ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, March 6, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 6, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Townsend, Stites, McKiernan. Commissioner Davis and BPU Board Member Haley were absent. The following officials were also in attendance: Alley Porter, Commission Liaison/Economic Development Project Manager; Patrick Waters, Deputy Chief Counsel; Andrea Vinyard, Deputy Treasurer, Debbie Jonscher, Interim Chief Financial Officer; Reginald Lindsey, Budget Director; Mike Grimm, Research Manager; 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. Roll call was taken and all members were present as shown above.

Chairman Burroughs asked if there were any revisions to tonight's agenda.

Monica Sparks, Deputy County Clerk, stated yes, commissioner, there were two revisions to tonight's agenda. A blue sheet was originally issued adding an item for the Downtown Apartment Project and then a pink sheet was issued removing the item.

Chairman Burroughs said so we have two items that were a change in the agenda and one nullifies the other. **Ms. Sparks** said correct.

Approval of standing committee minutes from October 10, 2022. **On motion of Commissioner McKiernan, seconded by Commissioner Stites, the minutes were approved**. Roll call was taken and there were four "Ayes," Townsend, Stites, McKiernan, Burroughs.

COMMITTEE AGENDA – Added per blue sheet

Item No. 1 – 212207…BLUE SHEET: ADDING NEW ITEM NO. 1
Synopsis: Presentation of proposed options for a Downtown Apartment Project at 6th and Minnesota Av., submitted by Alley Porter, Commission Liaison/Economic Development Project Manager.

Action: Removed per pink sheet

Item No. 2 – 212299…RESOLUTION: INTENT TO ISSUE INDUSTRIAL REVENUE BONDS FOR THE BENEFIT OF INFINITY WINDOWS LLC
Synopsis: Resolution of Intent to Issue Industrial Revenue Bonds in the amount not to exceed $90,000,000 to finance the acquisition, construction, improving, and equipping of a manufacturing facility for the benefit of Infinity Windows, LLC., submitted by Patrick Waters, Deputy Chief Counsel.

Patrick Waters, Deputy Chief Counsel, said I'd like to have the developer's representative come up here so they can give a short presentation.

Gregg Fuerstenberg said I work with Jones Lang LaSalle. We are a commercial real estate company and I represent Marvin Windows on behalf of the Infinity project. Over the last nine months now we've been chatting about the project. We've got a presentation today that we'd like to walk through to introduce who is Marvin Windows and what products they produce and the partnership that they propose for the community.

Economic Development &
Finance Meeting

March 6, 2023

INFINITY
from MARVIN
REPLACEMENT WINDOWS

Table of Contents

We also have on the phone, Dan Stocker, who is the Director of Operational Strategy for Marvin Windows and Brian Johnson, who's the Senior Vice President of Operations Strategy for Marvin. Community is really important to the company and so are our relationships. They will absolutely be coming into town for future meetings. They're happy to have been in town meeting many of the folks that have worked in economic development and the community in the past, and we'll be happy to come back for future meetings. So, tonight has been a long time in the making for this Marvin project. Like I said, we've been in the community for the last nine months talking about real estate, but this project really had its start probably three years ago. Marvin makes well branded windows that you've seen in residential construction projects for the last 80 years and you'll continue to see hopefully for another 80 years. Today in the project, we're going to talk just a little bit about Marvin, we're going to talk about Infinity, which is the project we're discussing today and then some of the Marvin facilities.

About Marvin

Marvin is a fourth -generation, family -owned and lead business, headquartered in Warroad, Minnesota, with more than 7,000 employees across 16 cities throughout North America.

Marvin's product portfolio includes the Signature, Elevate, and Essential Product Collections, which offer an extensive selec tion of made-to-order window and door solutions, as well as Infinity Replacement Windows, providing homeowners with a premier line of replacement windows sold and installed by local professionals. The company's portfolio also includes TruStile Doors, the leading manufacturer of made -to-order architectural interior doors and SIW Windows & Doors, a leading manufacturer of impact -resistant windows and doors for residential and commercial construction.

Since the company's inception, Marvin has earned a reputation as an innovator and industry thought leader. Today, the company is driven by a purpose to imagine and create better ways of living.

For more information, please visit: https://www.marvin.com/our -story

INFINITY from MARVIN REPLACEMENT WINDOWS

1

Marvin is a fourth-generation, family-owned business, that is headquartered in Warroad, Minnesota. All of the communities in which they operate, you'll see that they represented those communities proudly, so employees come first, as do their customers. They've got 7000 employees across 16 cities throughout the United States. Like I said, they've got brand name products in homes throughout the world, but very, very popular here in North America.

About Marvin

At Marvin, we're driven by this purpose: to imagine and create better ways of living
As people spend more time indoors, we recognize that our work isn't just about building better windows and doors — it's about opening new possibilities for how people live, work, think and feel inside a Marvin space. Since the day we opened our doors in 1912 as a family-owned and operated cedar and lumber company, we've looked for ways to help people live better. We continue to evolve by raising the bar, building quality, beauty and simplicity into people's everyday lives.

Design for people
We design for how people live and work, imagining new ways to help them feel healthier and happier in the spaces where they live, work, and play

A natural connection
Warm sunlight, fresh air, and a connection to the natural world can instantly change the mood of a home or office. We design our products to make that connection feel seamless
— even in the most challenging of spaces.

Thoughtful details
We are committed to design that is as functional and intuitive as it is beautiful. Crafted with exceptional skill, our products deliver quality you can see, touch, and feel; beauty that brings joy, and performance that stands the test of time.

Infinity from Marvin Ranked #1 in Customer Satisfaction with Window and Patio Door Manufacturer Brands

2

At Marvin, they've got some key initiatives. They're driven by a purpose of imagining and creating better ways of living. They design their products for people. They've got a natural connection with sunlight, fresh air, connection with the natural world around us. They've got very thoughtful details. They're brand recognized and they have received a lot of rewards for their projects. One of them, in particular, is the JD Power Award for customer service for their Infinity brands.

About Marvin

Building community
We put people first — not just in how we design, but in how we build for the future.
We commit to long-lasting and trusting relationships with our employees, customers, partners, and communities, and are there for them when they need us most.

Committed to sustainability
We're used to taking the long-term view, and we recognize that a serious commitment to sustainable operations is just good business. We are committed to sustainable practices, both for the environment and for the communities in which we operate. At Marvin, sustainability goes beyond "green" business practices. This year, we were recognized with two prestigious awards related to our building: NAIOP — Presented by the Colorado Chapter of the Commercial Real Estate Association and ULI — Urban Land Institute. As we work towards more sustainable manufacturing of our products and construction of our buildings, we are also making efforts to build sustainable communities across the U.S., where Marvin products are manufactured.

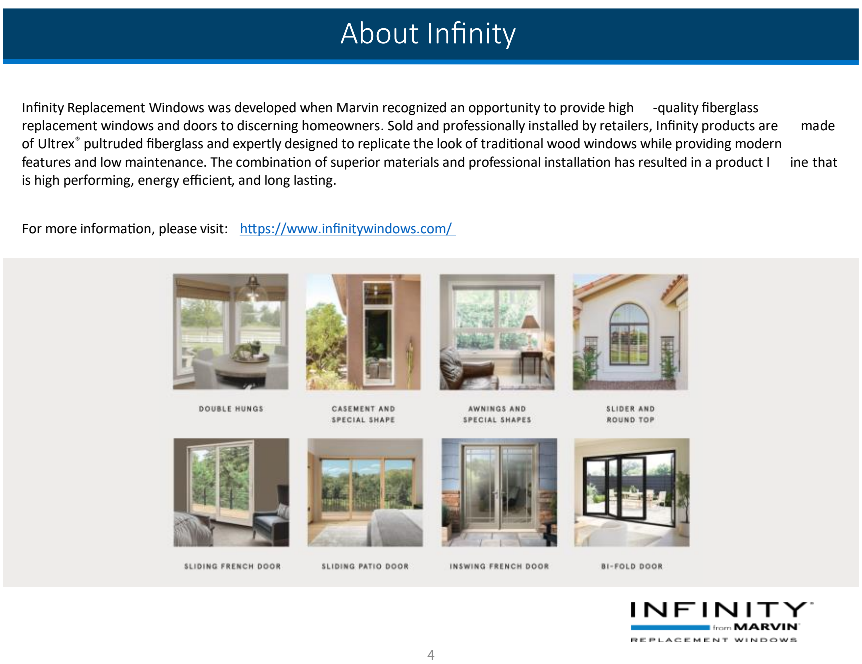
Putting communities first
Inc. Magazine, known for its annual ranking of the fastest-growing companies, named Marvin one of its 2022 Best in Business honorees. The list highlights businesses that demonstrate foresight, caring, and dedication to prioritize impact — for clients and customers, community, industry, environment, and even on society as a whole. This recognition couldn't speak more clearly to our values and guiding principles and it's an honor to be included.

