

## **NOTICE OF ACCEPTANCE**

### **STATEMENTS OF INTEREST FOR A CONCESSIONAIRE FOR THE PORT OF KANSAS CITY MISSOURI RIVER TERMINAL**

This Notice is to inform the public The Port Authority of Kansas City, Missouri, (“Port KC”), is accepting Statements of Interest (“SOI”) on a pre-due diligence basis from qualified and experienced Concessionaires (“Concessionaire”) to enter into a long-term Concession Agreement (“Agreement”) to develop, operate, finance, maintain and manage the Missouri River Terminal project (“MRT”), located on approximately 430 acres near I-435 and the Missouri River, as shown on Attachment 1, attached hereto and incorporated by this reference.

#### **STATEMENT OF INTEREST**

A complete SOI shall consist of the following information:

- Technical Statements of Qualifications to include:
  - Intermodal Development and Operational Experience
  - Design-Build Experience
  - Logistics experience and current logistics network
- Financial Qualifications to include:
  - Sufficient capitalization to develop MRT, anticipated to cost approximately \$500 million for full development
- Conceptual Design
- Markup of Draft Term Sheet (Draft Term Sheet, Attachment 2, attached hereto and incorporated by this reference)

Any SOI which does not contain the information above will be considered non-responsive.

SOIs will be accepted until April 3<sup>rd</sup>, 2024 at [info@portkc.com](mailto:info@portkc.com). This is not a request for a competitive bid. By submitting an SOI, the potential Concessionaire agrees it does not obtain any right in or expectation to a contract with Port KC or a vested interest or a property right in a contract with Port KC, regardless of the amount of time, effort and expense expended by the proposer. Prospective Concessionaires shall be solely responsible and liable for any and all costs incurred by the proposer. Port KC reserves the right to enter into exclusive negotiations with any party upon their submission of a complete SOI.

Attachment 1



**Attachment 2**

**PORT AUTHORITY OF KANSAS CITY, MISSOURI  
MISSOURI RIVER TERMINAL (MRT)**

**DRAFT TERM SHEET**

**Missouri River Terminal (MRT) Project**

This document provides high-level background information and summarizes the preliminarily anticipated major terms for the approach to the design, construction, financing, operation, and maintenance of the Project.

This Draft Term Sheet contains initial select terms specific to this Project. Respondents are asked and expected to provide detailed comments, questions, or alternate proposals on this Draft Heads of Terms, including any sought changes to the transaction structure that would result in additional value for Port KC and the Project. It is being provided to potential concessionaires as a “first-offer” document, around which an eventual Project Agreement may be crafted.

<b>PROJECT AGREEMENT OVERVIEW</b>	
<b>Scope of Work</b>	Pre-development, pre-construction services, and proposed singular or phased design, construction, financing, operation and maintenance (including repair, lifecycle maintenance/replacements, and handback condition efforts) of the Project, in accordance with a Project Agreement and accompanying technical provisions.
<b>Anticipated Project</b>	The Project shall be comprised of the design, construction, finance, operation, and maintenance of the following (collectively “the Project Assets”): <ul style="list-style-type: none"><li>• Port Assets (as described below) which include the creation of a river terminal(s) leveraging existing dock infrastructure and may include the maintenance of any existing bridge and road assets to be included in the Project Agreement;</li><li>• Rail Assets (as described below) which includes the creation of Class III Short line railroad; and</li><li>• Other Project Assets (as described below)</li></ul>
<b>Project Structure</b>	The Project may be developed in a single phase or via a multiple phased/progressive development model.
<b>Port Assets</b>	Concessionaire shall be responsible for and bear the cost of construction, operations of a port terminal, including the following necessary port functions: (a) docking and mooring of vessels; (b) stevedore and river marine terminal operations, including, without limitation, the receipt, delivery, assembly, distribution, movement, loading and unloading of goods (containerized, or bulk/break bulk if tied to ultimate containerization or transload activities upon mutual agreement with Port KC), reefer, special project cargo, RO/RO, wares, cargo and merchandise into, from and in connection with such vessels; (c) loading, unloading, handling, delivery and receipt of vehicles and other non-containerized cargo into, from and in

