ECONOMIC DEVELOPMENT AND FINANCE STANDING COMMITTEE MINUTES
Monday, October 9, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, October 9, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan. BPU Board Member Haley was absent. The following officials were also in attendance: Wendy Green, Deputy Chief Counsel; Gunnar H. Hand, AICP, Director of Planning and Urban Design; Debbie Jonscher, Interim Chief Financial Officer; Brandon Grover, Public Works; Trent Foglesong, Public Works; LaVert Murray, Economic Development Advisor to the Mayor; and Monica Sparks, Deputy UG Clerk.

Chairman Burroughs said before I call the meeting to order, I want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. When speaking, please speak directly into the microphone to ensure everyone listening is able to hear your comments and to ensure a clear record is made. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

The public is allowed to participate by Zoom or submit comments by email prior to the meeting. Those comments will be included in the record of this meeting. The public may also indicate their intent to provide remote public comments by contacting the Clerk's Office by 5:00 p.m. the Thursday before the meeting. The public also will have an opportunity to provide brief comments either by telephone or via Zoom from the 5th Floor Conference Room of the Municipal Office building.

Chairman Burroughs called the meeting to order. I'll ask the Clerk to please call roll. Roll call was taken and all members were present as shown above. I do know that Senator Haley usually notifies us that he is on his way. I anticipate him joining us shortly. That being said, I'll recognize the Clerk if there are any revisions to tonight's agenda. **Monica Sparks, Deputy Unified Government Clerk**, said there were none.

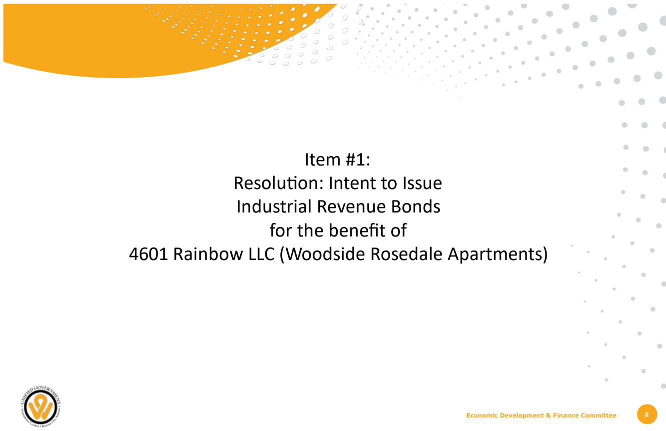
Approval of standing committee minutes from December 5, 2022. **On motion of Commissioner Townsend, seconded by Commissioner Davis, the minutes were approved**. Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs.

COMMITTEE AGENDA

Item No. 1 –212767...Item No. 1 – RESOLUTION: WOODSIDE IRB'S

Synopsis: Adopting a resolution determining the intent to issue Industrial Revenue Bonds in the of not to exceed $52,927,000 to finance the costs and equipping a Commercial Multifamily facility for the benefit of 4601 Rainbow, LLC., submitted by Jeff Conway, Assistant Counsel, Legal Department.

Wendy Green, Deputy Chief Counsel, said this is indeed a resolution to determine the intent of the Unified Government to issue the Industrial Revenue Bonds and this is for the project for the multi-family facility that's going to be at the corner of 46th & Rainbow Blvd. for the apartment complexes. We do have Kevin Wempe, our Bond Counsel, here. I'm going to go ahead and hand it over to him to get us started.

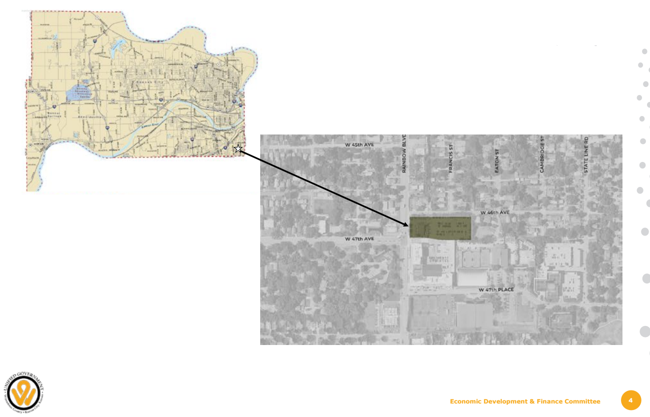


Kevin Wempe, Gilmore & Bell representing the UG as Bond Counsel, said this is a site familiar to this group, but to frame the discussion we're talking about 46th Avenue in Rainbow in the proposed multi-family facility. As you've seen, with other similar applications here the developer in this case has submitted an application requesting the issuance of Industrial Revenue Bonds. So, to take, you know, a one-minute refresher for this group, I'll sort of introduce what we're doing here tonight, a little bit about the project. Then representatives of the developer here from Polsinelli, Bob Johnson's here to walk through portions of the project.

Again, the refresher for this group is that what's proposed here is the issuance of Industrial Revenue Bonds or IRBs. They'll be purchased by the developer and so what this means is that this isn't construction financing. These bonds are not being issued to provide the upfront construction financing and instead are being used as a vehicle for granting incentives. As you all know, with IRBs the incentives here are sales tax exemption on construction materials and furniture fixtures and equipment, as well as a property tax abatement for a maximum term of up to 10 years.

Here's a summary slide about the economics of the deal and to again reframe the discussion what's anticipated at the site is an approximately $70M investment for 149 apartment units wrapped around a structured parking garage.

The middle tier of bullets there discuss the current base taxes as the lands currently used as a parking facility or parking lot and brings in $21,000 in change of current base sales tax, I'm sorry, property taxes. The abatement request before you that's encompassed in the resolution of intent, and also the payment in lieu of tax agreement that's authorized under that puts forth an approximately 50% 10-year property tax abatement, which is modeled off of similar requests for market rate apartments in the Unified Government. There's also an estimated annual taxes paid after the 10-year payment in lieu of tax period expires of a little over $367,000. Again, the principal amount of IRBs tonight is just under $53M.

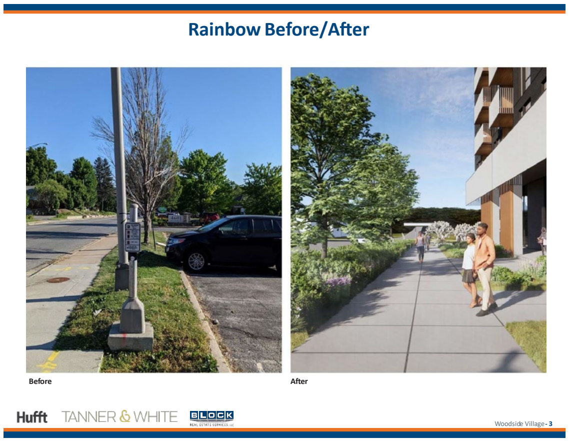


This slide shows again the subject property. With that quick overview, I'll seed the floor here to Bob to talk more about the project.

Bob Johnson, Polsinelli Law Firm, said Aaron Mesmer, a member of the development team, and representative of Block Real Estate Services, is here. Blair Tanner, Tanner & White, the other member of the joint venture development team may be appearing online. He had a previously scheduled flight at this time and so he may be on the ground and may be able to chime in as needed, but I should be able to get through the presentation myself, but if you'd like to hear from either of them, we're happy to bring them up. Appreciate being back in front of you and appreciate all of your support during the land use process. As you recall, we had a unanimous approval there. We're certainly not here to rehash or go through any of the land use issues again. Those were gone through very thoroughly as you recall, a long and very thoughtful process that we believe produced a very high quality and responsive project with the level of community engagement that we had throughout that long period of working with the community and the UG to arrive at the project that is approved to be built today.

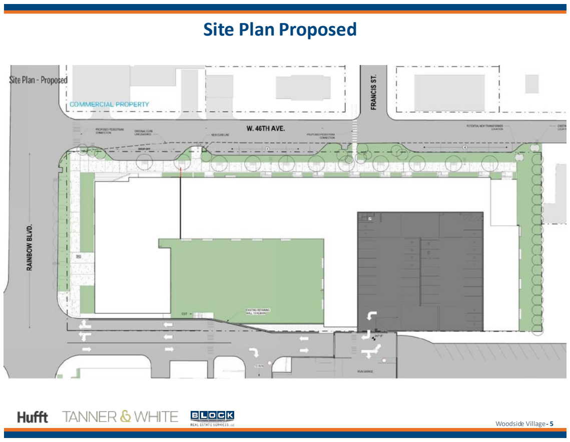
As discussed by Kevin here the project is let's see—as you recall at the northeast corner of 47th & Rainbow development of a long-underutilized site that today produces very minimal property taxes for the city and county and other taxing jurisdictions. Of course, we've discussed all these things before, but a reminder it's the gateway to the UG from the south. The goal of both us and of course the UG was to arrive at a project that will be a flagship, something that the UG will be very proud of we hope as the gateway to the city and something as you come in from Westwood or from any of the directions there as you reach that nexus of 47th & Rainbow that this is really truly something that stands apart and stands as a beacon of progress here and opportunity for different housing types and new development in the Rosedale neighborhood.

The design intent was to produce very high-quality development that dramatically increases pedestrian-friendly features in the environment. It enhances safety and frankly turns a dilapidated site into something that is of the highest quality and aesthetics. The developer believes it achieved all these through, what again, we believe is unprecedented community involvement and engagement.