"Together, we can help people live better through beautiful design and exceptional quality."

— Paul Marvin, CEO

3

Community is really important to Marvin, so in any of the communities in which they operate, you'll see the yellow rose which represents Marvin just about everywhere. Strong partnerships with community college; with the educational system. The workforce is excited to show up and work for Marvin. Marvin pours into its communities and it pours into its employees and produces an excellent project and product. They're committed to sustainability, so, sustainability in the design of their facilities as well as sustainability in the operation of their manufacturing facilities. They've received awards most recently in Colorado at one of their manufacturing facilities, the NAIOP Award from the Colorado Chapter of Commercial Real Estate Association, as well as the ULI, or Urban Land Institute. That's for the sustainability of their Colorado manufacturing facility. They put community first, so Inc. Magazine named them 2022s Best in Business.



The project itself is representing Infinity Replacement Windows. It was developed when Marvin recognized an opportunity to provide high-quality fiberglass replacement windows and doors for homeowners. Those are installed by retailers. Infiniti products are made of Ultrex pultruded fiberglass, and they're designed to replicate the look of traditional wood windows while providing modern features and low maintenance. You'll see some examples up on the screen today. You can really do a lot of creative things with their projects and their products.

About Infinity

Strength
Our Ultrex® fiberglass delivers lasting performance

- Expands 87% less than vinyl — resists expanding and contracting in any climate
- 8 times stronger than vinyl — protects the integrity of your home
- Resistant to leaks, seal failures, and stress cracks — all things that can affect energy efficiency

Style
Acclaimed design that withstands the test of time

- Ultrex's fiberglass windows and doors strength delivers narrow profiles for expanded views and more daylight
- Our proprietary acrylic finish is fade -resistant and virtually maintenance -free
- We offer a complete collection of styles, features, and options to complement any home

INFINITY from MARVIN REPLACEMENT WINDOWS

5

Two of the big staples of the product is strength and style. You'll see strength being core and style. They can do a lot of different cool things with design and are very innovative to match the new residential construction designs.

Marvin Facilities

- Warroad, MN: company headquarters and manufacturing
- Eagan, MN: marketing, sales, IT, legal, and design lab
- Ripley, TN: Marvin door manufacturing
- Fargo & West Fargo, ND: manufacturing and distribution for Elevate, Infinity, Modern, Awaken/Skylight, and Marvin Composites
- Grafton, ND: window manufacturing
- Roanoke, VA: manufacturing for Essential Collection and Marvin Composites
- Baker City, OR: wood cut stock plant
- Denver, CO: TruStile manufacturing
- Northwood, IA: TruStile manufacturing
- Delray Beach, FL: Coastline Collection manufacturing
- Mississauga, Ontario: distribution center
- Boston, MA: brand experience center
- Retail locations in: Austin, TX; Charlotte, NC; Cincinnati, OH; Cleveland, OH; Columbus, OH; Dallas, TX; Long Island, NY; Philadelphia, PA; Portland, OR; Raleigh, NC; Seattle, WA; Warroad, MN; West Palm Beach, FL
- Distribution nationally through a network of independent dealers and distributors. Exported internationally to Canada, Asia, Latin America, Europe, and the Middle East.

INFINITY from MARVIN REPLACEMENT WINDOWS

6

We've got facilities in Warroad, Eagan, Ripley Tennessee, Fargo, and West Fargo, Grafton, Roanoke, Baker City, Denver, Northwood Iowa, Delray Beach, and some in Ontario, and then they've got a Brand Experience Center in Boston, with retail locations throughout the US, and distribution nationally. Some things that you'll see in common with all these locations and why KC is a great fit with Marvin is: strong value propositions. Strong education, strong workforce, business-friendly environment. Marvin really makes a 50-year investment in all their communities. They're looking for a long-term partner in a new home. We're really excited to present the next slide, which is the investment and request for this meeting.

The Project

Investment from IRB application (approx. amount requested)

- Land $ 10M
- Buildings $ 50M
- M&E $ 27M
- Other $ 3M
- **Total** **$ 90M**

Location

- 9822 Leavenworth Rd, Kansas City, KS 66109 (Quick Ref ID #R20722, Parcel ID #243300)
- +/- 400,000 SF manufacturing facility

Employees

	2024		2025		2026		2027		Total	
	New FT Jobs	Avg Hrly Wage	New FT Jobs	Avg Hrly Wage	New FT Jobs	Avg Hrly Wage	New FT Jobs	Avg Hrly Wage	New FT Jobs	Avg Hrly Wage
Mfg. / Fab / Assembly	50	21.28	200	21.28	150	21.28	120	21.28	520	21.28
Leadership	5	60.10							5	60.10
Office	5	38.46	15	38.46	15	38.46	10	38.46	45	38.46
Part Time Employees			10	19.00	10	19.00	10	19.00	30	19.00
New Jobs & Wages	**60**	**25.95**	**225**	**22.32**	**175**	**22.62**	**140**	**22.34**	**600**	**22.78**

Employee benefits include insurance for medical, dental, vision, supplemental, disability, basic life, supplemental life, and legal; health savings account / flexible spending account; 401(k) retirement plan; PTO; well-being reimbursement; employee assistance program; mental health support; tuition reimbursement; training; and more.

INFINITY from MARVIN REPLACEMENT WINDOWS

7

They're requesting an up to $90 million IRB bond issuance. That includes land, buildings, machinery and equipment, and other fees related to the project. The site is 9822 Leavenworth Road. They're looking at a, plus or minus, 400,000 square foot manufacturing facility with an associated 600 new positions that would come from 2024 through 2027. You can see the type of positions up on the screen. There's manufacturing, fabrication, assembly positions, leadership positions, office and part-time employees. Really strong average wage. We think we'll be able to exceed all of these thresholds. The employee value proposition is really strong as well. Fantastic health care match, we can share some of those additional details on employer-provided percentages on the employee benefits. The Employee Benefits include insurance for medical, dental, vision, supplemental, disability, basic life, and Supplemental Life. They also offer health savings accounts, flexible spending accounts, 401k retirement plans, PTO, well-being reimbursement, Employee Assistance Program, mental health support. All of the things that are important to the company are important to their employees. Creating longevity with their employees and long lasting relationships. It's not uncommon to run into employees at these manufacturing facilities that have been there 20+ years. So, deep roots in their communities.

Our Partnership Is Important

This location was chosen after an extensive real estate search, including dozens of cities in multiple states. How did we de cide?

- Strong workforce
- State and local commitment to education
- Compatible company and regional values
- Pro-business state and local government
- Collaborative & honest approach to economic development

We are very excited about this project and taking the next step to becoming a long-term partner with the state and community. We are committed to hiring local employees, working with local construction companies, and partnering with local education institutions. We are confident that this project will be successful for our customers, employees, and community. **Thank you** to everyone present today and all of those who have helped along the way.

INFINITY from MARVIN REPLACEMENT WINDOWS

8

As I alluded to, the things that led us to look at Kansas City and making our decision were: strong workforce, state and local commitment, education, compatible company and regional values, pro-business, state and local government, and really, a collaborative and honest approach to economic development. On behalf of myself and the entire Marvin team, we can't thank this committee enough and this community enough for welcoming us with open arms. It's really been a pleasant experience from the start and this really started with us evaluating 25+ states and hundreds of communities throughout the United States. It's really a blessing for us to be at this state of the game where we're sitting in a room with you all and talking about how we take the next steps with the project. I'd like to thank you all for your time and open up for any questions.

