



## SUSTAINING TRANSPORTATION AND REINVESTING TOGETHER (“START”)

### Progress Payment Schedule

#### Summary

Each START Project Application (“Application”) seeking the possible savings available through the issuance of START bonds (“START Bonds”), a development tool the Kansas City Area Transportation Authority (“KCATA”), is subject to this Progress Payment Schedule. The Schedule is subject to modification at any time, upon adoption of a resolution by the board of KCATA.

The START Bond Policy was adopted by KCATA, as a means of maximizing the transportation and transit-oriented development (“TOD”) policy outcomes set forth in the START Bond Policy. Each START Project will be evaluated by KCATA, utilizing a heat map rating system which, by employing qualitative and quantitative criteria, measures probable TOD impacts of the Project upon KCATA’s passenger transportation system and the community in which it proposed to be located.

#### Possible Savings

Based upon its heat rating and except as otherwise determined by KCATA an approved START Project is eligible to receive the following START Project savings through a START sale/leaseback or sale/lease/leaseback arrangement with the KCATA:

POSSIBLE PROJECT SAVINGS	HEAT MAP RATING RED +	HEAT MAP RATING RED	HEAT MAP RATING YELLOW	HEAT MAP RATING BLUE
Property Tax Exemption	20+ years 75%	15 years 75%	15 years 60%	10 years 50%
Sales Tax Exemption	100% during initial construction term; post-construction exemptions at RKCDC/KCATA’s discretion			
Other Exemptions and Benefits	As determined by KCATA/RKCDC			

## Progress Payment Schedule

The START Progress Payment Schedule is separated into five distinct categories:

	<b>Payment Category</b>	<b>Description</b>	<b>Purpose</b>
1	<b>APPLICATION AND DILIGENCE</b>	A flat fee payable to KCATA upon approval from the Development Advisory Committee (DAC) of the START Project Application which is subject to periodic replenishment.	To compensate KCATA for its administrative and third-party costs to review, analyze, and process the START Project Application from submission to a final approving vote of START Bond resolution by the KCATA Board of Commissioners.
2	<b>PROJECT APPROVAL</b>	A fee payable upon the issuance of the START Bond.	The bond issuance fee payable upon the closing of the START Bond, in addition to fees due to third-party providers performing services, such as the START Bond trustee and outside legal counsel.
3	<b>PROGRESS</b>	A fee due each year to while the START Bond is outstanding, plus a temporary annual fee due each year until completion of construction.	Progress Payments to KCATA for services related to monitoring the status and performance of the START Bond draws, construction activities, completion, contract compliance and TOD Project outcomes.
4	<b>SHARING</b>	An annual fee due each year while the START Bond is outstanding, following the completion of construction of the START Project.	To allow the community bodies which receive funds from a local levy to share the START Project developer's 100% tax savings resulting from the KCATA's ownership of the START Project.
5	<b>IMPACT</b>	An annual fee due each year while the START Bond is outstanding.	To pay the local jurisdiction in which the START Project is located for the initial costs of public infrastructure required to serve the density of the TOD Project.

Questions concerning the START Progress Payment Schedule may be submitted to the START Leader at [mriley@kcata.org](mailto:mriley@kcata.org).

### **PAYMENT CATEGORY 1: APPLICATION AND DILIGENCE PAYMENT**

<b>WHEN DUE</b>	Required contemporaneously with submission of START Project Application (via written or electronic portal)
<b>AMOUNT</b>	\$25,000 for project with 1 phase \$35,000 for project with 1+ phases \$10,000 for project undertaken by nonprofit or other charitable or community organization \$15,000 for project undertaken by nonprofit in a joint venture with a for-profit entity
<b>PAYEE</b>	KCATA Economic Development & Real Estate Department
<b>ADDITIONAL NOTES</b>	The Application Fee (and the frequency and amount of supplemental payments) shall be established, deducted, and replenished in the manner set forth in a contract between KCATA and the Applicant/Developer

### **PAYMENT CATEGORY 2: APPROVAL PAYMENT**

<b>WHEN DUE</b>	Required contemporaneously with submission of START Project Application (via written or electronic portal)
<b>AMOUNT</b>	Set forth in the Approval Payment Table, below
<b>PAYEE</b>	KCATA Economic Development & Real Estate Department
<b>ADDITIONAL NOTES</b>	The terms of payment of the Approval Payment will be set forth in the manner set forth in a contract between KCATA and the Applicant/Developer