The design process led to multiple iterations of the project as you can recall and led to some truly, we believe, wonderful transformational features that will benefit the community at large and the site itself. This is a good example. You may recall that the condition along Rainbow is quite dangerous with this sidewalk directly abutting the street, essentially slopes right into the street. We will take that sidewalk farther to the east and create a huge buffer there with very significant enhanced and costly landscaping.

Same on 46th. We'll create a walkable pedestrian environment. In the upper left is the current condition where you can see the parking that's on the street today constricting that drive there on 46th Avenue. We'll take that parking off the street, some of which will be within our own garage for guests of the facility and also there will be parallel spots on our property that will be no longer in the public right of way. Again, enhancing the safety of that area. I'm sure you remember all of these things so forgive me for going through them, but I think it's important to speak to the community enhancements that the project will bring in addition to the redevelopment of the site itself.



I do want to again reiterate the parking and landscaping conditions. This is a site overview 2D, which sometimes is hard to orient, but you recall that the garage is built within the site, it won't be visible from the exterior, takes all of the parking off the street, puts it interior to the site as this committee very well knows structured parking wrapped by units is very expensive, but it is the way to develop a high-quality project here that also creates those conditions that allows parking to be removed off the street.

All of that green you see around the project is also the significant landscape buffer that will be added around the project to enhance the aesthetic from all vantage points as you view the project from its exterior.

This is one of the renderings that I think best depicts how the site will look dramatically different once it's developed. You can see the landscaping, the sidewalk, the wide sidewalks that are moved toward the site away from the street. You can see the Bike-Sharing Program that'll be introduced. This is the corner of 46th & Rainbow, and I think again, something that once built will be very much a flagship and a source of pride for not only the owner, but we hope the UG at large.

The other component of this that we're proud of and that evolved over the course of the project is the creation of what we view as very unique community engagement features of the project. The Pocket Park here that you can see will lead to just natural interactions with folks that already live in the area. We thought that was very important after many of the conversations that we had with the folks that live nearby and also these kinds of walkup units on the base. You may recall those that are a unique feature that leads to kind of a townhome style feel where people are entering and exiting their units right there onto the 46th facing area so that community engagement is enhanced. This is not something where people will only enter their units from internal spaces, this truly walk-up townhome feel that we think is important for this location.

This is just another good look at moving that parking lot off the streets, some of the parallel parking, and the Pocket Park there. The high level of materials, the articulation of the façade that we discussed very often and numerous signs through the land use process and the high-quality materials that are utilized in the construction. All of these items of course bring cost, but it is the only way. I've heard this many times in my life, internal conversations with the developer are the only way they're going to develop this site. They're not going to develop this for something less than truly the highest-grade Class A project that is what this development team's intent is. That's what their track record is, that's something that as a dedicated long-term owner, that's their plan here. This is not a merchant build where they're going to look to build and get out of quickly. This is something where they want to be here and own a project and have a project that's high quality from day one. Of course, there's the immediate value that Kevin referenced as well of the economic impact to the taxing jurisdictions from a very low tax-based today to a much more significant tax base right away, which we think is a win-win. It allows the project to proceed and also gives immediate value to the taxing jurisdictions from day one and essentially shares in the benefit of moving forward with this structure as proposed.

No surprise quality here means cost. The site is costly to begin with the structured parking that we're building around, but that said this is the only way that we're going to this project is high quality and these materials do come at a premium. This design comes at a premium, but it's the right way to do it. Those features were held constant as you know, as the design dropped from 172 to 149 units. That's very straightforward in the math there. You lose units, you lose revenue, but the costs remain significant. That said, that's not something the developer is willing to sacrifice here, and we hope that shows in the design. The costs as this committee is aware are rising in this environment and have been for some time now, as the inflationary pressures on labor and materials and the cost of capital are the highest they've been in certainly over 10 years with interest rate rise. Not a sob story by any means, it's just a factor here as we look at incentivizing this project. It's the basis of the ask to create a project that is viable, but also, again, shares in that benefit day one. With that, we ask for your support and stand for any questions you have.

Chairman Burroughs said at this time I'll ask the committee if they have any comments or questions. **Monica L. Sparks, Deputy UG Clerk,** said no hands are raised. **Chairman Burroughs** said projects have been back before the public a number of times and the concessions that were made to ensure that the public had their input in the project. I commend the developers to taking the time to ensure they were able to communicate to the public as much as is allowable, so I do appreciate that.

I would have a question and in reference to the PILOT and the structured fee. I was trying to go through the contract agreement and maybe Bond Counsel can help me and Wendy. The 50% tax abatement for 10 years, as well as the PILOT, or is it the 50% because of the—**Mr. Johnson** said that's right. **Chairman Burroughs** said tax abatement over 10 years is inclusive of the PILOT—**Mr. Johnson** said that's right. That's how it's structured in Kansas. **Mr. Johnson** said that's right. **Chairman Burroughs** said I don't if maybe understand the Legalese of it but, I wanted to get that determination tonight. Okay, wonderful. That will heighten the visibility on that corner.

Chairman Burroughs said I would at this time if the Clerk had any comments from the public. **Ms. Sparks** said no comments have been received.

Chairman Burroughs asked if there were any members of the public who wish to address this issue this evening. You will be given up to three minutes to make your comments. Please state your name and address for the record.

Greg Kindle, President of the WYDEC, said I'm here in support of the resolution to issue IRBs for Woodside Rosedale Apartments and the Park and Garage Project at 4601 Rainbow Blvd. This development, as you noted, has been quite a while in the making, very appreciative of the developer team for taking the time. It's been over a year since we actually came before and had the last public meeting regarding this project. It is unusual in many cases for developers to stay with a project quite this long and engage the neighborhood at length like they have. We appreciate that work and that neighborhood engagement. Today this is a vacant building and a parking lot providing no real value to the community. This is not the highest and best use of this site.

Over the first 10 years, as you all saw, this project will generate a little over $1.7M in property taxes. If we left it completely the way it is today, it would generate about $250,000 over that same 10-year period, but there is truly a lot of economic benefit from the proposal that you have in front of you.

This investment focuses on that community connectivity by activating the Rainbow Blvd. with an eye towards pedestrian and bicycle safety, enhancing a neighborhood with beautification via landscaping, and connecting the neighborhood and the development to Rainbow with new sidewalks, creating architectural interest in that location. Moving what has become a blight in that location, supporting urban density with a design that incorporates the parking garage, which is fairly unique as well, meeting the demands for housing options near the KU Medical Campus and ultimately generating new revenue to the community. We believe the proposed development at the entrance to KCK provides quality housing and ask that you support the resolution before you.

Chairman Burroughs asked is there anyone else who would like to speak in support of? **Ms. Green** asked, did you say in the support of the project?

Aaron Mesmer, Block Real Estate Services, 4622 Pennsylvania, Kansas City, MO, said thank you for the time in front of the committee. We are excited about the project. We do think that we have one that is of the utmost quality like Bob talked about and so we appreciate your support.

Chairman Burroughs asked is there anyone online who would like to speak in support of. **Ms. Sparks** said no hands were raised.

Chairman Burroughs said I will now entertain those who are opposed to the project to be offered the opportunity to speak.

Kelly White, 4410 Francis, said I was the neighborhood president at the time of this project. Everything that they talked about was going on it was over a year. I would like to say this wasn't part of what I intended to say, but since he brought it up, I would like to point out the majority of the neighborhood was in fact not in support of this project. Evidence in the commissioner's packet so I just want to make sure that's clear. I would like to stress to you what this particular incentive request looks like to the taxpayers, to your voters. A developer is requesting tax exemption to build luxury apartments right next to the development to the complex that they currently own. As we had been repeatedly told by this developer, they are rented to full capacity all the time. Apartments, mind you that will have tenants, the owner knows will send business to their retail tenants and health club right next door that sits on the Johnson County side. We are in the middle of an affordable housing crisis, and we have developers and their legal team pulling up in their luxury cars asking for permission to avoid taxes in the most desirable area of the county. A county that has seen significant annual increases in their personal property tax since 2020. They've attempted to convince us how much of a need there is for diverse housing, but rather than finding their own financing, they are asking the county for tax breaks.

On several occasions over the past year, I have asked a variety of people that should all know the answer, how many current projects there are in the county that have received incentives and where the gains and losses of those projects are reported? For the sake of transparency, can the public view this information, and no one has ever been able to answer it? Maybe all the projects are doing well, maybe this IRB request is what is financially best for the county, but how would we know that? I'm aware a public meeting is not required for incentive requests, but it is not unreasonable to ask that you delay this vote and hold a public meeting that allows enough time to have this project explained to all Wyandotte County taxpayers even if it is an individual meeting remaining with the commissioner when they hold it in their district. If it is indeed more advantageous for the county to provide this tax incentive, then a meeting clarifying this would benefit everyone.

Erin Strika, 841 Shawnee Road, said I'm actually not here in support or opposition, but I do have a question if that's all right? At the beginning of the Bond Counsel's presentation there was a slide that was a slide listed community benefits, local women and minority-owned hiring goals, neighborhood engagement and one other. I'm wondering if I could just hear a little bit more about what those goals are, what the neighborhood engagement is beyond the Pocket Park, all of that.

Chairman Burroughs said, Counsel, I believe that's on page (inaudible). That's what I have it open to. I know it's cited within a couple of places within the proposal.