	connection with such vessels, (d) container and chassis repairs; (e) fueling vessels; (f) maintenance dredging; and (g) uses incidental or ancillary to any of the foregoing (collectively, the “Port Assets”) No manufacturing will be permitted on the Project site without prior approval of Port KC.
<b>Rail Assets</b>	Concessionaire shall be responsible for and bear the cost of construction, operations, maintenance and all necessary interface and coordination (including design approvals and other submittals) with respect to the Project’s rail component, to include: entering into and administering an operating agreement with any applicable railroad operator, operating coordination with railroads (including the right-of-way), civil structures, track, yards, switches, interchanges, communication and signaling, rolling stock, transload, locomotives, storage yards, cranes, positive train control (“PTC”) functionality (if required based upon FRA and market conditions), rail/vehicle service repair (only permitted with respect to vehicles used on Project site), equipment, machinery, information technology systems, tools, railroad engineering costs, flagging services with any relevant railroad (such efforts to build upon and be consistent with Port KC’s efforts in this regard prior to the Project Agreement’s effective date), Project compliance with applicable railroad manuals and agreements (including crossing/interchange/access agreements and arrangements), negotiation of further Project contracts with railroads, and uses incidental or ancillary to any of the foregoing (collectively, the “Rail Assets”).
<b>Other Project Assets</b>	Concessionaire shall bear responsibility for and the cost of construction, operations, maintenance, and all necessary interface and coordination (including design approvals and other submittals) for the Project Assets to facilitate the movement of freight and operations of the Project (“Other Project Assets”). Other Project Assets may include <b>storage</b> (including container storage, refrigerated storage, grain storage (subject to the constraints regarding containerizing bulk shipments), and warehouses), office buildings, operating buildings (may be rail-specific or otherwise), other industrial activities, and gate security and access among other assets specifically identified by the Concessionaire (and are in all cases subject to Port KC approval).
<b>ESG</b>	Electrification and other environmentally beneficial project features (ex: hydropower) are permitted and encouraged. The Project Agreement will set forth certain requirements related to socially responsible investment.
<b>Term</b>	The Project’s term will commence the Project Agreement’s effective date and expire no less than 40 years after Project Agreement’s effective date, to be further defined based upon any proposed project phasing and financial modeling (“PA Term”).
<b>Completion Deadline</b>	Substantial completion shall be achieved by a date or dates certain (separate dates may be applicable with respect to each Project phase), with final acceptance required to follow within 90 days after substantial completion.
<b>Concessionaire Interest in Project Site</b>	Port KC will grant to Concessionaire a concession and license/right-of-entry (ROE) to perform its obligations under the Project Agreement on the Project site (as well as necessary ROEs across non-Project Port KC land and the benefit of easements/ROEs held by Port KC). Port KC does not anticipate

	leasing the Project site to the Concessionaire.
<b>Governmental Approvals</b>	Concessionaire shall be responsible for obtaining and maintaining at its own cost all regulatory approvals necessary to perform the work, except for initial NEPA and related approval(s). Port KC to reasonably assist with such efforts at their discretion. Concessionaire shall promptly provide to Port KC a copy of any notice received by Concessionaire from any governmental authority with respect to the Project.
<b>NEPA</b>	Port KC shall be responsible for obtaining initial NEPA approval or approvals of the Project. Concessionaire shall be responsible for any work required to obtain a NEPA re-evaluation.
<b>Standard of Care</b>	All work must be completed in accordance with the Project Agreement, applicable law, financing and insurance requirements, application of professional engineering judgment, and good and prudent industry practices.
<b>Quality</b>	Concessionaire is responsible for Project quality control. Port KC shall have the right and capability to access to Project at all times during the PA Term, subject to appropriate constraints relating to safety.
<b>Safety and Security</b>	Concessionaire will be solely responsible for ensuring the safety of the public and ensuring safety and security at the Project for the term of the Project Agreement. Police, fire and emergency services, any security personnel, and any governmental authority with jurisdiction over the Project, will have access to the Project as necessary and without condition to carry out emergency and security services including, but not limited to, adhering to CFR 33 with the development of a Facility Security Plan to be administered by a Facility Security Officer, as well as complying with any Cybersecurity requirements imposed by any relevant governmental authority.
<b>Inspections</b>	Port KC shall the right to inspect the Project at all times during the PA Term upon reasonable notice to Concessionaire.
<b>FINANCING</b>	
<b>Project Financing</b>	<p>Without limiting bases for monetary relief to be set forth in the Project Agreement, Concessionaire is solely responsible for obtaining and repaying all financing necessary to perform the work for the Project, all at its own cost and risk and without recourse to Port KC. The Concessionaire may pledge its interest in Project revenues and under the Project Agreement to one or more Project lenders. In no event will any interest of Port KC in the Project be encumbered by or serve as security for any Project debt, nor will Port KC have any liability under Project debt documents.</p> <p>Port KC will reasonably cooperate with Concessionaire in its pursuit of financing (subject to Concessionaire reimbursement of Port KC costs) and enter into a direct agreement with each project lender, and may in its discretion provide financing assistance through the issuance of special purpose bonds (including “special facility bonds” issued by Port KC on behalf of Concessionaire).</p> <p>Without limiting the foregoing, Port KC is aware that the Project may qualify for PABs, TIFIA, and RRIF financing and may undertake certain obligations</p>