Commissioner Townsend said did I hear you correctly, you said that your company evaluated something like 25 communities before you decided on us? **Mr. Fuerstenberg** said, it was more than that. We were evaluating 25 different states with hundreds of communities. This project has been three years in the making. We have looked at communities and sites, really, throughout the region and the central United States. This was a long time in the making. **Commissioner Townsend** said I'm glad to hear that we were appealing to you.

Mr. Fuerstenberg said it was really approached as a collaborative effort. When we came to town for initial meetings, it included everybody that you would think of and a lot of folks that you wouldn't. We had educational partners that were at the table; education is really important to Marvin. Economic development professionals, it had people from fire, sewer, water, utilities. You had strong partnerships throughout all levels of state and local government and the Unified Government and Economic Development personnel were fantastic for this project.

Chairman Burroughs said in reading the cost-benefit analysis, the thing that stuck out said that proposed average salary of the new jobs is below the county average wage and yet you showed $22.25, I believe, in this presentation.

Mr. Fuerstenberg said, yes, correct. There's an interesting wrinkle with this project in that there isn't a great NAICS code that defines what products were being manufactured here. So, the lieutenant governor was actually very helpful and supportive in some of the state offerings for this project because of the fact that there isn't a NAICS code that really aligns with the pultruded fiberglass manufacturing that we're going to do at the facility, but they will certainly be above-average county wage for these positions.

Chairman Burroughs said great. Thank you. I wanted to make sure that was a public statement. Those listening will have an understanding of what this is. If I may, Patrick, for the benefit of those joining us this evening, I know I mentioned a $90 million IRB, would you kindly express what an IRB is to educate the public as to what an IRB is? **Patrick Waters, Deputy Chief Counsel,** said we actually have our bond counsel here and he's just the person to talk about that. If you don't mind, Chairman, he can describe it much better than I can.

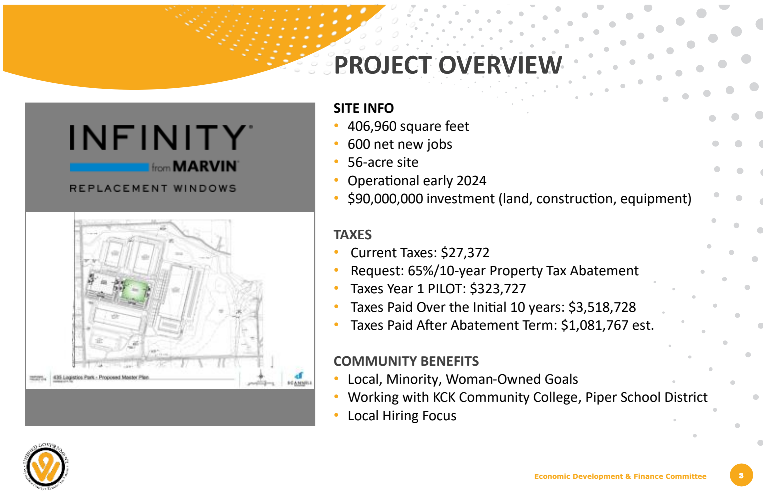
Kevin Wempe with Gilmore and Bell said I always like to start and point out that it's not really a true financing mechanism, these IRBs. We call them buy your own bonds where the company purchases its own bond and the key reasons for doing bond financing are to authorize two incentives. One being sales tax exemption on construction materials and FF&E for the project, their furniture, fixtures, and equipment. Second, to put in place maximum 10-year property tax abatement, and in this case, a partial property tax abatement for the first 10 years following issuance of the bonds. You expressed $90 million as a not-to-exceed amount for the bonds. Because the company is purchasing its own bond and is the lessee under the lease lease-back that secures repayment of the bonds, the UG is not liable for repayment of the bonds and they don't affect the UG's credit. Is that responsive? Anything else you'd like me to cover?

Chairman Burroughs said I believe that's fine. I appreciate that. The reason why I stated all three items this evening, I believe, action items, IRBs and sometimes the public wants to know why we're issuing so many bonds. And I think it's only appropriate that we have Bond Counsel educate our public and let them know what is really occurring with an IRB. I believe that exemption on an IRB for the sales tax, but machinery and equipment has been off the tax rolls in Kansas for quite a while.

Mr. Wempe said that's correct. Machinery and Equipment, under separate statute, are also exempt and also point out for labor on new construction, that's also exempt. There are some things you're covered by IRB that overlap with other statutes that offer the same incentive.

Chairman Burroughs said great. Thank you, Patrick. Okay, is there any other questions from the committee? Yes, Commissioner Townsend again.

Commissioner Townsend said since we got the primer on IRB's and the issue was raised about the 10 year tax abatement, I thought it would be important to mention for the benefit of our constituents that that does not mean that these projects are not paying taxes to the Unified Government. I get a lot of questions about that. Even though they may not be paying ultimately the amount of tax based on the finished value of the project, whenever that comes along, for the period of time that those taxes are abated, they are paying, making a payment in lieu of taxes, which is also called a PILOT, not to be confused with the BPU. I did want to have our staff bond counsel address that because, unfortunately, some of our constituents are under the impression that no taxes are being paid and that's not to be the case.



Mr. Waters said Commissioner Townsend, that's a good point and on the screen, and right now we're showing just a brief summary of what they will be paying in the PILOT. And as you can see, the current taxes on that parcel are only $27,000. Even with the partial abatement, we're talking about well over 10 times that amount just in year one. The increase that the Unified Government and other jurisdictions will be seen is almost immediate, even with that partial abatement. And then once that rolls off, the IRB structure is fully appraised, we estimate that it'll be over a million dollars. **Chairman Burroughs** said, Commissioner Townsend, did that get to your point?

Commissioner Townsend said yes, it does, Mr. Chair, not only for this project, but in the upcoming ones. Just wanted to get something on the record about that, a reference point, because as I said, I get a lot of questions about these types of transactions and incentives. Going back to Mr. Fuerstenberg's earlier comment about the number of communities that his company Infinity has visited, this is something that's done to promote economic development in other communities that we are in competition with, so it's not us just trying to give money away, or delay the payment of taxes. This is a commonly used financing incentive development incentive.

Chairman Burroughs said, any other comments? I don't see any other hands at this time. With this, I'll ask the Clerk if there are any comments received from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said I'll now recognize members of the public who wish to address the committee, I'll ask the clerk if any hands are raised by the public to wish to speak. **Ms. Sparks** said no hands raised.

Chairman Burroughs said we do have people in the audience. If you will approach the podium, you will be given up to three minutes to make your comments, please state your name, city of residence for the record.

Greg Mosier, President of Kansas City Kansas Community College, said I live in Kansas City, Kansas. We've been working with Marvin Windows on this project for quite some time when they came to visit and we're doing site tours. We were very impressed with their long-term history in their communities. They've been there for many, many years, a three generational business. It's a great opportunity for Wyandotte County and for Wyandotte County residents as we look at the additional revenue that it will be generating for the county, and also the really good quality, long standing jobs that it will create. From the Community College's perspective, even with the abatement, we're really looking at it for the long term, 10 years from now, 20 years from now, 30 years from now, what will it provide the community? We're very supportive on that basis. We also look forward to working with Marvin Windows in providing the technical education as we have our Advanced Manufacturing program. We've talked with them about what can be provided. We're the only federation of advanced manufacturing education in the state of Kansas and in the state of Missouri. We're a very good fit for what they will be producing with the Infinity windows. We also provide Industrial Maintenance Technology programs. And that's a one semester certificate that students will learn how to keep all the equipment running and operating so that they won't have downtime. There's a whole plethora of ways that we'll be working together with Marvin Windows and Infinity on this project, and I hope you recognize our support.