Mr. Wempe said it is Mr. Chairman. It's also part of the exhibit on the resolution of intent where the payment in lieu of tax schedule is presented and so this—I'm trying to avoid the use of the term PILOT, but this PILOT agreement settling for the payments comes with the usual attendant claw backs and requirements and performance covenants in similar UG projects which does include the local minority and women owned business projections. **Chairman Burroughs** said also if I remember correctly, it also has a punitive measure that if you don't meet the certain standard or certain requirements set forth in the contract, there's a financial penalty associated to that. **Mr. Wempe** said that's correct. The property taxes set forth in the agreement currently has a 2% annual escalator should the developer meet those milestones and if they don't, that would double to a 4% escalator each year, which would compound over the 10 years should they not meet those requirements. **Chairman Burroughs** said broken down I believe it's like $160,000 do not perform, not counting the first year. The first year is the same on PILOT for year one and both the 10-year abatement, as well as PILOT. I dismiss the first year and then I see that if you do not meet those requirements of the LBM requirements in the contract then it does escalate the PILOT, and which is to a tune I think over the 10-year period of about $166,000. **Mr. Wempe** said, yeah, I'm not going to attempt to do the math. It is significant by year 10 just to compare one year. Should the 2% against the 4% inflator it's coming up on in excess of $35,000, $36,000 difference in the payment in lieu of taxes.

Chairman Burroughs said one other question if I may. I'm looking at Section 3.9 on page 7. It talks about the tax abatement commences in the year following the year in which the bonds are issued. If you don't have a start date, Mr. Johnson, for the project until 2025 and a completion date of 2027 or 2028 if I remember correctly, I have to go back and look at my notes here, December 31, 2028. We're talking at this time, a four-year build-out. **Mr. Johnson** said I think I draw a distinction between what our outside dates are and what our goal dates, which would be sooner than that. I think that I would be hard-pressed to tell you the exact commencement date or completion date just given capital markets. That's what's going to control it. I will say that those are the dates that are outside dates, not the goal dates for us to hit. Those are the dates by which we get in the situation we'd have to come back to you and ask for an extension and we don't want to have to do that. Those are intentionally set farther than we hope to actually commence and complete the project.

Chairman Burroughs said I appreciate that. Presently in the documents this, I think in your statement you had made a comment that the property presently pays $23,000 and some change in property tax now, somewhere in the presentation I read, I believe tax presently. **Mr. Johnson** said I think that's roughly—**Chairman Burroughs** said I would assume that you would still be paying that? **Mr. Johnson** said correct. **Chairman Burroughs** said until the development occurs and then you would jump into the PILOT and the abatement which in turn jumps up to the $159,000. **Mr. Johnson** said that's correct. **Chairman Burroughs** said so four years we're still going to get property tax revenue from the property before any improvements are made. **Mr. Johnson** said you will never get any less than you get today, that's absolutely right. **Chairman Burroughs** said right, great. Thank you for your patience with me. I just wanted to ensure with the comments made by the public that there was a question in reference to the contract itself. Any other questions or comments from the committee?

Commissioner Townsend said I don't know who to really address this to within the Unified Government, but who monitors the actual compliance aspect for women and minority-owned businesses to make sure that we know what the appropriate PILOT would be for the project, this would be for any project. Who is actually monitoring? **Ms. Green** said that it would be the Procurement Department. **Commissioner Townsend** said Procurement Department. **Commissioner Townsend** asked when would that monitoring start because Chairman Burroughs just brought up a difference in timing here for the period of what three or four years that the taxes would be paid out at about '23 and then we jump into the higher PILOT. When does the monitoring for compliance start? **Ms. Green** said I want to say it probably starts with the beginning of the agreement. I think it would probably depend on the wording of each different agreement, but maybe Debbie is coming up to answer that question for us.

Debbie Jonscher, Interim Chief Financial Officer, said I don't know if I can answer that specific question, but I do know that on multiple projects where we get the project estimates to certify the project costs, I think we're also doing monitoring at that point, but I would assume that would start when the certification of those costs are coming in. **Mr. Wempe** said right. Commissioner, good question. The penalty that the Chairman was mentioning of the escalator in the payment of lieu of tax structure would go into effect in year one of that tax abatement and pursuant to the contract the last they anticipate being done several years from now with an outside date of 2027. I think the critical date would be at that near substantial completion when their projects coming online so that we can assess whether they're subject to the normal 2% property tax escalator or whether they have the penalty 4% escalator. At that time, I think that's going to be critical for procurement to give us some direction on whether those goals have been met.

Commissioner Towsend said my understanding that that determination where the goals have been met would be after the completion of the project. **Mr. Wempe** said I can't speak to how it's done during construction, but for the purposes of the tax abatement and the contract that's before you, that would be the critical time would be upon completion to know whether they'd hit those milestones, so we know which payment in lieu of tax schedule they're subject to. Whether they met compliance and they have a 2% escalator or whether they failed and they were subject to the penalty, 4% escalator. **Commissioner Townsend** said I would like to just have some follow-up on this so a little bit clear. I'm thinking and this is very simplistic because of the schedule that's performed, but we get into the nitty-gritty, but I really want to know how and when this monitoring begins so that we know that the correct amount of the PILOT would be paid.

Commissioner Davis said you all kind of remind me of where we are with the particular project. I remember you all being on the agenda and kind of going through Planning and Zoning. Can you all just provide an update in where you are regarding that? **Mr. Johnson** said the Planning and Zoning process? **Commissioner Davis** said, yes. **Mr. Johnson** said we came through the Commission with regard to our preliminary development plan and the rezoning which is really the main crux of the land use process. We have those approvals from you all and again appreciate working through that process with you. As design, you know, construction design, getting to actual plans move forward which is where they are now is really getting into the depth of you know true design plans. There's a gradient from a preliminary development plan to a final development plan and we'll move forward with that final development plan, which is essentially mirroring the preliminary development plan with only tweaks that your code would allow unless we'd have to back through the process of the preliminary development plan if we triggered some bigger changes. Very unlikely to happen, not typical, typically you're doing construction drawings and then getting the final development plan. That'll come back to the Planning Commission and then we'll be able to get our permits. That's where we are in the process is working the with the architect, working with the contractor to really to get to that next stage of design to where you can actually hand off those prints to a general contractor to go on site and build the thing. That's a long process, that's a time-intensive process. That's what we've been doing the last several months and after tonight what we'll do for the next several months and then there's also—this is not what you asked, but also kind of the financing component of it as well that's parallel path with that. Kevin, you can add anything else to that.

Mr. Wempe said good question. I allowed an opportunity another note or two to sort of frame the discussion for purposes of your upcoming commission meeting and what'll be asked then and I think it'll also address a comment or two from the public we've seen and I, but again, this is aimed towards your October 26th commission meeting. There are attendant state law notice and public hearing provisions that go along with considering this type of request.

Number one is the preparation of a cost benefit analysis. I know that those are in your packet tonight performed by Municipal Consulting, who's the usual third party to prepare those studies. For what it's worth, every jurisdiction cost-benefit or benefit cost in this came back positively over the 1.3 ratio that I think is sort of the benchmark on those types of things.

Before your October 26th meeting there will be notification provided to the school district, as well as the publication in the paper about the public hearing to be held on the 26th, and you hold the public hearing on the 26th and at that point be asked to consider the resolution of intent which would also authorize execution of the PILOT agreement. **Commissioner Davis** said that's very helpful. Thank you, because again, it's just been so long and I saw this—I didn't know what happened with the project, so that's very helpful just from a context point of view. Have we made the cost-benefit analysis available to the public for review? I know it's not in the agenda packet, but if not, that would be my request that we make this analysis public so that folks can look at this as well. I'm just trying to address the comment that was made there just so folks know what we're all looking at the same thing. That's a big concern of mine. 50% tax abatement is about $1.95M over the life of this in property taxes, over $400,000 in BPU PILOT payments. I see this as something that while doesn't necessarily address the housing crisis here, it also does address the issue of having an abandoned building that isn't really doing anything. I think for us and the work that we're trying to do is to find that happy medium between both developing our community because if we don't develop it, we don't have the revenue while also not leaving our residents behind, that is not an easy task at all. The numbers for this will go into the General Fund and when that budgeting process comes, we'll have to consider what priorities we want to fund. Gentlemen, thank you. This has been very educational.

Chairman Burroughs said, Madam Clerk, does anyone other than commissioner's have questions. **Ms. Sparks** said no hands are raised. **Chairman Burroughs** said I thought I saw one other person wanting to speak. Please clarify whether this is in opposition or support of the project.

Shirley Carter Ikerd, 804 S. 89th St., KCK, 66111, said I'm just kind of getting tired. I'm not easy to get tired. Every time we have a meeting when someone wants to build the big housing and stuff, I see no black people in the group wanting to get this done. I can't understand why we always have all of these white men telling us what we want to do or what they want to do that we don't want them to do. I don't think that we're giving the community a fair place to make recommendations because we need a lot of housing in Wyandotte County. We need a lot of housing for the homeless and we need a lot of housing for poor people before they get homeless. I'm very concerned about this. Every little corner of property we have to put up some very expensive apartments or something. People are still sleeping on the street and right down the street on 7th & Minnesota we have congestion down there every day because people have nowhere to go. This summer I took about 200 bottles of water down there when it was hot. There's nowhere for poor people and homeless people here to go. We need to be thinking about this when we get millions of dollars for someone to come in to do a project that's probably going to be too high for a lot of our citizens to live in. All of the projects going on out at the Legends, they are building tons of them. I see them every day. I go by them a couple of three times a day to see, they have not got any black people out there working. **Ms. Sparks** said one minute remaining. **Ms. Ikerd** said that is very disgusting to me and somebody needs to explain out of this group why there are no black men into your little cocoon that you're proposing to get our taxpayers, our tax money to build, that's what we're loaning you.