	<p>to facilitate application and pursuit of such financing sources (to be discussed further as between Port KC and the selected proposer).</p> <p>Upon the request of the Concessionaire, Port KC shall reasonably consider and, if determined to be acceptable to it, cooperate with the Concessionaire's efforts to obtain grants from governmental authorities.</p> <p>Port KC will make available those incentives available to Port KC under its enabling legislation, as and to the extent available, on such incentives' terms, for Project pre-development and development.</p> <p>Detailed Project Financing requirements will be developed based on market standards in the Project Agreement.</p>
<b>Refinancing</b>	<p>Refinancing of Project Financing terms will be developed in detail based on market standards in the Project Agreement. Refinancing and re-leveraging will be generally permitted (unless adverse impact to Project) with notice to Port KC and repayment of review costs.</p> <p>Port KC shall additionally be entitled to a mutually agreed to percentage of any refinancing gain (at Port KC's discretion to be payable for Port KC uses).</p>
<b>DESIGN AND CONSTRUCTION</b>	
<b>Design and Construction</b>	<p>All design and construction and notices to proceed will be complemented by certain other development, regulatory, environmental, utilities and other conditions to commencement of portions of the work, all to be more fully set forth in the Project Agreement.</p>
<b>Contracting, Other Labor-Related Provisions</b>	<p>The Project Agreement will contain certain market P3 positions regarding contracting/subcontracting, affiliate contracting, mandatory subcontracting terms, and other labor and related matters.</p>
<b>Insurance</b>	<p>Detailed insurance requirements to be set forth in Project Agreement and will set market-current, customary requirements regarding insurance placements (to include at a minimum insurance to a minimum viable level and in accordance with financing requirements) for [all phases of] the Project, to include market-current commercial terms (e.g., waivers of subrogation, Port KC's status as named insured or additional insured, contractual indemnification coverages). Port KC is reviewing possible risk-sharing mechanisms relating to increases in certain insurance premiums during the Project O&amp;M period.</p> <p>The Concessionaire will place all insurances required by interfacing railroads.</p>
<b>Payment and Performance Security</b>	<p>Concessionaire to provide payment and performance bonds and/or letter(s) of credit in an amount anticipated to be determined based upon a percentage of probable maximum loss and equity contribution schedule by a surety or issuer meeting market rating requirements and in a form meeting Port KC's industry-standard requirements. Port KC shall have the authority to draw on the performance security under defined events in the Project Agreement. Additional Performance Security with different limits may be required during the operations term of the Project.</p>
<b>Confidential Information</b>	<p>Missouri's Open Meetings and Records Act (RSMo §610.010-610.035) shall be applicable to the Project. Concessionaire shall cooperate in all respects with any records request under such law. If Concessionaire elects to challenge</p>