Greg Kindle, President of Wyandotte Economic Development Council, said we've had the pleasure of working with this firm now for a number of months, as noted. One of the things that I hope that you're noticing is that we're looking for companies with good culture. It's important to find companies that want to invest in Wyandotte County, that want to invest in our local residents, that want to invest in our local community college. We've got a meeting set up here in the next couple of weeks with the school district, they’re in the Piper School District, we've got Dr. Dane involved already. These are the things that, we didn't always in the past, we've talked about a lot of those things, but these are among the types of companies that are actively doing that. We're looking for these kinds of companies that want to be part of the community. When we were making sort of our sales our pitch to Marvin Windows and the team, it was largely about: how do we work together to create the right kind of culture, the right kind of environment, in which we can raise the median household income here in Wyandotte county? How do we get people into better training? How do we do things together in a better way?

I will just conclude by saying that not only was this competitive for this first facility, we do hope that there's an opportunity for us to win future expansions with this company. It isn't just about a facility, but it really is a long-term investment. That's the other thing, I think that consistently on some of these projects you've seen from us is that there is an opportunity for additional long-term investment, both in our employee base and our talent, our school districts, but also in our tax base. And then lastly, I wanted to give a shout out to Patrick and to Kevin as well, we are a little bit of a tight team. And so we were involved in a lot of conversations that sometimes I don't normally get involved with. But I very much appreciate the fact that at any given time, one of the things that we were able to do is that if Marvin Windows team needed to have a call, we needed to have a conversation about Industrial Revenue Bonds, the process, these two always stepped up and the same was true with the Board of Public Utilities in our infrastructure partners to make sure that we get that all pulled together. This has definitely been the kind of culture that we wanted to exhibit to the team and to the Marvin companies, because that's the kind of culture that they're planning to bring here as well.

Shirley Carter Eichert said I have been here to several meetings when people are wanting to do business with Wyandotte County and pulling up all kinds of big jobs and everything and I'm very concerned about some of it. Some of it may be good, some of it doesn't look good. I'm concerned that we're not hiring more minorities. We're hiring some minorities, but we're certainly not putting black people on the jobs, because I ride around the jobs to see who's working. And I want somebody to say, and I said when they started talking about the buildings on Minnesota, putting up the office buildings, cleaning them or put them in or something there, that I have not seen anybody working there. I have not seen anybody working out at the Legends. No black people working on no projects. And I'm real concerned about that. And if there needs to be a committee put inside of what you're doing to work with you, you need to do it, because if you can't help everybody besides yourself, we need to do something about that.

Chairman Burroughs said I will now ask if anybody sent any letters, any comments, or anything like that? **Ms. Sparks** said no comments received. **Chairman Burroughs** said any other questions from the committee? Seeing none, I'd entertain a motion.

Commissioner Townsend said to Ms. Eichert's point, what is the mechanism? I do want to say that part of what we were given in our package tonight includes in a Schedule A, a stated percentage for participation of local minority and women-owned businesses, but not for just for this project. But how and who within our organization monitors whether those actual goals as stated are achieved or not? Is there somebody that could address that?

Mr. Waters said our Purchasing Department monitors that and we do review and hold the developers accountable to those members. **Commissioner Townsend** said I might suggest that we do a review of some of these developments already established and have presented to this group who met and who didn't meet these LMW goals. It's not always that they're going to be seen by somebody who's driving down the street, but I think Ms. Eichert raises a good point, that we should know what was achieved and what wasn't achieved on some of these past projects

Chairman Burroughs said good point ladies. Appreciate that very much. Very important. I know some of the contracts we've put forward here there's even a penalty clause if they don't meet that requirement that is clearly indicated in the contract. I believe that is worthy of review, thank you for bringing that forward. I would still entertain a motion if there are no other questions or comments. We do have a motion and a second to approve as submitted. Clerk, please call roll.

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

Item No. 3 – 212300…RESOLUTION: INTENT TO ISSUE INDUSTRIAL REVENUE BONDS FOR THE BENEFIT OF VILLAGE OF THE LEGENDS, INC.

Synopsis: Resolution of Intent to issue Industrial Revenue Bonds in the amount not to exceed $19,000,000 to finance the acquisition, construction, improving, and equipping of a senior living facility for the benefit of Village of the Legends, Inc., submitted by Patrick Waters, Deputy Chief Counsel.

Chairman Burroughs said I'll ask Patrick Waters, Deputy Chief Counsel, for remarks.

Mr. Waters said I'm again going to hand it over to the Developers Counsel for a brief presentation.

March 6, 2023 Economic Development & Finance Committee

Curt Petersen, Polsinelli, said I'm here on behalf of the applicant and developer Real Estate Equities Development, who is the proposed developer of the project I'm going to talk to you about. I'm joined by Andrew Schaefer, who is to my immediate left. He's a principal with the developer who I've been working closely with now for a number of months, at least since the end of summer, early fall of last year. He flew from Minnesota. I noticed a little bit of an accident on a previous presentation. By the way, there's a theme here, I love Minnesotans actually, but I will say I think we got good reviews on the airport. That was what the first question I asked when I saw you, so, pretty proud of the airport. Back to the developer, I know it's important to the Unified Government to know who their quote unquote “doing business” with so a brief moment, if I can, on who this developer is and what their pedigree and experience is.

The developer has decades of experience delivering stellar active adult communities among other types of products. The developer has over 40 communities like this in the United States with a value of almost three-quarters of a billion dollars now in 10 different states. Their reputation for quality, for integrity, and for a long-term commitment to their communities is top-notch.

Now, directing your attention to the screen, we're going to zero in where it says Village in green there. That's the project site, which is a three-and-a-half acre site approximately. To get your bearings there, you're just north of State Avenue, you can see the Speedway off to the south. You're south of Delaware Parkway, as it extends and then terminates just below the Village West, both phases of those Village West Apartment projects, and then you're east of what looks like dirt to you today, but is the criterion, cutting edge single family rental product that it was recently approved and should get underway this year. It gives you a sense of where this site is. In terms of the project description, what is proposed for this piece of land? This would be an active adult, 55+ Senior Living Facility or Independent Living. There'd be 58 residential units spread across some one, some two bedroom units between 900 and about 1500 square feet, plus or minus. There would be a single building if we want to advance to the site plan on the next slide.

You can see in the orange-tan color the outline of the building on that three-and-a-half-acre site. It's a four-story building, it has under-building secure parking which as you know is top of market for projects like this. Give you a quick image.

This is a conceptual rendering of what that would look like. You can see the parking underneath the building on both of those wings you see in the background and in the foreground. There's a lot of things I could say, we could probably do 100 slides, and we're not going to just give you a sense of the project, because I know you'd give me the boot and turn on the music, Chairman.

I will say one thing that stands out as we've worked with this group over many years in many different jurisdictions is that they're focused on community living. These are active adults, these are people that have active lives. They're just later in their lives, so there's club areas, reading areas, garden plots, guest suites, all in-unit amenities that are for active adults, not for somebody who doesn't ever prepare food, so these are places for thriving individuals who want to have this chapter of their life in a community that is all about community.

Now the question is, because this is a public-private partnership that's proposed, what are the benefits? What are the benefits of this to the taxpayers? One, for starters, is that this is a place for active Wyandotte County residents that are 55+. These are folks that don't want the time or the money, or both, spent on single-family housing, I feel that way many days, actually, and so they're looking for something different. It allows people that are in Wyandotte County who are getting that age bracket not to leave Wyandotte County just to find that housing product that they want or that community, it also attracts seniors. We're quite confident, this will attract seniors that don't live here right now. Why? Because they want this kind of community, this kind of quality, and they really like the location where this is situated. This is, literally I'm looking at the guy with all the State Legislative experience and knows this and I've heard you say this this is the number one tourist destination in the entire state of Kansas, so allowing an active adult, 55+, to come here and be active in an area like that is huge and they don't have that option right now. It's not only retaining, it's also attracting seniors.