Jake Hudson, 4448 Francis, President of the Spring Valley Neighborhood Association, which is the neighborhood that this building is being proposed in. I would like for the commissioners to consider adding a condition to the issuance of these bonds that money go directly into the Spring Valley neighborhood, mostly in the means of pedestrian improvements along 46th Street clear to State Line and that any community building within site of these apartments would be available for the Spring Valley Neighborhood Association to use for meetings at no cost in perpetuity.

Chairman Burroughs asked, staff, did you get those requests? Counsel, you all got those comments and requests. **Mr. Wempe** said, yes, requests received. I don't have anything in the way of an immediate response, but I heard something about in perpetuity or negotiating for certain things, but when we talk about development incentives some are for a term of certain years and

IRB and tax abatement. Kansas is 10 years which in some cases is good, it's a shorter investment, but also our contracts usually last that long, so whenever I hear something about in perpetuity while the incentive is running that's sort of the limiting period by which we can negotiate for performance covenants and those types of things typically. **Chairman Burroughs** said I know we're not here to negotiate the contract. We're here to approve the IRBs and I want to make sure we keep our focus as to what we're doing and not get into a public discussion because I believe that'll happen at the full commission meeting when the entire public has a chance to raise its concerns.

Commissioner Davis said I will say, I do not think what the neighborhood is asking for is outrageous. Is it possible and maybe we don't have this discussion now, but for you all to think about those requests. I understand for some of these items, these are things that we, at the UG, can just say we will allocate, but I think as far as a partnership between the owners of the building and the neighborhood, it's not impossible. I don't know where that lives, but I would ask for you all to really dig deep and see what more can be done. If that is, you said I know the comment was made in perpetuity, if that's not perpetuity then maybe it is the life of the development agreement. That's 10 years where they're able to use that building space as available and be able to build up what they're trying to do within that community. They're residents there. They're going to be your neighbors there and I would like for us to come up with some sort of way of trying to at least meet one or two of those demands, if possible.

Mr. Johnson said I think information that might be good just since we're talking about it here. Just a couple of points that I think would be good to consider to those points. I think we've proven throughout this year that we have been very responsive and open to considering the neighborhood's feedback and working with the neighborhood and I certainly dispute the fact that the majority of the neighborhood is against it. I don't think we experienced that at the land use hearings, but regardless with regard to the sidewalks we've already committed to building those sidewalks along 46th along our property. We cannot commit any other properties that aren't our own to build sidewalks to State Line. I think that was the request and as you said, Commissioner, if that's something that the UG wanted to do as part of the PILOT money that's coming in, we would be all for that whatever we could do to facilitate that and coordinate that, but that is not within our power to build sidewalks to State Line with regard to the community. We don't have a community facility inside of our building, so I think we'd talk through that request, but we just don't have that space. I'm not sure how that request lands with our building, it really doesn't. It's not that we don't want to consider it, I just don't want it to pass and say yes, we'll go back and work on it when it's really not factually possible to address those exact concerns.

Chairman Burroughs asked if there were any other comments or questions.

Commissioner Townsend said this resolution is a request where the issuance of the bonds was $52.9M. What would be, if any, the downside to the UG for going forward with this? I see this is not an obligation to the UG, but could you speak to that a little bit more, Counselor? **Mr. Wempe** said sure, Commissioner, like most incentive requests, IRBs and tax abatement are at the governing body's discretion. I know we talk a lot about varying abatement levels and percentages and so forth, under state law you have the power to grant a full abatement or all or a portion of that. It allows for a lot of flexibility for finding the right bit, if you will, as to what you know the developer thinks makes a viable project given costs and their expenses.

Also, what makes a good, you know, policy decision from the UG standpoint? I say all that to say and this is at your discretion. If there is no appetite to consider a property tax abatement at this site, then it is within the UG's power to do that and, of course, the downside would be the developer wouldn't proceed with the project knowing it would have to pay full taxes and have to pay sales tax on the project and the project just wouldn't materialize. **Commissioner Townsend** said okay. The heart of my request really, I guess, assuming we do pass this what, if any exposure does the UG have for them? **Mr. Wempe** said thanks for highlighting that point. Industrial Revenue Bonds are not publicly offered again. They're purchased by the developer. The UG's full faith and credit is not pledged and is, in fact, prohibited from being pledged under state law, their repayable solely by the developer. I think that the point of your question is there's no credit exposure and no risk of repayment and a default.

Chairman Burroughs said if I remember correctly even if the start date is 2025, you're still paying property tax of just under $22,000 gentlemen, I stand corrected. In reference to the property and the IRBs are only allowed by the state government as to what purposes those dollars can be extended on. Any additional costs that aren't covered under the IRB for the tax-exempt status has to be paid in full by promissory or however you want to put it, if I remember correctly. **Mr. Johnson** said yeah, this is certainly a question Kevin can answer, but the IRBs are not public funding so much the UG funding our costs. That $52M number is sized to the costs of the project that need to be run through the transaction to effectuate the abatement. It's simply a tool to lead to the abatement and the sales tax exemption. It is not the UG issuing its debt to fund our costs. I believe the answer to your question, Commissioner, is yes, but I think it's yes in any course, that all of those dollars are coming from the developer. Regardless, the developer is paying for all those project costs. It is just merely a tool, a conduit, is the word we use to get to that exemption.

Chairman Burroughs asked any other questions.

Commissioner Davis said not specific to you all, but just to staff and a request. Chairman Burroughs, if we can have an update from the Procurement Office on both the local minority and women-owned business performances for projects that have received economic development incentives, as well as the overall performance of EcoDevo projects that have received incentives that would be very beneficial just so we can see in the last two, three years what have these projects done. Have they been able to live up to the agreement that we have in place, and kind of benchmark where we're at on performance? **Chairman Burroughs** said that's a good point, Commissioner Davis. I do know, I don't recall early on that we had claw back or punitive measures in place until as of last handful of years of major projects. I think one of them we started with was Rock Island Bridge. If I can remember correctly, we started putting a punitive measure if those numbers weren't met. I would agree we should probably have some kind of report out in reference to that. We can ensure that somewhere along the line we get a report as to the compliance measures of the LBE/MBE, as well as the LMW, I believe it is. I'm hoping I'm getting all my acronyms. **Ms. Green** said absolutely, we'll work with Administration and Procurement and we'll see what we can get you.

Chairman Burroughs said if there's no other comments or questions, I'd entertain a motion.

Action: **Commissioner Townsend made a motion, seconded by Commission Davis, to approve.** Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 2 – 212759…UPDATE: UG OWNED LAND REDEVELOPMENT RFQ/RFP
Synopsis: An update on the RFQ/RFP process for the redevelopment of UG-owned land, including review of pre-qualified lists, county-wide analysis and next steps, submitted by Gunnar H. Hand, AICP, Director of Planning and Urban Design.

Gunnar Hand, Director of Planning and Urban Design, said I wanted to give a quick update today on the RFQ/RFP process for the UG-owned land that we're moving forward with. We have finished the request for qualifications RFQ process. We have pre-qualified a list of developers, which is what I handed out this information is all online as well, wycokck.org/redevelopment. We have pre-qualified three lead developers for the 4th & Minnesota site and three lead developers for the former Indian Springs Mall site. We have pre-qualified a much longer list of subcontractors for a varying degree of professions related to any redevelopment project from Economic Development,Legal, to design and laying down the asphalt. Multiple contractors have pre-qualified for that.

We received and we did not pre-qualify any lead developer for the 18th & Quindaro site. At this time, we will not be proceeding with a request for proposals for that site. We will focus our attention on the other two redevelopment sites that did prequalify a lead developer. As a part of this planning process, we have completed a countywide market analysis. That countywide market analysis has great utility for the plan KCK Comprehensive Plan, Economic Development Strategy and Housing Strategy that we are currently in process with, but it was designed as a tool for developers to use and potentially tier off of their own performas and own calculus that they do as they develop development proposals for these sites.

I would also just quickly plug that countywide market analysis would also have great utility for a whole host of other partner agencies be they school districts, Housing Authority, other UG departments, other developers. Our partner cities in Bonner Springs, Edwardsville and Lake Quivira can all use that countywide market analysis to their own utility, which is why we made it countywide, not citywide. This is the beginning of many public engagements that we will have over the next couple of months related to the RFQ/RFP process. We're here tonight to take any questions.

Quick status update. We have scheduled a meeting for Friday, October 27th from 4:30 to 6:30 at the Merc, which will be our public meeting for the 4th & Minnesota site. We have been partnering with the Downtown Shareholders. We're going to expand that to the other adjacent and abudding and all quite frankly, community members to participate in that October 27th event. The idea is to release the first request for proposal or RFP for the two sites by the end of this year. That will be the 4th & Minnesota Request for Proposal that will go out before the end of this year. We have a little due diligence and a couple more partnership meetings that we're going to have to have specific to the Indian Springs Mall site namely the KCATA at which their transit station is located on that site. We just haven't had that conversation with them quite yet. The intent of the RFP process is to gather the public input from this effort, that public meeting, and Downtown Shareholders and others to inform how we write that request for proposal. What are the community benefits that we expect out of this site and its redevelopment and then we put that into those RFPs and see how those developers respond, and score based on the response to those desired outcomes as established by ourselves and our community.

