

## Definitions

Jobs/Wages	<p><b>Jobs</b></p> <ul style="list-style-type: none"> <li>The number of jobs is calculated by adding together the number of retained jobs plus net new jobs created by a project.</li> <li>Both retained and new jobs must be direct jobs (directly employed by the taxpayer or a related taxpayer) and must meet or exceed the Estimated Living Wage for Kansas City, Missouri (see definition below).</li> <li>Retained jobs are defined as any full-time permanent employees currently employed by a taxpayer or related taxpayer within the City limits of Kansas City, Missouri at the time of application.</li> <li>Net new jobs are any full-time permanent employees of the taxpayer or related taxpayer to be located at the project site (within Kansas City, Missouri), which will be hired in conjunction with the proposed project, and which exceed the number of current employees of the taxpayer in the calendar year preceding the onset of any incentives.</li> </ul> <p><b>Wages</b></p> <ul style="list-style-type: none"> <li>Wages shall be comprised of only direct wages, and shall not include the value of any employee benefits.</li> <li>For hourly employees, the annual wage shall be calculated based upon the hourly rate * 2080 work hours per calendar year.</li> <li>Average wages shall be calculated based on a weighted average, using the following formula: Total Estimated Annual Payroll = SUM (job1*job1 Annual Salary, job2*job2 Annual Salary, job3*job3 Annual Salary,...).</li> </ul>
Capital Investment	<p><b>Estimated Living Wage</b></p> <ul style="list-style-type: none"> <li>The minimum wage threshold of any jobs to be considered in the job score for consideration for incentives.</li> <li>The estimated living wage for Kansas City, Missouri (Platte, Clay, Cass, and Jackson Counties) is \$18,555 (Source - Poverty in America Living Wage Calculator, Massachusetts Institute of Technology - <a href="http://livingwage.mit.edu/">http://livingwage.mit.edu/</a>).</li> </ul> <p><b>Total Capital Investment</b></p> <ul style="list-style-type: none"> <li>Includes the cumulative investment of both real and personal property that is purchased in conjunction with a project or leased throughout the duration of incentives period.</li> <li>Total Capital Investment shall be calculated based on the following formula - Total Personal Property (as defined herein) + Total Real Property Investment (as defined herein) = Total Capital Investment.</li> </ul> <p><b>Real Property Investment</b></p> <ul style="list-style-type: none"> <li>Investments in real property rehabilitation and/or construction are eligible for consideration as capital investments and shall include any of the following improvements paid for by the taxpayer or developer in conjunction with a proposed project: land acquisition; site improvements; utilities; construction; rehabilitation; and, tenant improvements. If the cost of any such improvements is shared between public and private entities, the portion which is paid by non-public sources shall be considered part of the real property investment on behalf of the project.</li> <li>Real property that is leased shall also be considered investment and shall be calculated on the basis of the annual lease payment for the number of years of the anticipated lease term.</li> </ul> <p><b>Personal Property Investment</b></p> <ul style="list-style-type: none"> <li><b>NOTE:</b> Bonus points will be awarded to projects when the term (number of years) of any leased property or real estate equals or exceeds the term of incentives being requested.</li> </ul> <p>Includes any of the following which are paid for by the taxpayer or developer in conjunction with a proposed project:</p> <ul style="list-style-type: none"> <li>Equipment used in the manufacture or production of a product; and</li> <li>Tangible personal property that is purchased for use in the proposed facility by the taxpayer or as part of tenant improvements made to a facility which shall be occupied by the taxpayer or related taxpayer.</li> </ul> <p><b>NOTE:</b> Bonus points will be awarded to projects when the term (number of years) of any leased property or real estate equals or exceeds the term of incentives being requested.</p> <p>Businesses whose primary business operations include at least one of the NAICS codes specified below:</p> <p><u>NAICS Code (First Four Digits):</u></p> <ul style="list-style-type: none"> <li>Health Sciences &amp; Services - 5417, 6211, 6214, 6215, 6221, 6222, 6223</li> <li>Financial and Technical Services - 5182, 5191, 5221, 5222, 5223, 5231, 5232, 5239, 5241, 5242, 5251, 5259, 5412, 5416</li> <li>Design &amp; Engineering - 5413, 5414, 5418, 5419</li> <li>Arts - 3323, 3372, 3399, 5111, 5112, 5121, 5122, 5151, 5191, 7111, 7113, 7114, 7115</li> <li>Specialized Manufacturing - 3251, 3252, 3253, 3259, 3261, 3262, 3315, 3323, 3327, 3328, 3329, 3335, 3361, 3362, 3363, 3364, 3365, 3369</li> <li>Supply Chain Management - 2212, 4242, 4821, 4841, 4842, 4882, 4885, 4231, 4236, 4238, 4246</li> <li>Non-Profit Management - 8132, 8133, 8134, 8139, 7121</li> </ul> <p><b>Historically Underinvested Census Tracts</b></p> <p>Census tracts within Kansas City, Missouri which meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>&lt; 50% AMI; or</li> <li>Poverty &gt; 40%; or</li> <li>Unemployment &gt;2.0 times U.S. Rate</li> </ul> <p><b>NOTE:</b> See attached Exhibit A for a complete listing of eligible census tracts</p>
Target Sector	<p><b>Target Sector</b></p> <p>Businesses whose primary business operations include at least one of the NAICS codes specified below:</p> <p><u>NAICS Code (First Four Digits):</u></p> <ul style="list-style-type: none"> <li>Health Sciences &amp; Services - 5417, 6211, 6214, 6215, 6221, 6222, 6223</li> <li>Financial and Technical Services - 5182, 5191, 5221, 5222, 5223, 5231, 5232, 5239, 5241, 5242, 5251, 5259, 5412, 5416</li> <li>Design &amp; Engineering - 5413, 5414, 5418, 5419</li> <li>Arts - 3323, 3372, 3399, 5111, 5112, 5121, 5122, 5151, 5191, 7111, 7113, 7114, 7115</li> <li>Specialized Manufacturing - 3251, 3252, 3253, 3259, 3261, 3262, 3315, 3323, 3327, 3328, 3329, 3335, 3361, 3362, 3363, 3364, 3365, 3369</li> <li>Supply Chain Management - 2212, 4242, 4821, 4841, 4842, 4882, 4885, 4231, 4236, 4238, 4246</li> <li>Non-Profit Management - 8132, 8133, 8134, 8139, 7121</li> </ul>