This is market rate you can guess, by the way I've described it. Very nice, and residents have expendable income, discretionary income to spend and they do. It impacts all the restaurants in the area, shopping, and all the entertainment. As you all know there's both entertainment that everybody knows about, there's entertainment to come. There's lots of opportunities for money to be spent, which is helpful to the current businesses, the future businesses, it creates jobs, and it creates sales tax income and revenue for the Unified Government. What's great about a project like this is even though there's a public-private partnership involved, which I'll briefly describe in a second, it has no impact on the schools. Maybe it's, no, I won't go there. This doesn't have any impact on schools. These are all 55+ and it's just a really good bang for the buck, for the school district that gets the benefit of all the growth and property values when you have investment like this without additional school kids.

Lastly, because these are active adults, we definitely need facilities set up for higher levels of care, but this is not that. Higher levels of care sometimes you hear police and fire talk about how there's a little more expense associated with that. This, again, is not that level of care so it's yet another benefit of having a facility like this in our community.

The proposed incentives: this is a proposed public-private partnership for the committee to consider tonight. The proposal is for Industrial Revenue Bonds, as was suggested earlier by the chairman. This is another IRB, the same structure, so everything that was talked about by Mr. Wempe, Bond Counsel, before and introduced by Patrick is applicable here. These are industrial revenue bonds. The amount of, I always hesitate to say PILOT, because it can confuse everybody with BPU, but I'll say the amount of predictable taxes that would be paid under this proposal that we've worked for months on with professional staff and with the County Appraiser would be $2,000 dollars per unit. Then, there's a schedule that Patrick may get into later, but that's the starting point. I will tell you that's far above any residential, predictable PILOT that this Unified Government has seen since more than a decade ago when that started. I think that's something to be proud of, but then you say, well, is it helpful? It's extremely helpful and essential for this developer. There's nothing like this product in Wyandotte County and having predictable taxes when it comes to your lender and just everything involved is extraordinarily important, which is why it's being proposed to you tonight.

Next steps, to always give you a heads up on where we are as a project team with this particular project, we have filed for rezoning and a preliminary development plan in the normal channels, which assuming no delays, will be heard by the Planning Commission April 10th, and then by the Board of County Commissioners on April 27th. If the Industrial Revenue Bonds that are proposed and these land use approvals that I just suggested are approved, then we hope to be under construction sometime this fall. In terms of wrapping up, Chairman, I'd say this is, hopefully, you'll see an exciting new product for the county. It gives seniors more options, both those that are here, and those we hope to attract from elsewhere. It will continue to make Wyandotte County even more multifaceted in what it has to offer to residents. With that, we'd love to answer any questions you have and thank you for your time this evening.

Chairman Burroughs said, committee, any questions?

Number of units	58
Year 1 PILOT per unit	$2,000
Year 1 PILOT	$116,000
Annual Increase	2.00%
Annual Increase if LMW Failure	4.00%

Year(a)	Annual PILOT(b)	PILOT per Door(b)	Annual PILOT if L/M/WBE Failure(b)	PILOT per Door(b)
1	$116,000	$2,000	$116,000	$2,000
2	118,320	2,040	120,640	2,080
3	120,686	2,081	125,466	2,163
4	123,100	2,122	130,484	2,250
5	125,562	2,165	135,704	2,340
6	128,073	2,208	141,132	2,433
7	130,635	2,252	146,777	2,531
8	133,248	2,297	152,648	2,632
9	135,912	2,343	158,754	2,737
10	138,631	2,390	165,104	2,847

Commissioner McKiernan said I do have one and thank you for the presentation. Really looks like a great project. On the previous project, and I'll direct this to Patrick, we had listed that once the schedule is completed what the taxes then would be and do we have a similar calculation for this project?

Mr. Waters said I'm sorry I do not. That is thanks to the great work that Greg Kindle did in his analysis and this was kind of done on a separate basis. I don't have that, but I can certainly have an estimate for you before full commission if you're interested.

Ms. Sparks said Commissioner Townsend has her hand raised.

Commissioner Townsend said just so I'm clear, there are a lot of us dealing with family members in the golden years and sunset and looking for places that they can live safely. I want to make sure I'm clear, this proposed project is for people who can live independently, but more specifically able-bodied. This is not, correct me if I'm wrong please, a unit where someone could transition if they needed help or assistance, they couldn't cook, or they had some other physical challenge. These are for able-bodied residents only.

Mr. Peterson said yes ma'am, you have it right. Many would call it "independent living", age-restricted active adult, so yes you're exactly right.

Commissioner Townsend said okay and I saw that the area in which these are proposed to be built market rate. What would that be if they were up and ready to go now? What would be the anticipated market rate for something like that? Do you have how many bedrooms? One to three bedrooms, or what's the anticipated layout structure? **Mr. Peterson** said it's good you asked that. Andrew and I, Schaefer, we were just discussing that last week. First of all, it's the same answer always when a project is at this stage, which is the market ultimately tells you what the market will bear, but that's not a total dodge, because I can say, Commissioner Townsend, you've been involved with all of the other high-end multi-family products, which, this is effectively that, right? It's just age-restricted and focused on a 55+ Community. It's very, very similar as I reviewed kind of target and expected sort of monthly amounts that would be paid. It's very similar to the NorthPoint product or the Village West Apartments just north of there. Very, very similar, just age-restricted.

Commissioner Townsend said do you know what those are running right now? I know this may not be completed for a couple of years, but what would a property like that, with those amenities, run right now?

Mr. Petersen said if you don't hold me to the very, very big range, you're talking monthly amounts in the $1000 to $2000 roughly, which again, is very similar to what you can get an apartment for at Village West.

Chairman Burroughs said it’s usually around $200 a square foot. Is that what the market is around here right now? Anywhere from $175 to $200 a square foot? **Mr. Petersen** said I know what you're thinking of, so, you're right, but you're thinking of the cost site to build, that’s where you're at and then the rent side is anywhere with if you take all the projects we do is anywhere on the $1.35 to $2.00 sometimes.

Chairman Burroughs said any other questions, committee? Seeing none, I will ask the clerk if we received any comments from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said anybody online? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said thank you. Anybody in the room that would care to speak to this item? Let the record show no one has stepped forward. Seeing none, I'd entertain a motion .

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

Item No. 4 – 212301…RESOLUTION: INTENT TO AMEND PREVIOUSLY ADOPTED RESOLUTION 91-21, AND TO ISSUE INDUSTRIAL REVENUE BONDS FOR THE BENEFIT OF HUDSON APARTMENTS, LLC.

Synopsis: Resolution of Intent to amend previously adopted Resolution 91-21, and to issue Industrial Revenue Bonds in the amount not to exceed $64,000,000 to finance the acquisition, construction, improving, and equipping of a commercial multifamily facility for the benefit of Hudson Apartments, LLC, submitted by Patrick Waters, Deputy Chief Counsel. The Commission approved Resolution 91-21 on December 2, 2021, in the amount of $48,000,000.

Chairman Burroughs said we have another IRB issue for the benefit of the Hudson Apartments LLC for $64 million. Again, Patrick, if you're ready, I'll defer to you. **Mr. Waters** said we'll pull this up and let the developer and his counsel get here.

Curt Petersen, Polsinelli, said here on behalf of the proposed developer for the Hudson Apartment project. I have Michael Berenbaum, the principal, with a president of Lane Four Property Group here to my left. Lane Four is part of a joint venture. This is a reminder to you, part of a joint venture with Hunt Midwest and K hospital. So some of our communities, just great development partners, all have come together for this exciting project. This does not have a long presentation just because you've seen this and spent a lot of time in this over the many months. On this particular project, if you're wondering anything, I'm sure your excitement has not weaned, because again, it's incredible, with underground parking and high-end apartments and I think a great need in that Rainbow corridor, but what you might be wondering is why have you not seen construction start? The answer would be, again, it would probably give Michael post-traumatic stress syndrome if I go into it too much, because it's been a hard number of months. Frankly, it's really, really hard out there and particularly for this project, costs have been incredible. Now, the good news is we're not coming with any sort of ask that has any sort of material impact at all, any impact on the Unified Government. In fact, the request before you tonight is simply to reflect in the maximum amount of Industrial Revenue Bonds that may be issued as compared to what was originally approved that we would increase that with—I will be quite frank, with plenty of fluff so we never have to come back here again and ask you to increase it. Once you do that, the good news is we have our financing now in place, 100%, and we will be shortly starting construction, but our financing and everything is contingent on having the IRB structure get right sized, so that we can actually get the predictable taxes and sales tax exemption that we all agreed to a number of months ago. So, with that, although, I'm tempted to keep talking because I like the project so much, that's really the essence of the request for you, Chairman. We're happy to answer questions. **Chairman Burroughs** said committee, any questions? Any comments?