Again, we're really trying to redefine how we do community development while we have the leverage of we own the site, we own the property. We do believe that this if proves successful, the next two RFPs could unlock—now why these are easily the most developable of all the UG-owned parcels, there are still lots of UG-owned land, be it in the Land Bank or elsewhere that this could potentially set a model for the future. This could potentially become how we do future landbank groupings of properties, blocks at a time if you will, which we've talked about in previous discussions or other discussions, but it could just be a methodology by which we dispense of property that we think is or has that unique, developable opportunity like these sites do have. I will end my comments. I just wanted to give you all a quick update on where we are.

Again, you can go to wycokck.org/redevelopment and get all of this information, but as far as we understand it right now, we've gotten some pretty good media coverage. We've released those lists of lead developers and subcontractors publicly, so we are expecting contractors to be calling lead developers to be calling contractors, many of which are local businesses in and from Wyandotte County to be putting together these teams.

Chairman Burroughs asked any questions or comments from the committee.

Commissioner Davis said you may not know the answer to this and that's totally fine, but if we can get feedback and maybe not a report, but just something that clarifies what percentage of local minority and business-owned contractors are listed in the subcontractors. I think that it would be really cool just for the community to see who these teams will be made up of and to see local talent, to see women-owned and minority-owned businesses, minority women talent represented in these teams on the onset of this.

Chairman Burroughs said I'm going to play on that because I think that's extremely important. In this list that you gave us, is there a way to put an asterisk or an LBE or Alpha behind it to determine when we look at these what businesses are so that when we look at them, we can say that direct a business operator to a project, we know that's the business operator that meets some of the criteria LMB, LMW, whatever it may be, is there a way to do that? **Mr. Hand** said yes, those lists were generated by purchasing so we can just add a few columns to make sure that there's an address in what, of any, of the many duties that they may constitute.

Chairman Burroughs said great, thank you. The report is pretty thorough. I can't say I read every bit of it, but I did jump around to those items that were of interest to me while I went through preparing for tonight's meeting, but it's pretty thorough, some of it's very sober too. I do appreciate the opportunity to have this presentation this evening. **Mr. Hand** said while the countywide market analysis could be its own presentation and its own special session, what I will say as it's germane to some of the conversation tonight it does have projections for housing demand over the next decade and while every EcoDevo consultant does a market analysis a different way, it's basically a black box proprietary information input in, input out, we made specifically to this countywide market analysis as it relates to housing and the feedback we had been hearing through this process to specifically target different income brackets to define the demand in those income brackets unique to our community.

Again, not every market analysis does this best as practice. We broke it into I believe eight different subgroups to better understand geographically where some of this demand is occurring in our community because it's not equal across the entire county. It was important to make those differentiations. When it comes to housing, housing is in demand in every segment of our demographics, but in most demand in that missing middle, and for us, the missing middle in Wyandotte County is a different type of missing middle than this region. I say that because when you look at what low-income tax credits mean in our region, that 80% AMI is basically the missing middle when you're looking at Wyandotte County and that is the area of greatest need of housing. I mean we need housing everywhere, but what we're seeing happening is people from high incomes don't have a large supply of things they want or could afford in Wyandotte County, and they go down the demographics to grab housing out of others because they can pay for it. It exacerbates the quality for affordable housing in the middle and at the extremes. So, building luxury housing whether you believe in inclusionary housing or not, is not the point here. It's without building that housing as well those people move down the economic ladder to grab housing away from people who can afford it because that's where the supply is.

Chairman Burroughs said some of this information is pretty sobering and it gives us something to at least discuss and talk about. I do know that we have partners throughout the community interested in this issue of housing and homelessness and a number of other issues, food deserts, the lack of quality infrastructure investment, and the equity throughout our community. I would encourage everyone to read through this report and have those conversations, some of them can be tough, but they're necessary that we have them if we're going to move forward. Any other comments?

Commissioner Townsend said your last comments were very interesting and sobering. It almost sounds like the last issue that we dealt with, the Rainbow Apartments, the Woodside Apartments, they were characterized as upscale so based on your last comment that would lead me to believe that some of the people who are at the upper echelon looking for housing seems like presence of these apartments may fill that gap or I'm misinterpreting. **Mr. Hand** said I think that would be correct. Again, I wasn't specifically trying to direct my comments directly at Woodside, but I think it speaks to it's not as simple as we would like it to be. There are a lot of moving parts in the housing conversation in our community. **Commissioner Townsend** said I did read this not everyone, but definitely that pertains to the downtown District One, but it was hopeful. It did identify what our need was and how to go on from here. Let's go to the pre-qualified list. I'm so happy that particular areas, and particular sites were marketed. It's unfortunate that 18th &

Quindaro had no bidders, but we'll keep on trying. Was there any feedback that you got or anything you could share with us as to why nothing came from there? Now that we have pre-qualified lead developers for the other site, the Indian Springs and the 4th & Minnesota site, simply where do we go from there? We have qualified developers. Where do we go from there as to what is to be built on those sites.

Mr. Hand said as it relates to the 18th & Quindaro site, there's two things I would say. It's at a different scale than the other two projects so it's a smaller scale project. The risk for reward may be less than a large-scale project that either of those two sites really demands by their site location and zoning and land use.

That 18th & Quindaro site would have required a significant amount of land assemblage and the other two did not. If you don't have to do land assemblage, you can pretty much just avoid it. **Commissioner Townsend** said when you say land assemblage what are you talking about? I saw, but not contiguous all—**Mr. Hand** said the 18th & Quindaro site included multiple Land Bank parcels, and multiple UG-owned parcels. Again, the 4th & Minnesota and the Indian Springs Mall are not Land Bank parcels, they're owned by the UG right now so they don't have to go through the Land Bank process, but there were also private property both built and unbuilt properties in that general vicinity so it would have either required imminent domain from the city, or somebody buying up all those existing homes and/or vacant properties from many other private entities to assemble the land needed to even build a grocery store at 18th & Quindaro. I think land assemblage is probably the biggest reason why I think people stayed away from that specific site as it relates to sort of next steps. If we have this community engagement phase where we have a better understanding of the outcomes and community benefits, our community wants from these developments they could be anything from like urban design, reintroducing 4th Street to Minnesota as an example. At the 4th & Minnesota site connecting the Minnesota Avenue sidewalk down through the site and down into the Riverfront Heritage Trail. These are all sort of connectivity urban design standards. There could be something in there about mixed-income or type of affordability or number of jobs created. There's a whole host of benefits that we have to kind of work through to determine what that is. Then those three lead developers have the option to respond to that RFP and you know it's going to be a situation where the best proposal wins and the best proposal will be defined by the evaluation criteria developed through that public input process. We have an RFP, we selected a developer that has the best thing, they go through the entitlement process. They will probably have some level of development agreement process. Basically, after RFP some agreement between that developer and the UG is formalized and they begin, kind of like an option, if you will in Land Bank. They begin the entitlement and development agreement, if need be, for those sites just like any other project. The benefit here is they get the land for free.

Commissioner Townsend said these developers that have been pre-qualified have not come yet with particular projects in mind, that was not it. **Mr. Hand** said correct. **Commissioner Townsend** said they were pre-qualified on the basis of what? **Mr. Hand** said pre-qualified that they can build a project of similar size scale and complexity as those two sites. They demonstrated that they—now some of them put forward some ideas which is fine, but that's not part of the qualification process. It was part of the narrative and background context from them, what they'd like to see. It may turn into what their RFP is, but they were only asked to demonstrate can you do what you say you can do. **Commissioner Townsend** said they were chosen based on what their financial stability, the number of employees they have that makes them qualified to address these sites. **Mr. Hand** said essentially, do they have experience and expertise in the history of doing similar type projects, yes.

Commissioner Townsend said you mentioned earlier a meeting at the Merc. Could you just identify again, when that will be and again, its purpose. **Mr. Hand** said sure. Again, this is all on wycokck.org/redevelopment. The purpose of our next community engagement, which is on October 27th, Friday, 4:30 to 6:30 at the Merc Community Room right there at 5th & Minnesota. It is to host a public meeting specifically about the 4th & Minnesota site to figure out what the public wants from that development.

Chairman Burroughs said I do want to be respectful of Mr. Hand's time. He did say he had a meeting 12 minutes ago that he had to get to so if there's any other questions and Commissioner Davis if you want to ask your question Mr. Hand's willing to stick around.

Commissioner Davis said the timeline when could folks expect some kind of next phase for this and for that developer to be chosen. **Mr. Hand** said we hope to release the request for proposals for the 4th & Minnesota site before the end of this calendar year. I'm a big believer that no engagement should happen between Thanksgiving and New Year's. If we are to release it sometime in that period, we will add an extra-long response time that responses will be due probably sometime in the beginning of 2024.