	a formal request for information, Concessionaire shall be responsible for all costs, attorney fees and fines resulting therefrom (including Port KC's related costs).
<b>OPERATIONS AND MAINTENANCE</b>	
<b>O&amp;M Work</b>	Without limiting the standard of care described above, Concessionaire shall, at its sole expense, operate, and perform all maintenance, management, repair and replacement of the Project Assets in a manner that ensures a safe, smooth, and uninterrupted flow of normal traffic at the Project.
<b>Operations Overview</b>	<p>Concessionaire may subcontract operations on the Project to one or more operators (any such party and any contract therewith being subject to Port KC's prior, written approval in accordance with parameters to be set forth under the Project Agreement) to perform Port Operations, Rail Operations and Other Project Operations (collectively, "Project Operations"). Any such contract with any operator(s) must, be terminable, at Port KC's sole discretion, upon termination of the Project Agreement.</p> <p>Port KC anticipates either a central operator or separate operators handling portions of the Project Operations. If there are several operators, then Port KC shall have review and approval, in its reasonable discretion, over any interface/coordination agreement among the operators and Concessionaire.</p>
<b>Port Operations</b>	<p>Port KC shall grant the Concessionaire rights to and responsibilities for deployment and use of the Port Assets as a river port terminal ("Port Operations").</p> <p>Concessionaire shall be responsible for providing all personnel, equipment, and facilities, and certifications/regulatory approvals, that are reasonably necessary for safe and adequate Port Operations.</p>
<b>Rail Operations</b>	<p>Port KC shall grant the Concessionaire rights to and responsibilities for deployment and use of the Rail Assets to provide common carrier services, locomotive and rail car repair (Project rail assets), storage, transloading, and other related services that can occur on the Project's Rail Assets ("Rail Operations").</p> <p>Concessionaire must provide common carrier services to all served railroads, customers on the line and for the Project.</p> <p>Concessionaire shall be responsible for providing all personnel, equipment, facilities, and certifications/regulatory approvals, that are reasonably necessary for safe and adequate Rail Operations.</p>
<b>Other Project Operations</b>	<p>Port KC shall grant the Concessionaire rights to and responsibilities for deployment and use of the Other Project Assets to provide Project security, freight services, storage services, any additional Project aspects required as condition to NEPA approvals (cultural facilities, incubators etc.), and other related Project services that can occur on the Project as mutually agreed by Port KC ("Other Project Operations").</p> <p>Other Project Operations to include [_____].</p>
<b>Performance Requirements</b>	The Concessionaire shall, at all times during the Term, (a) be responsible for all aspects of the Project Operations, (b) maintain and operate the Project and (c) cause the Project Operations to be performed in accordance with the

	<p>provisions of certain operating standards/meet certain key performance indicators (KPIs) to be set forth as part of the Project Agreement. KPIs will be determined based upon the commitments made by Concessionaire as part of its Project approach submitted in response to the RFP. A failure to achieve KPIs will subject the Concessionaire to increased Port KC oversight and step- in rights, as well as a default beyond a threshold to be set forth under the Project Agreement.</p> <p>It will be expected that the Concessionaire will be required to maintain to a minimum of FRA Class 2 track maintenance standards and operate within the specified speed limits of the Project and any Project related track. The Operator shall comply with all applicable laws and regulations, including FRA regulations and workplace safety.</p> <p>Complete performance requirements (operating standards, KPIs, and otherwise) will be developed at a later time based on common industry practice and standards.</p>
<b>Major Maintenance</b>	<p>Concessionaire’s O&amp;M obligations include all necessary major maintenance work (maintenance work of a type that is not normally included as a routine expense in maintenance and repair budgets). Major maintenance shall be carried out in accordance with a five-year life cycle maintenance plan to be submitted to Port KC annually beginning five years following commercial close.</p> <p>Additionally, at and thereafter in five year increments following, commercial close and annually thereafter, Concessionaire to provide an assessment/baseline condition report of all Project improvements; if any improvement does not satisfy the asset condition requirements of the Project Agreement, such asset must be restored to the required condition.</p> <p>Major maintenance shall be funded from a Concessionaire-funded reserve (or an equivalent reserve held pursuant to a financing agreement).</p> <p>Concessionaire may subcontract routine and/or lifecycle/major maintenance responsibilities on the Project to one or more maintenance contractors (any such party and any contract therewith being subject to Port KC’s reasonable approval in accordance with parameters to be set forth under the Project Agreement). Any such contract with any maintenance contractor(s) must, be terminable, at Port KC’s sole discretion, upon termination of the Project Agreement.</p>
<b>Delegation of Obligations</b>	<p>Except with respect to assignments of the Project Agreement, or interests of the equity participants in the Concessionaire, but without limiting self-performance constraints on the Project Operations, the Concessionaire shall not delegate any of its obligations to any entity without prior written approval by Port KC.</p>
<b>Handback</b>	<p>Handback requirements to be defined based on industry-standard performance requirements and to meet the Port KC’s expected long-term performance requirements for the Project Assets at the end of the PA Term.</p> <p>The Project agreement will establish a handback reserve of prescribed size five years prior to the expiration of the Project Agreement in coordination with a major maintenance lifecycle plan.</p>