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Severely Distressed or Distressed Census Tracts

Census tracts that meet eligibility requirements for the specified levels of income, poverty or unemployment:
• Severely Distressed Census Tract: defined as Income < 60% AMI or Poverty > 30% or Unemployment > 1.5 times U.S. Rate
• Distressed Census Tract: defined as Income < 80% AMI or Poverty > 20%

• NOTE: A reference map for looking up this information is available here: NMTC Mapping Tool

Streetcar Corridor

Includes any parcel of land obligated to pay a special assessment specifically designated for funding the initial starter line of the streetcar system or any expansion.

• The building or buildings that the principal executive officers of an eligible business have designated as their principal offices AND that meets at least one of the following criteria:

- 1) The business provides administrative management of at least three integrated facilities operated by the taxpayer or related taxpayer; or
2) Has at least 150 employees who are principally located in that building or those buildings which is located in Kansas City, Missouri.

Headquarters Facility

• A headquarters facility is the entity at the top of a corporation that takes full responsibility for the overall success of the corporation, and ensures Corporate Governance. Corporate headquarters is a key element of a corporate structure and covers different corporate functions such as strategic planning, corporate communications, tax, legal, marketing, finance, HR, IT, Procurement (CPO). The corporate headquarters includes: CEO as a key person and his or her support staff, such as the CEO office and other CEO related functions.

Owner-Occupied Facility

The facility that is seeking the use of incentives serves as a primary place of business for the employees of the company, and is owned by the Company and/or its related real estate entity.

Relocation Distance

Determined by calculating the distance from the closest currently operating facility of a taxpayer or related taxpayer to the proposed project site within the City of Kansas City, Missouri.

Workforce Training Programs

• A project must demonstrate that the workforce training program is a new initiative being created in conjunction with a proposed project, for specific jobs being created in conjunction with the project, and providing additional skills to employees in a critical or primary capacity for the operation of the business.
• Workforce training programs which are on-going and part of typical operations of a business, not needed to meet the needs of an expansion of workforce will not be considered eligible investment.

Project Enhancements

LEED Certified Construction

• Three Levels - Platinum, Gold, Silver, or Certified
• LEED Certification is determined by the US Green Building Council.

Historic Restoration

Projects which are seeking historic designation at the local, state, or federal level on behalf of a proposed project site, OR which are pursuing local, state or federal historic tax credits on behalf of a project.

Projects involving properties, including structures, which:

- Have been identified by a qualified environmental professional, defined by 40 Code of Federal Regulations Part 312, or a local, state or federal agency, as containing hazardous substances or petroleum contamination pursuant to a Phase II environmental site assessment, hazardous materials survey, or similar investigation involving the collection and analysis of physical samples; OR
• Are enrolled in the Brownfields Voluntary Cleanup Program, Tanks Section, or other remedial program of the Missouri Department of Natural Resources and are subject to MDNR supervision; OR
• Have been approved for assistance by a local, state, or federal brownfields remediation program (grants, tax credits, loans or other environmental remediation tools); AND, which requires a remedial response action prior to the reuse or redevelopment of the property for the intended project and site use, AND for which the applicant/owner agrees to ensure that the response action and final site conditions are protective of human health and the environment according to applicable state or federal standards, shall be designated as involving Brownfield Remediation.

Brownfield Remediation

Infill Development

• Focuses on the reuse and repositioning of obsolete or underutilized buildings and sites and includes development that occurs on previously developed land. Infill buildings are buildings which are proposed for construction on vacant or underutilized property or between existing buildings in an existing urban area, already connected at the site to public utilities (water, sewer, electricity, etc.), and located on land which has not most recently been zoned for agricultural land use, except in the case of a previously designated Urban Agricultural Zone.
• If a proposed project is located on a parcel that was previously developed on or before 1990 or is located on a parcel not previously developed but completely surrounded by other parcel which previously developed on or before 1990.

Net New Sales Tax

Involves a project that is projected to attract sales from outside its primary trade area, and/or generate inflow tax dollars.

Score

• Not Eligible: projects receiving under 30 points would not be considered eligible for assistance and would not be recommended for the use of incentives.

Project Assessment  
Scores

- Low Impact: projects between 30-60 points would be categorized as Low Impact and would be recommended for less than standard levels of incentives.
  - Standard Impact: projects between 61-150 points would be considered Standard Impact and recommended for up to standard levels of incentives.
  - High Impact: projects scoring greater than 150 points would be considered High Impact and recommended for standard or higher levels of incentives.
- **NOTE:** Projects which do not meet the threshold for eligibility or which desire a higher use of incentives that otherwise recommended would require further policy review by EDC staff, the EDC's Transactional Committee, or the City Council, as appropriate or required by city policy.