Commissioner Davis said awesome. I know that there's public engagement for 4th & Minnesota, there's also public engagement for Indian Springs at the neighborhood summit, could you talk a little bit about that? **Mr. Hand** said yes. The day after the meeting, specific to the 4th & Minnesota, we will have another public engagement opportunity at the neighborhood summit that Saturday, October 28th, from 9:00 to 3:00 p.m. at Gloria Willis Elementary School. That will be more general about the RFQ/RFP process and then we have one more public meeting scoped specific to the Indian Springs Mall site. That could happen by the end of this calendar year, but my best bet is we're going to get through this first RFP and continue to do the background information work with the KCTA I mentioned earlier at Indian Springs and probably come out in early 2024 with a public meeting at Indian Springs. **Commissioner Davis** said awesome. I did a town hall in public, spring last year, so I'd love to partner on that.

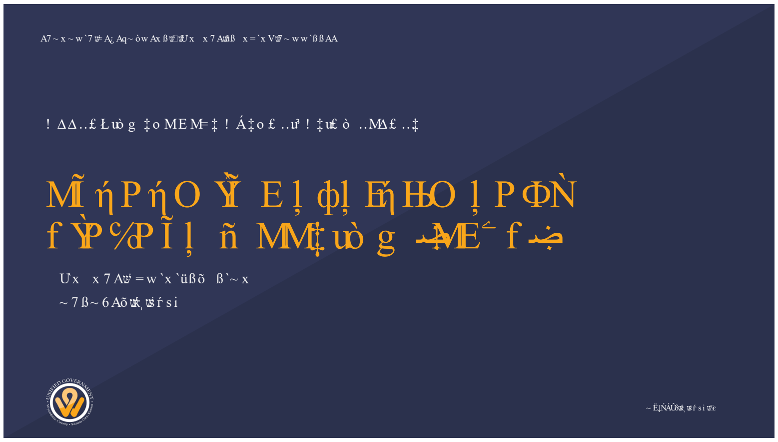
Chairman Burroughs asked, Madam Clerk, if there were any hands raised online. **Ms. Sparks** said no hands were raised.

Chairman Burroughs asked is there anyone in the audience that would care to speak to this issue. No one appeared. As I stated, this was for information only. Mr. Hand, thank you for your graciousness and staying for the questions that was asked by the committee. I do hope that you're still timely enough to do your next presentation. **Mr. Hand** said thank you for your time.

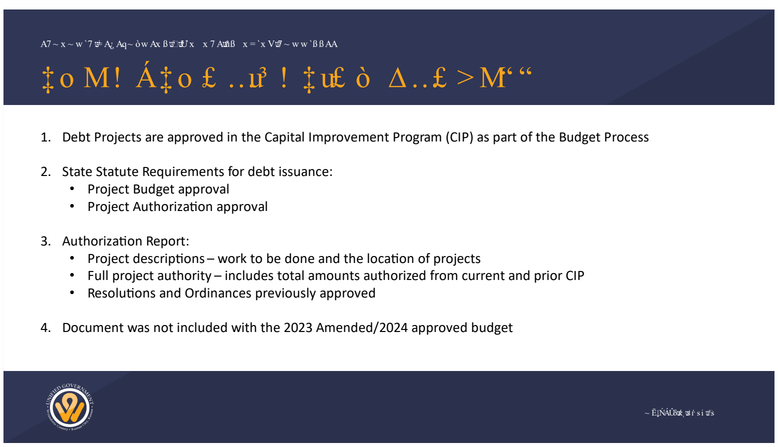
Action: Information only.

Item No. 3 - 212769…RESOLUTION/ORDINANCE: DEBT PROJECT AUTHORIZATIONS

Synopsis: A resolution and Ordinance authorizing 2024 debt projects submitted by Debbie Jonscher, Interim Chief Financial Officer.



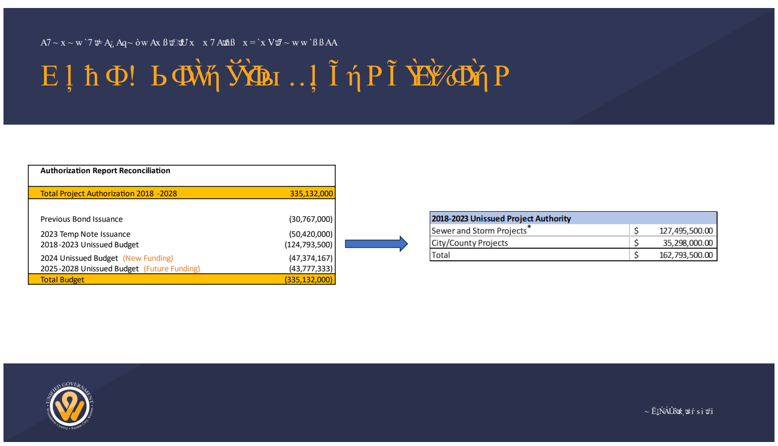
Debbie Jonscher, Interim Chief Financial Officer, said I do have a short presentation regarding the project authorizations. We are requesting approval of a resolution/ordinance authorizing various public improvements and the issuance of financing to fund those improvements. I just want to recognize some of the people that are here with me in case there's any questions. I have Elyse Villareal, she is our Debt Coordinator in the Finance Office. I also have from Public Works, Trenton Fogleson and Brandon Grover.



I wanted to kind of go over the authorization process. Kind of how we get to this point. First off, debt projects are approved in the Capital Improvement Program as part of the budget process. For the last several years this packet that you received that has all the authorizations and all the listing of all the projects has been included in the budget document. However, this year just due to staffing capacity we just were not able to complete—get these ready for the document this year. As we noted, going through the budget approvals that this item would come back at a later time, so we're bringing that forward. I did just also want to note the state statute requirements for debt issuance does require two approvals. One is the project budget approval which the Unified Government

Commission approves all the projects that have been identified for debt issuance. Those are included in our Capital Improvement Program as well as the project authorization approval which is required and that states the information related to each one of the projects and what the work is to be done.

Within the authorization report, you're going to find the project description which basically shows the work that is going to be done and the location of the projects. The full project authority which includes amounts authorized in the current CMIP could also be prior year CMIP issuances and then also the resolutions and ordinances that have it list the items that been previously approved by the Commission. As I stated, this document was not included in this year's budget so we're bringing it forward now. The intent would be that next year with being hopefully staffed, we can provide that document within the budget document like it should have been.

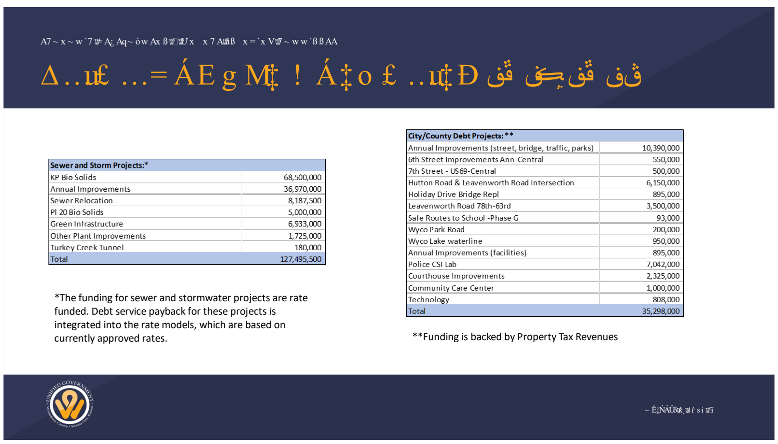


I'm just going to talk about the Debt Authority Reconciliation. If you go through this packet, it has a lot of large numbers for some of the projects. I just wanted to go through that and kind of explain what is included in there. If you were to add up all of the projects that are in your packet, you have a total authorization of $335.1M in authority. That includes projects from looking back to 2018 and going forward to 2028. I've kind of detailed on here how we reconcile to that number. As I get to the one that says 2018 to 2023, I did notice that after we sent this that there was a mistake in that number. I'll talk about that when I get there.

What's included is any authorized amounts that have been previously bonded through a bond issuance including 2023 total $30.7M. The 2023 temp note issuance includes $50.4M and then we've got the 2018 to 2023 unissued budget. I'm going to go into a little bit more detail in that number, but that number shows $124.7M, that should actually be $162.7M. What you're seeing over here on the second table—I must have had a typo in there when I was finishing getting this updated.

What also is included in there is the 2024 Budget Authority which are either new projects or new funding for 2024. The reason those are not issued yet is because we haven't done the 2024 bond issuance. Then, also, we have funding amounts in the CIP for 2025 through 2028 of about $43.7M. Those also haven't been issued because of their future fundings, so we'll bring those back at a future date, but that reconciles with the corrected number that reconciles to the 335.1M.

The second table I've broken out the unissued amounts so we have Sewer and Storm Projects totaling the $127.5M and then City and County Projects totaling $35.2M and together those total the $162.7M.



Sewer and Storm Projects:*	
KP Bio Solids	68,500,000
Annual Improvements	36,970,000
Sewer Relocation	8,187,500
Pl 20 Bio Solids	5,000,000
Green Infrastructure	6,933,000
Other Plant Improvements	1,725,000
Turkey Creek Tunnel	180,000
Total	127,495,500

*The funding for sewer and stormwater projects are rate funded. Debt service payback for these projects is integrated into the rate models, which are based on currently approved rates.