<b>REVENUES, PAYMENTS, FEES, AND TAXES</b>	
<b>Payments to Port KC</b>	<p>The Port KC payment structure may vary based upon the Project’s proposed operational plans, however, it is Port KC’s preference to be compensated for its efforts with respect to the Project via: (a) a limited upfront payment to ameliorate Port KC’s pre-development/sunk costs; and (B) a percentage of Project revenues associated with the Project (to begin at commencement of operations or revenue streams and to increase over time, and further to be chained to CPI), in each case to be reflected in Project financial models.</p> <p>Respondents should provide envisioned payment structures but NOT propose specific revenue share percentages or payment amounts.</p>
<b>Port Tariffs</b>	<p>The Concessionaire shall be responsible for calculating and proposing to Port KC appropriate Project tariffs, fees, rates, and marine terminal operator schedules, including any amounts charged for dockage, wharfage, wharfage demurrage, and wharf storage (such tariffs, fees and rates, collectively, the “Port Revenues”), as well as for collection of all Port Revenues.</p>
<b>Rail Tariffs</b>	<p>The Concessionaire shall be responsible for calculating and proposing to Port KC appropriate fees and charges for all rail operations, including fees and charges for switching, storage, other rail services, and rail car repair (such fees and charges, collectively, “Rail Revenues”).</p>
<b>Other Project Tariffs and Fees</b>	<p>The Concessionaire shall be responsible for calculating and proposing to Port KC appropriate fees and charges for Other Project Assets, including potential bridge/road tolls (such fees, charges and tolls, collectively, the “Other Project Revenues”).</p>
<b>No Other Compensation</b>	<p>The Concessionaire will perform the work in consideration of the right to collect Project revenues (subject to the above-referenced Port KC revenue sharing or alternative agreed upon Port KC payment structure). Concessionaire will not be entitled to receive any other compensation from Port KC for the work (excepting for compensation in relation to certain events, under certain circumstances, as set forth in the Project Agreement, and for Port KC-driven changes).</p>
<b>Incentives</b>	<p>Port KC will reasonably cooperate in pursuit of other public funding from federal/state sources.</p> <p>The Project is eligible for “foreign trade zone” (“FTZ”) designation. In the event Concessionaire elects to pursue FTZ designation, Port KC will reasonably cooperate and assist with respect to such efforts, and any FTZ benefits granted shall run to the Project (rather than Port KC).</p>
<b>Taxes</b>	<p>It is anticipated that the Project will not be subject to property or sales taxes on construction materials. Concessionaire shall, however, pay any tax imposed with respect to the Project or operations thereof imposed by any taxing authority with jurisdiction (including its own corporate and employment taxes).</p>

<b>CERTAIN RISK TERMS</b>	
<b>Utilities</b>	The Concessionaire shall be responsible for any necessary utility relocations. Port KC will bear the risk of unknown (active) utilities.
<b>Hazardous Materials</b>	Concessionaire shall be responsible for all necessary remediation work without regard to the party causing such release. Concessionaire shall be responsible for the costs its releases, and after release for construction, third- party releases. Port KC shall be responsible for the costs of its own releases, as well as pre-existing Hazardous Materials; provided, however, that compliance with existing state and federal environmental governmental approvals is part of the Concessionaire's scope/risk. The Project Agreement will provide for customary risk apportionment.
<b>Archeological, Paleontological, Historical</b>	Port KC shall be responsible for unknown (but not constructively unknown) archaeological, paleontological, historical conditions on the Project site.
<b>MISCELLANEOUS</b>	
<b>Indemnification</b>	The Project Agreement will provide for Concessionaire indemnification of Port KC under customary circumstances.
<b>Termination</b>	<p>Termination terms and compensation will be detailed based on market standards in the Project Agreement.</p> <p>Port KC shall have the option to terminate the Project Agreement for Concessionaire default (following a cure period), and extended force majeure.</p> <p>Concessionaire shall have the option to terminate the Project Agreement for Port KC default (following a cure period).</p> <p>In the case of a termination event, all Project Assets will revert to Port KC.</p>
<b>Dispute Resolution</b>	Dispute resolution initially via binding mediation by a third party acceptable to each party will be provided for under the Project Agreement.
<b>Transfers and Change in Control</b>	<p>Concessionaire's equity members must maintain 51% interest and exert control for two years following final acceptance of the entire Project. No change in control or full transfer of Concessionaire interest for five years following final acceptance without Port KC approval. Following five years post-final acceptance, Port KC may withhold approval if in its reasonable judgement the proposed transfer is prohibited by law or the proposed transferee is not capable of performing the obligations and covenants of the Concessionaire under the Project Agreement.</p> <p>The Project Agreement will afford the Concessionaire certain pre-approved assignment and change-of-control rights, and will contain certain processes for those other sought assignments, changes in control that require Port KC's approval.</p> <p>The Project Agreement will also include provisions regarding the equivalent of assignment/changes of control of operators/maintainers, if approved, relating to Project Assets or Project Operations.</p> <p><b>Nothing in this section limits the restriction on delegation of duties/self-performance restrictions described above.</b></p>