Commissioner McKiernan said I remember this project from many months ago, still excited about it, and I want to just clarify that even though we might authorize an amount up to $64 million dollars of IRBs there is not necessarily going to be that amount, because ultimately the amount is going to depend on the cost of the materials and those types of things. Even though we're saying 64, it really is an amount up to 64. Is that correct? **Mr. Petersen** said exactly right.

Chairman Burroughs said well if I may, if I remember correctly, this is a very challenging site and the 100% tax abatement is our way of demonstrating our commitment and a project in reference to replacing what was there that needed to be remedied and you're willing to come in and build a luxury rate apartment complex and bring in new people, not necessarily recycle the ones in our community that I believe over 50 percent of them will be new people, new residents.

So, its not about jobs, it's about creating opportunity for those to stay here within our community. Is that a correct statement?

Mr. Petersen said yeah, everything was close to spot on. I would just say it's not 100%. You're right, it was aggressive, it's a predictable PILOT schedule, but you're right, it was a nice, aggressive one because of the circumstances you described.

Chairman Burroughs said yeah, well, I know it's quite a difficult build. The traffic study, we were able to get that worked out in dealing with that intersection. I know that was a challenge and there had to be some reconfiguration and that's been remedied, ready to go forward.

Request: Increase IRB amount from $48 million to $64 million due to increase in construction costs.

PROPOSED PILOT SCHEDULE

Year	Annual PILOT	PILOT per Door	Annual PILOT if L/M/WBE Failure	PILOT per Door
1	$203,280	$924	$203,280	$924
2	$207,346	$942	$211,411	$961
3	$211,493	$961	$219,868	$999
4	$215,722	$981	$228,662	$1,039
5	$220,037	$1,000	$237,809	$1,081
6	$224,438	$1,020	$247,321	$1,124
7	$228,926	$1,041	$257,214	$1,169
8	$233,505	$1,061	$267,503	$1,216
9	$238,175	$1,083	$278,203	$1,265
10	$242,938	$1,104	$289,331	$1,315
	$2,225,859		$2,440,601	

ment & Finance Committee 3

Mr. Petersen said that was challenging with KDOT and with the Unified Government, the developer, there was a lot of challenges, but we're ready to go. **Mr. Waters** said we're making some improvements, but it's a long-term project circumstance of the tremendous things that are happening on the corridor. We're making some modifications in our department.

Chairman Burroughs said with the success of that corridor as just stated comes some challenges. I can remember when we wished we had those kinds of challenges, and now they're here and kudos to everyone involved. Any other comments, questions from anybody? Okay, committee, I'm going to move on to madam clerk. Is there anyone online? **Ms. Sparks** said no comments were received, no hands are raised. **Chairman Burroughs** said I would ask, is there anyone in the audience that would care to speak to this project? I do see a hand in the back, please come forward and you'll be given three minutes to make your comments. Please state your name and location of residence, please.

Erin Stryker, resident of Kansas City Kansas, said I just wanted to say I'm with Rosedale Development Association. We're totally in support of this project and this IRB. I was hoping to just ask you guys some questions while we're here. Since I moved here about 14 years ago there has been a lot of really fantastic projects in Wyandotte County and in Rosedale in particular and I particularly appreciate tonight you explaining a bit more about how IRBs work and what their purpose is, what we're using them for. I know a lot of that's due to your hard work, and Greg Kindle's hard work, and the Economic Development Department, and I think it's really great in this project in particular. We're very excited about it. At the same time, we are just not seeing the same kind of energy for affordable housing. We're not seeing those same results for housing for low and middle-income residents or really anything that's accessible to low and middle-income residents, at least in Rosedale.

I am often down here to tell you what I think about something and I think this project is great, but I actually was hoping to hear a little bit about what the standing committee thinks about that issue. I know a lot of cities have had success with tying affordability to tax incentives like the IRBs, so that if a project receives certain tax considerations they set aside some units for affordable housing. I know other cities have really complex ordinances that require developers to work with neighborhoods to put together a community benefit in consideration for that tax incentive that they receive. I know a lot of you have put a lot of thought and work into what that looks like in Wyandotte County and how these projects benefit the community, which of course they do. I was just hoping to hear any thoughts that you were willing to share on that tonight or outside of this meeting. Thank you.

Burroughs said any other comments, questions?

Commissioner McKiernan said Ms. Stryker, I appreciate your comments and being here tonight and you do bring up a challenge that is before us and almost every other community in the country, if not the world. While tonight's item is specifically this particular project and those IRBS, I think that we would do well to take your request and put together a presentation or at least a discussion on those topics, bring it back to a future meeting and publicize that in advance, so that we can get multiple perspectives on that, because it is an issue that is before us and is not going to go away anytime soon unfortunately. We'll make a note of that and we will bring back a discussion to a future meeting.

Chairman Burroughs said alright, I will ask, are there any other comments from the audience? Anyone else care to speak? Seeing none, I'd entertain a motion.

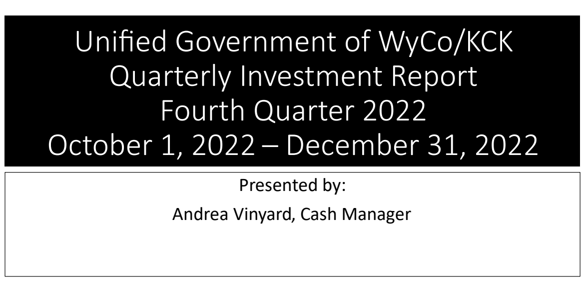
Action: Commissioner McKiernan made a motion, seconded by Commissioner Townsend to approve as submitted. Roll call was taken and there were four "Ayes," Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said I believe those were the three action items we were dealing with this evening. I want to thank those who participated and presented. Exciting times, a lot of building going on in our community. We should all be very grateful about the increase of interest in our community.

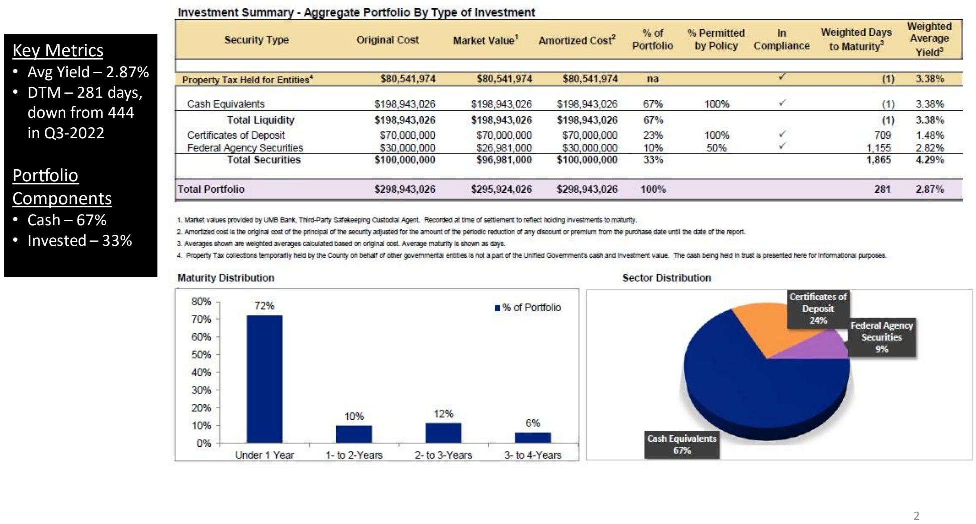
Item No. 5 – 212248…PRESENTATION: 4th QUARTER 2022 INVESTMENT REPORT

Synopsis: Review of 4th Quarter 2022 Investment Report, submitted by Andrea Vinyard, Deputy Treasurer.