City/County Debt Projects:**	
Annual Improvements (street, bridge, traffic, parks)	10,390,000
6th Street Improvements Ann-Central	550,000
7th Street - US69-Central	500,000
Hutton Road & Leavenworth Road Intersection	6,150,000
Holiday Drive Bridge Repl	895,000
Leavenworth Road 78th-63rd	3,500,000
Safe Routes to School -Phase G	93,000
Wyco Park Road	200,000
Wyco Lake waterline	950,000
Annual Improvements (facilities)	895,000
Police CSI Lab	7,042,000
Courthouse Improvements	2,325,000
Community Care Center	1,000,000
Technology	808,000
Total	35,298,000

**Funding is backed by Property Tax Revenues

The next slide I have some additional details on those projects. We'll start on the left side there with the Sewer and Storm Projects and I did just want to note that the funding for Sewer and Storm Water Projects are rate funded so the debt is paid back through the rates that are collected for sewer are for sewer and storm charges.

I've listed out some of the bigger projects that are listed here. As you can see, the Kaw Point Biosolids is what makes up the largest and over half of the amount that we have there at $68.5M. Last year that project was put on hold, but I believe it is now moving forward, but it had $68.5M in authority from prior years. The total project is $80M that's been approved. We have about $12M out that's been issued so far so that is the remaining amount that has not been issued. We also have multiple annual projects of about $36.9M and then I've listed out some of the other large projects that make up that $127.4M. This is project authority that was approved by the

Commission, but we have not funded it. We have not issued debt on through the debt financing process.

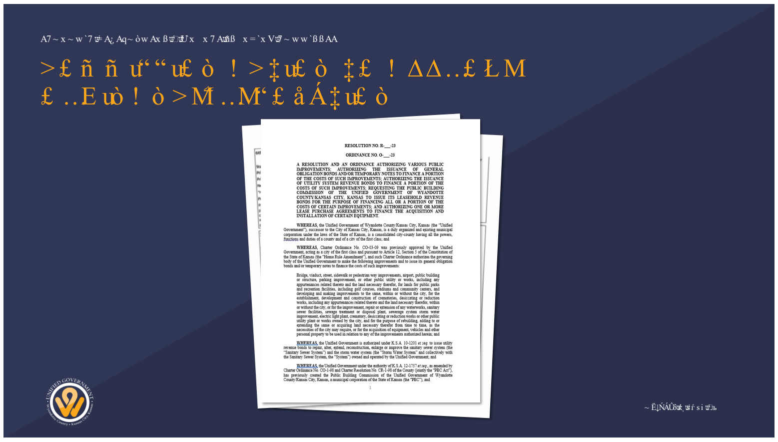
Now, the table on the right are the City and County Debt Projects. These projects are funded with property tax revenues. I've done the same thing here. I've listed out some of the projects that have additional authority. We have not issued any debt for these amounts, and it includes—the largest amount here is $10.3M which is for annual projects for streets, bridges, traffic, and parks.

I think I forgot to mention on the previous slide when we do the budget authority for projects if it's an annual project, we only authorize that year. We keep each issue for annual projects separate, but if you have a project that is a multi-year project, then we would issue the authority for the entire project. If it expands three or four years, we would include the entire authority in our authorization and then we update it each year in case there are any changes to the document.

The next slide just kind of shows that calendar of where we're at today. We're presenting the project authorizations and we're asking for approval to move that on to the full commission on October 26th.

In December, we would bring back the sale resolution. That's something that we do each year once we've gone through and we determined what authority we have on potential projects that could be included in the 2024 bond issue.

In the document here we're listing all the authority, but usually between now and then we will go through and figure out how much we think we're going to issue or how much we think we need for the next year and then put that in the sale resolution. Then we would have the sale of bonds and notes in February 2024 and the closing on those bonds and notes in March 2024 because then the current temp note that's outstanding matures April 1 of 2024. We would close on the new temp notes and then pay off the old temp notes.



What we are asking tonight is approval for the ordinance and resolution to authorize the projects for debt issuance. That's my presentation if there's any questions.

Chairman Burroughs asked if any questions, committee?

Commissioner Davis said I see in here one of the listed projects, it says Community Care Center. I know we had talked about that during the budget. Has there been any updates on kind of what that project will be and then just the reasoning as to why we would issue debt for it right now? **Ms. Jonscher** said I don't have any updates. I don't know if anyone here has updates on that project, but it's not—because it's in here for the authority does not mean that we will automatically issue debt for it. This just gives us the authority to issue debt, if we choose to. This is one of the requirements to get this approval done before we can proceed with issuing debt. **Commissioner Davis** said I mean it's a $1M, reissuing debt, paying interest on it. I just would like to know kind of a little bit more, everything else here looks familiar and things that I've seen.

The other thing I'll ask, are any of these ARPA-funded projects that just have yet to be executed on? **Ms. Jonscher** said I don't know—all of the amounts that are issued here would not be the ARPA. If they were funded with any part of ARPA, this would not be the funding for ARPA. This is for the actual debt issuance, but I don't know that any of these are part of the

ARPA funding. **Commission Davis** said now that makes sense given that was cash. I wasn't sure if we were using that to issue debt.

Chairman Burroughs said that's a good question. I do have a couple of questions. The rate on temp notes—are the temp notes done every year? **Ms. Jonscher** said we issue temp notes for one year and so yeah, the maturity—we pay those off, and then if we have projects that we want to renew for another year, we'll roll those over into the new temp note. **Chairman Burroughs** said I want to get back to the comment and question that Commissioner Davis requested. I know there's been projects that were requested four or five years ago and they're in there to be bonded, but they're still out there and no action has been taken on them. I just kind of wonder why we continue to have that in our bonded indebtedness if we're not going to move forward with the project. If it's to pacify an elected official or somebody, then we need to be mindful that if we're issuing debt and that's out there, it's included in our debt discussion, and it can give a false impression of how much debt we're really carrying or how much debt we may be carrying. I wanted to comment on Commissioner Davis's request about how many of this, how many of these may have ARPA funds because if ARPA funds came into the General Fund and General Fund supplanted to be bonded money, and then we're bonding ARPA funds later because we wanted to get on the project with ARPA funds, I think there's a nexus there. Anything that we can do to reduce today's rate compared to even two years ago is higher borrowing costs and credit rating compared to where we are in reference to Moody's and Standard and Poor's. I don't want to ramble Debbie, but this is kind of what many of us have talked about even through the budget process to ensure that if we're going to issue debt and it sits out here for five years and we keep issuing temporary notes on it and you say if we're not issuing temporary notes that's one thing, but it's still showing up as a debt item approval, right?

Ms. Jonscher said right. We've actually had some discussions with County Administrator Johnston about taking a look at some of these projects that have authority several years back. Should we be carrying—because usually we'll come to you with the authority and once we get the authority—now if the project budget goes down, we don't come back and say we're reducing the authority. If we have a project that's not moving forward, those are some things we want to take a look at. I will note that there are probably some projects out there that maybe started or were projected to start in 2018, 2019, and 2020, and then we had the pandemic and some projects were delayed, so that's probably part of the reason. We really want to look at the annual projects because the annual projects should be—you issue them for one year, if they don't get spent, they go away and then you go on to the next year's annual project. That's one of the things that we are going to be taking a look at is going back through and finding out if we got the authority two years ago and didn't spend it, we need to put it back in the budget in the future year so that it can be reviewed again versus just carrying the authority forward.

Chairman Burroughs said that comes at a higher cost when we have to re-authorize it or reissue the bonds for or should we have to issue the bonds because we haven't before. One of those projects if I remember maybe there's two. I'm going to talk about the waterline around Wyandotte County Lake and recently during the budget we discussed a wall that had collapsed around Wyandotte County Lake that we were talking about getting done. I didn't see that in a report, but it may be, and I just missed it, but that waterline at Wyandotte County Lake why wouldn't we have gotten on that and get it all done at one time when the rates were lower instead of breaking it out over four years and doing it a quarter at a time. Those are the kind—that's not an efficient way to do business and it's the same with the paving of Wyandotte County Lake. If we're going to repave the roads, why don't we repave a large section instead of a small section? Then come back and do another section and every time we do that the cost goes up because we have to borrow money at a higher rate. I'm just trying to find some ways to be a little more efficient, a little more effective with taxpayer dollars. **Ms. Jonscher** said I'm going to ask Public Works if they have any information on that as to why we spread that out.

Brandon Grover, Public Works, said I can speak to the waterline project itself. The reason that was phased over many years was because the prior Administration recommended we go with the route in order to forego a large dollar amount hitting us all at once.

Also, doing a large project like that in a confined area like the park would severely limit traffic capabilities so it was also broken into phases to help keep the park open and functioning as best possible. Doing this waterline, we do have to shut down some shelters at times in order to make their connections, so we didn't feel it was a good idea to shut off the entire water supply to the park losing revenue from shelter rentals and things like that, so it was spread out. It was slated to be completed in 2023, however; we put out two project bids and they came in well over budget because of material uncertainty. We pulled those bids and then recombined them into projects four and five, which bid out in June or July of this year and started construction last week.

Chairman Burroughs said I think it's important public know that if we're going to reissue bonds at a higher cost some of the reasoning behind that. I know that we went through COVID at that particular time and parks were important, but I don't know how many people would have gathered at the parks during that particular time. I know the materials were harder to get, but that's just a couple of the issues that we are concerned with. I know we have a lot of infrastructure needs in this community and our borrowing costs are going to become even more expensive. I think it's important for us, as Commissioner, to work with you all to determine what our real bonded indebtedness truly is. Is it the cash value that we presently borrow or is it the projected projects that are out there that are all inclusive so that we're not sending a mixed signal that we are borrowing far more than we can afford to pay at this time and those dollars aren't being used efficiently. So I'm just trying, as a member of this Commission, with the conversations that I've been privileged to have with my colleagues to try to get our hands around our bonded indebtedness.