## APPROVAL PAYMENT TABLE

BASE PAYMENT DUE							<p style="text-align: center;"><i>Less discount for each of the following credit categories, with the total discount not to exceed 25% (unless otherwise determined by RKCDC/KCATA)</i></p>
BOND AMOUNT (IN MILLIONS)	HEAT MAP RATING RED/RED +		HEAT MAP RATING YELLOW		HEAT MAP RATING BLUE		
\$10 - \$19	.0038	38,000	.0042	42,750	.0047	47,500	<ol style="list-style-type: none"> <li>1. IMPACT CREDIT (UP TO 10%)</li> <li>2. NON-PROFIT CREDIT (10%)</li> <li>3. AFFORDABLE HOUSING CREDIT (10%)</li> <li>4. PUBLIC SUPPORT CREDIT (5%)</li> </ol> <p>The foregoing credit categories are described on the following page.</p>
\$20 - \$29	.0024	48,000	.0027	54,000	.0030	60,000	
\$30 - \$39	.0020	60,000	.0022	67,500	.0025	75,000	
\$40 - \$49	.0018	72,000	.0021	86,000	.0022	90,000	
\$50 - \$59	.0017	84,000	.0019	94,500	.0021	105,000	
\$60 - \$69	.0016	96,000	.0018	108,000	.0020	120,000	
\$70 - \$79	.0015	108,000	.0017	121,500	.0019	135,000	
\$80 - \$89	.0015	120,000	.0017	135,000	.0019	150,000	
\$90 - \$99	.0015	140,000	.0017	157,500	.0018	175,000	
\$100 - \$124	.0016	169,000	.0018	180,000	.0020	200,000	
\$125 - \$149	.0014	180,000	.0016	202,500	.0018	225,000	
\$150 - \$174	.0013	200,000	.0015	225,000	.0016	250,000	
\$175 - \$199	.0012	220,000	.0014	247,500	.0015	275,000	
\$200 - \$201	.0012	240,000	.0014	270,000	.0015	300,000	
\$201 +	Stepped decrease in rate, as determined by KCATA						

## **APPROVAL PAYMENT TABLE CREDIT DESCRIPTIONS**

**IMPACT CREDIT.** KCATA may, in their sole discretion, discount the Project Approval Base Payment by an additional 1% for each of the following criteria which they determine is likely to dynamically, substantially, materially and measurably be satisfied through implementation of the START Project:

- (a) achieve high-impact, quantifiable transportation outcomes;
- (b) accelerate transportation development, facilities, projects, planning, goals and initiatives;
- (c) preserve and provide for KCATA's operational efficiency, to sustain and/or expand upon its passenger transportation system;
- (d) improve upon the sustainability and longevity of existing and planned public utility infrastructure;
- (e) improve upon or increase the number, type, and availability of mobility options to support KCATA's 4 Pillars of access to: employment, healthcare, education, and housing, particularly in areas which (i) are underserved or have unestablished or inadequate public transportation options or (ii) have populations known to rely upon public transportation for basic services;
- (f) promote "equitable transit oriented development" priorities, which may include low-or below market rate housing;
- (g) advance efforts to "unpark" individual projects and consolidate parking facilities, particularly those within proximity of the KCATA's passenger transportation system;
- (h) increase access for riders to existing or proposed passenger transportation systems and a "Frequent Transit Network";
- (i) generate mobility opportunities and passenger transportation system infrastructure benefits which will be sustained long after the START Bonds are defeased, at little or no cost to the KCATA or the local jurisdiction in which the Project is located; and/or
- (j) any other characteristic which determined to warrant a credit to the Project Approval Base Payment.

**NONPROFIT CREDIT.** KCATA will discount the Project Approval Base Payment by 10% if the START Project will be undertaken by a nonprofit Applicant/Developer, and may discount the Project Approval Base Payment by 10% if the Applicant/Developer has a nonprofit organization as a primary and materially participating constituent.

**AFFORDABLE HOUSING CREDIT.** KCATA may discount the Project Approval Base Payment by 10% for each START Project which includes a proportionately large amount of below-market, affordable, and/or low-income housing.

