$ 100,744	$ 9,227	$ 1,171,412	$ 67,297	$ 2,818,423
Net Benefits (Costs):	**$ 1,909,049**	**$ 710,921**	**$ 14,121**	**$ 20,013**	**$ 9,252**	**$ 88,543**	**$ 38,266**	**$ 855,799**	**$ 27,359**	**$ 6,231,265**
Present Value of Public Benefits:	**$ 2,913,305**	**$ 843,951**	**$ 28,034**	**$ 36,413**	**$ 12,248**	**$ 140,135**	**$ 32,897**	**$ 1,500,223**	**$ 69,803**	**$ 6,773,230**
Present Value of Incentives:	**$ 397,768**	**$ 74,634**	**$ 13,898**	**$ 14,994**	**$ 4,372**	**$ 69,469**	**$ -**	**$ 723,620**	**$ 25,965**	**$ -**

ATTACHMENT 3:

PILOT SCHEDULE

Year	PILOT Payments
1	$273,626.47
2	$191,976.33
3	$150,850.27
4	$117,331.03
5	$83,811.79
6	$50,292.55
7	$27,362.65
8	$27,362.65
9	$27,362.65
10	$27,362.65
TOTAL	**$977,339.03**

ATTACHMENT 4:

AdvanceKC Analysis (Ordinance No. 140031)

A. Jobs-Based Project Priorities:

Compete for Quality Jobs

1) **Retained jobs are as valuable as new jobs**
   # New Jobs = 50 # Retained Jobs = 460 KCMO jobs
2) **Focus on AdvanceKC Target Sectors**
   The Company is an insurance provider.
3) **Focus jobs in growth sectors**
   The Company is a 'Financial & Technical Service'
4) **Focus on companies that provide competitive wages for their industry**
   At approximately $100,000, wages are competitive
5) **Promote comprehensive opportunities for education, skill development and lifelong learning to preserve and enhance Kansas City's workforce**
   N/A.

B. Site-Based Project Priorities:

1) **Provide incentives for real estate projects to encourage economic, social, and environmental sustainability**
   The project promotes use of a current building asset in the downtown core. The project keeps a high-wage employer in the City.
2) **Maintain and develop quality and workforce housing opportunities consistent with market needs of existing and prospective residents**
   N/A
3) **Support projects that benefit surrounding neighborhoods**
   This project creates good paying jobs and retains good paying jobs in the City.
4) **Support projects that are consistent with City Area Plans and the City's Consolidated Plan**
   This project is consistent with the City's Area Plan of record for the area.
5) **Support early risk takers, especially in City Council priority development areas**
   N/A

6) **Target areas of historic underinvestment**
    a. **Focus on areas of long term declining property values**
    N/A.
    b. **Encourage geographic equity of development patterns** – This facility is located within Council District 4.
7) **Support projects that increase density in the urban core with a greater emphasis within the streetcar corridors**
    N/A.

C. Fiscal Responsibility Policies:

1) **Promote good stewardship of the City's resources**
    This project will create 50 new jobs. The overall financial impact indicated in the Cost Benefit Analysis is positive for the city.
2) **Provide incentives for real estate projects only as necessary to fill the financial gap**.
    This project is a business development project for personal property.
3) **Support pay-as-you-go projects and discourage the use of City debt**
    Ch. 100 bonds are conduit debt and do not involve any guarantees or obligations of the City.
4) **Super TIF should be used with great discretion and requires the support of a super majority (two-thirds) of the City Council, except when needed to access incentives from other public jurisdictions or to promote quality residential development**
    N/A
5) **Encourage retail projects that result in capture of net new consumer spending versus substitution of spending from other markets within KCMO**
    N/A
6) **Limit the use of incentives to reasonable and appropriate project expenses which have a public benefit and are essential to the successful completion of projects**
    The Project will create 50 jobs, retain 460 KCMO jobs, and relocate 75 jobs; keeping a large employer in the city.
7) **All projects should meet the "but for" test, either financially or competitively or should address the City Council's strategic priorities.**
    Project addresses City Council's strategic priorities by creating jobs at a competitive wage.
8) **Promote a positive fiscal impact on taxing jurisdictions in the use of incentives**
    The project shows a net benefit to all affected taxing jurisdictions.
9) **Direct earnings tax incentives are prohibited**
    No earnings tax redirections are anticipated.

10) **The City's incentives should be used to maximize private investment**

The project is seeking a 10 year abatement at 50% on personal property, and sales tax exemption on personal property purchased for outfitting the new office space.

11) **Business types ineligible for incentives include: the sale of package liquor* or firearms*, pawn shops, short term loan establishments, gambling, blood/plasma centers, "adult-oriented" businesses, cigarette*/smoke shops and hookah lounges, scrap metal operations, tattoo/piercing parlors, and used car lots**

*** These business types are only ineligible when the indicated (*) product comprises more than 30% of retail sales or the sales display area (Example: A liquor store would be ineligible but a grocery store that sells liquor would be eligible)**

The Project is an allowable business type.