Ms. Jonscher said I will just note, Commissioner, we look at that. We look at what projects we put in the budget. I know we've kind of had a limit on how much we do under the city debt portion kind of in line with what our mill levy was, but we are going to be looking at that—but you know that's something that we review every year we do look at, you know, how much is being issued and some of these projects we have not actually issued the debt on, that's part of our review. Elyse spends a lot of time going through them. Once this gets approved, we'll start working with the departments to say you have a $4M project, are you going to spend all of that $4M or are you only going to spend a million of it next year? Then we only issue what we believe they are going to spend because we don't want to issue the whole amount and have it just sitting there. We'll issue it over several years and then once we spend the money that we've issued in a temp note, we will bond that portion so that we don't keep rolling over money into a temp note that we've already spent. Those are things that we look at and we have reduced the amounts that we've been issuing. Some of the projects you know, in some years we bond more than we do others and that's just kind of when those projects are complete. Some projects take longer, and some projects finish very quickly. We're quick to make sure that if we spend the funding, we get it bonded so that we don't keep paying additional interest costs and issuance costs to roll those over.

Chairman Burroughs said I understand that. I think it's important to be mindful that inflation happens, but with a project of $4M four years ago and we're still issuing temps notes, and it's not finished, that project now is going to be closer to probably $6M and that's not a good use of taxpayer dollars and that's the difference. **Ms. Jonscher** said there is a limit on the amount of time that you can have a temp note, which is four years. I think most of our projects usually roll over to a bond within two to three years. Some smaller projects may roll over within a year, but most of them are within the two to three-year mark. We have some that go to four, but there's usually a reason why it's stretched out that long, maybe there's a delay on the project. We are kind of watching that because I do know that between the 2022 issuance and the 2023 interest rates did jump significantly. I think this financing in 2022 was one of the final lowest amounts that we received. It did start going up, so we are watching that. **Chairman Burroughs** said no further questions.

Commissioner Davis said that's very helpful. Ms. Jonscher, could you just clarify so we vote on this, send it to full commission, give staff authority? I'm having a hard time bridging between that kind of waiting period where the authority has been given to issue the bonds, but the Administrator has the discretion, and staff has the discretion on whether or not to issue them to that full extent or issue them at all. Can you help just provide some clarity on that middle? **Ms. Jonscher** said any new funding that we would be giving authority on would not be issued until next year. We're asking that any new authority that wasn't included previously if there was anything, any project that was ongoing, increased in cost that could increase the authority or it would be 2024 projects or beyond that could have funding that would be included. We're not doing that issuance until February of next year, but we want to get the project authorizations done now because that step is required before we can actually start working to put together the bond and temporary note issue. **Commissioner Davis** said what we have is a maximum amount by which that particular project, we can always find other ways to save money for the taxpayer and return that back. **Ms. Jonscher** said this is the maximum so if we issued a project and gave it an authority, you approved the authority for $1M, we could not issue more than $1M in debt for that project. That's something that you know our numbers are reviewed by the Bond Counsel. Kevin Wempe who was here earlier, he does the review on our project authorizations to make sure that we have all the information included that's required for debt issuance, as well as when we go to issue and we set the schedules, they are going back and looking at when was that approval done. What was the amount of the approval to ensure that we're not exceeding that authority? We will also bring back the sale resolution is the final step before issuance that we do and that will narrow down what we intend to issue within the next year. It won't be this full amount because some of this authority is for future years beyond 2024, where we would only be bringing a sale resolution to what we intend to issue in 2024.

Commissioner Davis said the last thing I'll say and kind of feel like I keep making a lot of requests of staff today, but if you all will indulge me, Chair, if we can have either and it doesn't—not annual, maybe biannual, maybe every two years updates on that, for lack of a better word, those projects that are in the waiting. Projects that we have approved as a Commission, but the Administrator has not given the green light for us to issue those notes. That would be very helpful for us to get better handling as Chairman Burroughs had alluded too of where our finances are at. I know you all are working very hard and we actually reduced some of our debt within this budget that we adopted. I want to commend you all for that, but just a report of some sort would be very helpful. **Ms. Jonscher** said we can provide that, and I believe also when we come back when we do the actual sale, I think we also do a reconciliation then for here's what we showed you in the sale resolution and if we reduce it even. Once you approve the sale resolution, you can never issue more than what you put in the sale resolution, but you can always go down and many times we reduce it even further and we provide that reconciliation the night of the sale. We'll make sure we do that.

Chairman Burroughs said I know that debt reduction has been much discussion with my colleagues during the budget process. It's interesting to hear the questions that are coming forward. I think it comes from education through the debt process, as well as the financial process to see them both side by side. Thank you for the presentation. I'm going to ask the Clerk is there anybody online with a hand-up or any questions. **Ms. Sparks** said no hands are raised. **Chairman Burroughs** asked anybody want to ask a question while Debbie's here. Hearing none, anybody from the audience care to speak on this issue.

LaVert Murray, Economic Development Advisor in Mayor's Office, said as it relates to the CMIP Project 6045, the Kaw Point BioSolids Digestion System for $80.5M, I thought that there had been a revision to that project that lowered the cost. I know it went up to over $100M and came back down to $80M, but I thought there was a further reduction on that project. Can anybody shed any light on that? **Trenton Foglesong, Public Works/Water Pollution Control,** said I'll attempt to share as much information as I have with you. I believe that it was budgeted for up to $80.5M in total. I think there was some speculation that said it was over $100M, but I'm not aware of any costs that actually came in over $100M. The last time we spoke to the Commission we were talking about that $100M price tag, and we were being directed to look at some alternative technologies and those folks never materialized, nothing ever came of that. We did present some potential cost savings that would affect the resultant cost or the net cost of the project such as the IRA tax credits that we valued at $26M. We do have a $2M earmark and then we just did find out Friday too, I guess I'll just share with you here too, that we've been forwarded on to the USDA grant for another $18M is what we think it's worth. I guess wrapping all that up we're I believe we still have the budget authority up to $80.5M. The project is going to cost total somewhere in the neighborhood of $100M to construct. However, with the $18M USDA, assuming that's realized, the $2M earmark and the $26M tax credits I would say the net effective cost of the project is down somewhere $60M more or less, something less than that. You know I'm being a little conservative on those numbers. I don't want to take credit for all of it because we haven't got through the details and all that. Does that answer your question, LaVert? **Mr. Murray** said okay.

Chairman Burroughs said I do believe that discussion, your accurate in that statement. I believe there was funds identified, grants that were funded and I think an outside auditor looked at that and identified those funds that were available that would lower the overall bonding costs to the city in reference to building out the project and the page that he's referring to is about four pages in from the very back of the documents. I have a circle of $80M for the Kaw Point BioSolids Digestion System. I know there's probably a number of questions in reference to this, but this isn't really what this was about. This is an opportunity for us to discuss the debt resolution to ensure that we can move forward. I know that there's going to be questions as we move forward in reference to projects. If there's no further questions I'd—Elyse you have a comment you'd like to make.

Elyse Villareal, Debt Administration, said I just thought it might be helpful to put this project as an example into how this works with our process. This process received budget authority over several different years totaling $80.5M. That budget authority gives the department the ability to go out and start spending those funds as soon as January 1 hits for that project, it goes for all projects. What we do on the debt side is we try to match their spending with our debt issuance. January 1 hits they get let's just say it's the full $80.5M for simplicity. They start encumbering the funds they bid out. They get a general contractor, whatever they do. We're not going to issue debt for that amount yet. What we're going to do is we're going to wait and we're going to say how much are you going to spend this year and within the next 12 months and that's how much will issue the debt for. That way we don't incur so much costs and then let's say that they do get grants and/or the project cost is lowered, we'll find that out through this process because we're in communication with the department about how much money are you going to need this year? There is a natural lag between it being in the budget and it receiving debt issuance.

Not only that, but I'd like to give you one more example. The way we do our debt issuance is we issue one-year temp notes first for a project while it's under construction. That's like financing something with a credit card. You don't actually realize it, like it doesn't hit your bank account, and we do this for up to four years. It's like we pay off a credit card with a credit card up to four times. When we finally pay off that credit card, with our bank account, when we bond it, that's when it starts impacting our indebtedness levels. That's when we have to start making payments on it and we make payments over 20 years usually. I think we bonded $4M on it. We've issued $8M in temporary notes. Not all of it's been spent. We can pay that down or whatever, but it's a very flexible process.

Chairman Burroughs said I just remember the discussion about BioSolids has taken this over a period of years and there was an audit done just to ensure because I believe there was contracts issued and we didn't know what we were getting or what we were doing. The project continued to grow and so those dollars were already spent. We don't know if we bonded those. We never did get a report at least, I know as Chairman, never got the report. I know the auditor had some questions too, but that's a discussion for another night. This is a resolution opportunity to advance the budgeting process. I do want to get into that because I think Biosolids, and that issue as Mr. Murray brought forward has had a lot of questions and that's just one. We just want to be fair and transparent to the taxpayers as to what their dollars are buying and how it's done. Thank you for your explanation.

Action: **Commissioner Townsend made a motion, seconded by Commissioner Davis, to approve as submitted.** Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs.

ADJOURN

Action: **Commissioner Stites made a motion, seconded by Commissioner Davis, to adjourn.** Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs.

The meeting was adjourned at 6:52 p.m.

tk