**PUBLIC SUPPORT CREDIT.** KCATA may discount the Project Approval Base Payment by 10% for each START Project which leverages meaningful financial support from the Department of Transportation, the Federal Transit Administration, Housing and Urban Development, or any other governmental, philanthropic or nonprofit fund.

**PAYMENT CATEGORY 3: START PROGRESS PAYMENT**

<b>PROGRESS PAYMENT, PART 1</b>			
<b>WHEN DUE</b>	Annually, following issuance of the START Bond until the START Project is completed, evidenced by the issuance of a final certificate of occupancy by the applicable governmental authority		
<b>AMOUNT</b>	<b>HEAT MAP RATING RED/RED +</b>	<b>HEAT MAP RATING YELLOW</b>	<b>HEAT MAP RATING BLUE</b>
	.0015	.00175	.00195
<b>PAYEE</b>	KCATA Economic Development & Real Estate Department		
<b>NOTES</b>	The annual Part 1 Progress Payments will fluctuate, in relation to changes in sales tax rates		
<b>PROGRESS PAYMENT, PART 2</b>			
<b>WHEN DUE</b>	Annually, following the anniversary of the START Bond closing until the expiration or earlier termination of the START Bond term		
<b>AMOUNT</b>	.003 of the START Project's assessed value, as determined by applicable assessor		
<b>PAYEE</b>	KCATA Economic Development & Real Estate Department		
<b>NOTES</b>	The annual Part 2 Progress Payments will fluctuate, in relation to changes in the taxable value and property tax rates		

## PAYMENT CATEGORY 4: START SHARING PAYMENT

<b>WHEN DUE</b>	On or before December 31 of each calendar year following the completion of construction and thereafter annually, until the expiration or earlier termination of the START Bond term
<b>AMOUNT</b>	An amount equal to 100% of the taxes due for the START Project, less the amount of property taxes exempted as a part of the START Project savings
<b>PAYEE</b>	RCKDC, for distribution to the recipients of the applicable local levy and, if required, other community stakeholders, as determined by the KCATA
<b>NOTES</b>	The annual Sharing Payment will fluctuate in relation to changes in the market value of the START Project and the applicable levy rate

### EXAMPLE

Assume a new project is expected to generate a \$304,000 tax bill. If the same project is financed with a START Bond, the \$304,000 tax bill would result in a Sharing Payment as shown below, depending upon the START Project’s heat map rating:

	<b>HEAT MAP RATING RED/RED +</b>	<b>HEAT MAP RATING YELLOW</b>	<b>HEAT MAP RATING BLUE</b>
Exemption Amount	75% / *	60%	50%
Total Property Tax Exempted/Savings	\$228,000 / *	\$182,400	\$152,000
Total Sharing Payment Due	\$76,000 / *	\$121,000	\$152,000

\*If and as determined by the KCATA

## PAYMENT CATEGORY 5: IMPACT PAYMENT

<b>WHEN DUE</b>	On or before December 31 of each calendar year following completion of construction and thereafter annually, for 10 years (red heat map rating), 7 years (yellow heat map rating), and 5 years (blue heat map rating).		
<b>AMOUNT</b>	<b>HEAT MAP RATING RED / RED +</b>	<b>HEAT MAP RATING YELLOW</b>	<b>HEAT MAP RATING BLUE</b>
	.0007% / * of the START Project cost	.05% of the START Project cost	.03% of the START Project cost
<b>PAYEE</b>	KCATA Economic Development & Real Estate Department , for distribution to the recipients of the applicable local government(s) responsible for constructing and maintaining public works in the jurisdiction of the START Project		
<b>NOTES</b>	The annual Impact Payment will fluctuate in relation to the taxable value of the completed START Project		

### EXAMPLE

A \$10 million START Project would require an Impact Payment as follows, depending upon the START Project’s heat map rating:

<b>HEAT MAP RATING RED / RED + (Annually/Total)</b>	<b>HEAT MAP RATING YELLOW (Annually/Total)</b>	<b>HEAT MAP RATING BLUE (Annually/Total)</b>
\$7,000 / \$70,000 / *	\$5,000/35,000	3,000/15,000

\*If and as determined by the KCATA