Chairman Burroughs said I believe Andrea will be doing the presentation.



Andrea Vinyard, Cash Manager, said I want to go over the last quarter of 2022 for our portfolio.

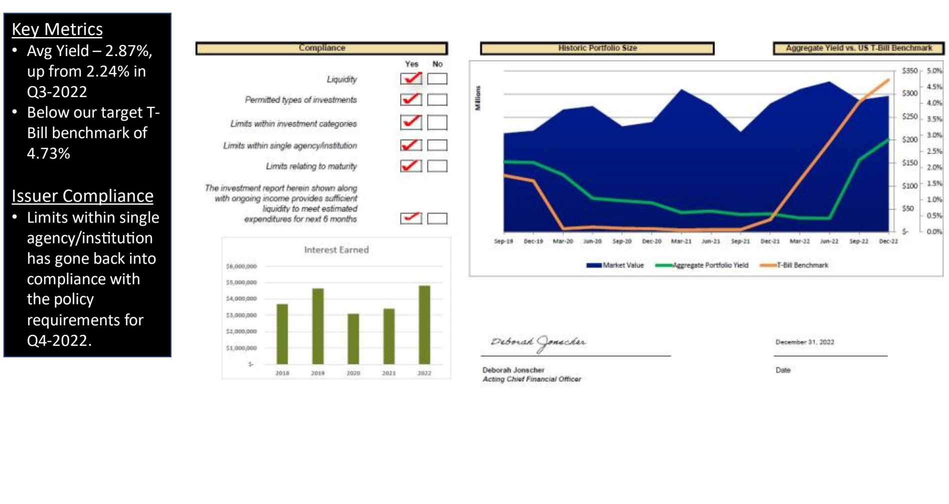


Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$80,541,974	$80,541,974	$80,541,974	na		✓	(1)	3.38%
Cash Equivalents	$198,943,026	$198,943,026	$198,943,026	67%	100%	✓	(1)	3.38%
Total Liquidity	$198,943,026	$198,943,026	$198,943,026	67%			(1)	3.38%
Certificates of Deposit	$70,000,000	$70,000,000	$70,000,000	23%	100%	✓	709	1.48%
Federal Agency Securities	$30,000,000	$26,981,000	$30,000,000	10%	50%	✓	1,155	2.82%
Total Securities	$100,000,000	$96,981,000	$100,000,000	33%			1,865	4.29%
Total Portfolio	$298,943,026	$295,924,026	$298,943,026	100%			281	2.87%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

A few points to point out, the far right column you can't really see because of the imagery, but I'll just state the weighted average yield for quarter four was 2.87%. In the days to maturity, we're at 281, which is down from what would have been quarter three of ‘22. Also, the portfolio as it stood, we did have 67% of the portfolio as cash and then the 33% left over would be our securities split between certificates of deposit or CDs and then the agency securities.



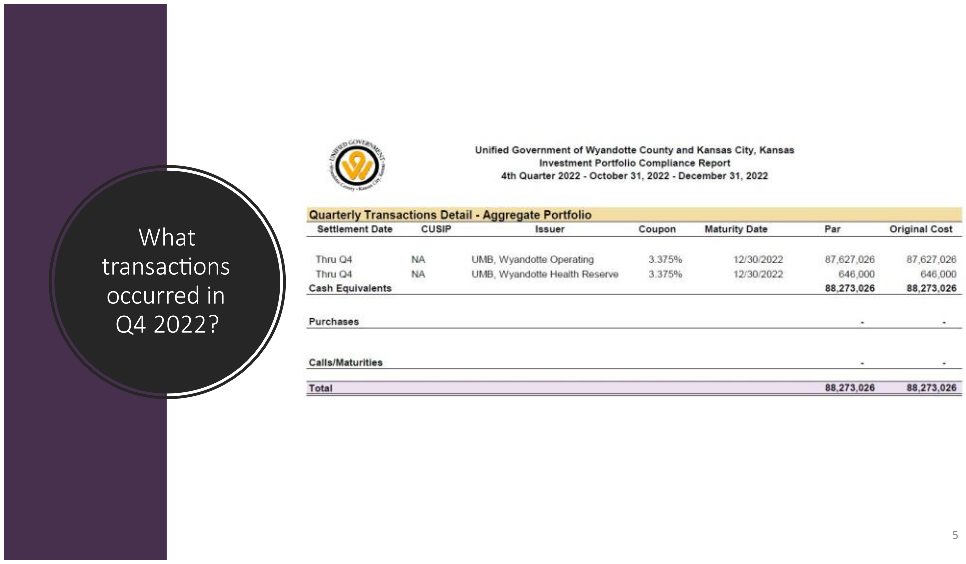
As stated in the prior slide, the yield was at 2.87%, which was actually up from quarter three which was at 2.24%. I always like to point out where that meets in comparison to the T-bill rate, which is where we compared our rate. We always want to hit below, which, as you can see there was at 4.73%, so we were below the target T-bill rate. Another item to point out in quarter four are limits within a single institution. I'd like to say we're all within the permitted levels, which we want to not exceed 25% per institution with only holding in one institution at this time that was going to fluctuate based on taxes, property tax value, but it did go back down. It was not within that limit in quarter three, so we did get back down below the 25%. Another item I wanted to point out at the year-end for 2022, we were actually exceeding the interests that we earned on our maturities for the last five years and the surplus of over $165,000 dollars, probably one of the most I've seen in my tenure doing this for five years, so I wanted to bring that forth to you tonight.

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
December 31, 2022

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**80,541,974**	**80,541,974**	**na**	**See note 3**	✓	**-1**	**3.38%**
UMB, Wyandotte Operating	194,282,026	194,282,026	66%	25%	✓	-1	3.30%
UMB, Wyandotte Health	4,661,000	4,661,000	2%	25%	✓	0	0.08%
Cash Equivalents	**198,943,026**	**198,943,026**	**67%**		✓	**-1**	**3.38%**
Commerce Bank	70,000,000	70,000,000	24%	25%	✓	709	1.48%
Certificates of Deposit	**70,000,000**	**70,000,000**	**24%**		✓	**709**	**1.48%**
US Treasury	30,000,000	26,981,000	9%	*50% of total portfolio*	✓	0	0.00%
Federal Agency Securities	**30,000,000**	**26,981,000**	**9%**		✓	**1155**	**2.82%**
Grand Total	**298,943,026**	**295,924,026**	**100%**			**281**	**2.87%**

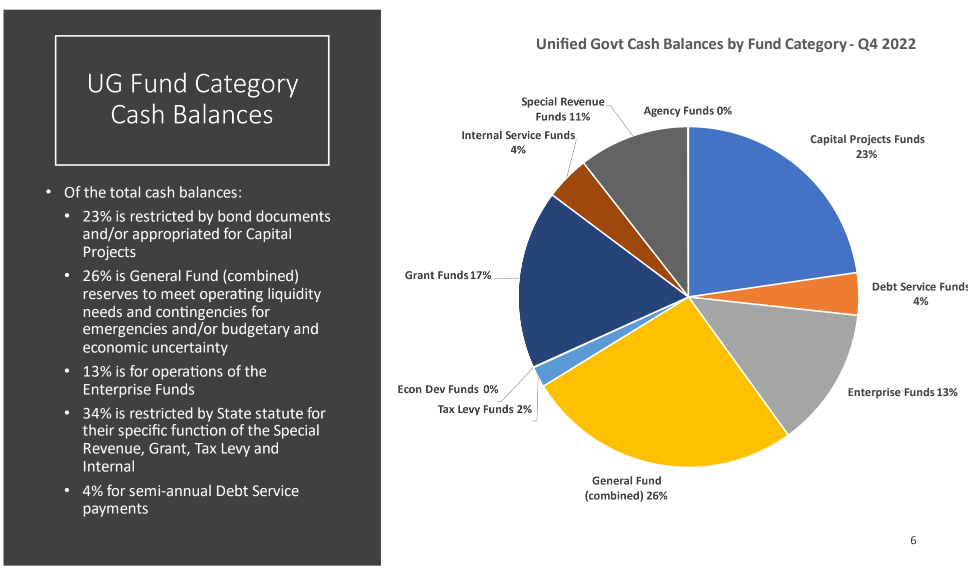
Where the portfolio stood, Commerce Bank was holding our $70 million which was going to be our CDs, and then we had U.S Treasuries at $30 million, putting that at $70 million for a total of certificate of deposit, and then we have about 9% or $30 million in agencies at this time with total portfolio right below $300 million.



Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q4	NA	UMB, Wyandotte Operating	3.375%	12/30/2022	87,627,026	87,627,026
Thru Q4	NA	UMB, Wyandotte Health Reserve	3.375%	12/30/2022	646,000	646,000
Cash Equivalents					**88,273,026**	**88,273,026**
Purchases					-	-
Calls/Maturities					-	-
Total					**88,273,026**	**88,273,026**

Quarter four, we did not actually have any maturities or purchases, so that's pretty much just where our overnight and our repo was sitting. That was the only activity we were tracking throughout that quarter. Some thoughts to maybe going out for bid this next quarter or in our trajectory of planning. We're still kind of working through that as it stands.



Then, finally just where our funds sat for cash balances, 23% was going to be our capital projects. Then next would be 26% in the General Fund, and we've got 13% for Enterprise Funds, 34% is going to be a combination of State Statute Mandatory Special Revenue Grant Tax Levy and Internal Funds. Then, last but not least, 4% for semi-annual debt service payments. That's all I've got for you.

Chairman Burroughs said any questions from the committee? Are there any questions from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said is there anybody online or present that would like to speak to this? **Ms. Sparks** said no hands raised online. **Chairman Burroughs** said let the record show, and if I understand, this was for information only and there's no action necessary. Committee, if there's no questions, we'll move on to the next item. Thank you, Ms. Vinyard.

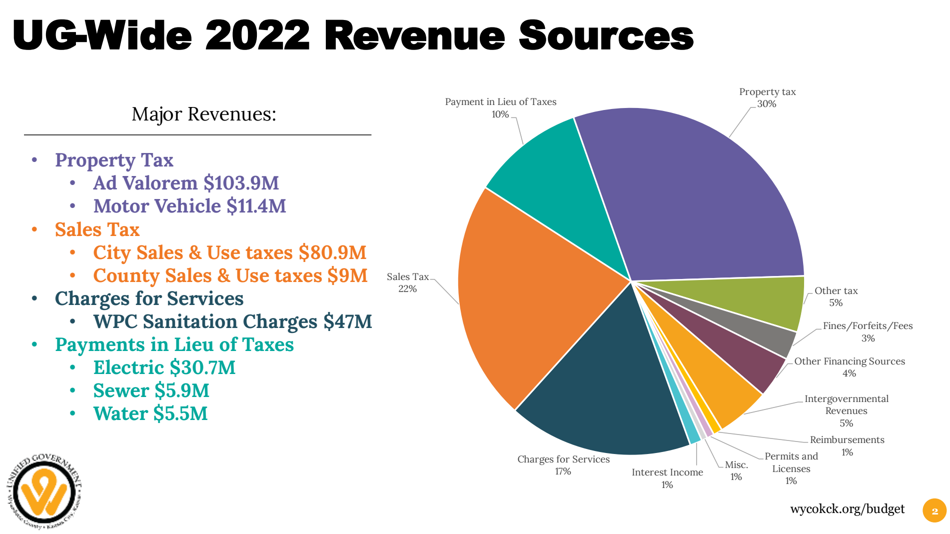
Action: For information only.

Item No. 6 – 212305…REVIEW: UNIFIED GOVERNMENT REVENUE SOURCES
Synopsis: Review Unified Government Revenue Sources, submitted by Debbie Jonscher, Interim Chief Financial Officer; and Reginald Lindsey, Budget Strategy & Research Director.

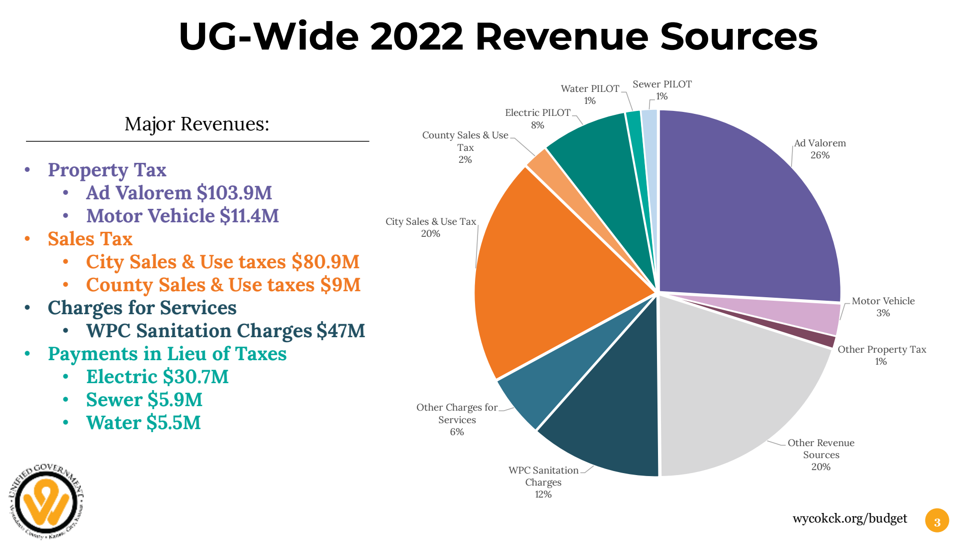
Chairman Burroughs said I'll recognize Debbie Jonscher, Interim Chief Financial Officer, and Reginald Lindsey, Budget Director, to present.

Reginald Lindsey, Unified Government Budget Director, said tonight I'm with Debbie Jonscher, the CFO, Adrian Alemifar, our Senior Analyst in Budget, and then Michael Grimm, our Research Manager. What we plan to do is familiarize the committee with revenue sources before we go into the budget season. We want to cover the entire UG wide revenue sources and then we're going to talk about city funds. As far as revenue sources within city funds, and then in our county funds, we're going to drill down into those and talk about revenue sources and then we're going to talk about property taxes and how it relates to revenues coming in, how we compare to other jurisdictions, and then also revenue neutral, how it impacts revenues that we bring in. Then, we're going to touch on consumption taxes, then also talk about potential new revenues.

Debbie Jonscher, Acting CFO, said as Reginald Lindsey stated, we're going to first talk about the revenue sources. I'm going to start out just talking about all the different funds and the revenue sources that we have within those funds.



This first graph is just the 2022 revenue sources and, as I said, this is UG wide. This would be all funds both city and county. Off on the left-hand side, we're showing the major revenues for all funds and as you can see we have property tax. The graph shows the percentages for each of those funds for—each of those revenues. Property tax is at 30%, sales tax is at 22%, charges for service is 17% and then we have Payment in Lieu Of Taxes, which is the PILOT, is at 10%. As I said, this is total Unified Government revenues, all funds. When we start looking at city and county separately, those percentages may vary by those different funds. I did also just want to note, for the property tax the Mill Levy for the city and county is set by the commission each year. This does not include the other taxing entities, which those mill levies are set by their separate boards. Sales Tax is a little more volatile. We have the city and the county sales tax, as well as state, and we have a dedicated sales tax, which I'll talk a little bit about later. That was something that was approved, and so we have revenues for that. Charges for service, our fees, that are charged for different services. Some of them are set by Statute and some of them are set by the Unified Government. The Payment in Lieu of Taxes, the rate is set by the Unified Government Commission. But, there are limits on the high and low amounts on the percent that can be charged.



The next slide is also showing UG wide revenues, just broken out a little bit different. On this one, what we've taken the four major categories and broken them out. In the previous one, we just showed property tax at 30%. However, on this graph, we're breaking out the property tax, so you will see real estate taxes at 26%, motor vehicle at 3%, and other property taxes at 1%. We've also broken out the sales tax by the city sales tax and the County sales tax. City sales is 20% and county is 2%. Charges for service, we have the water pollution charges which amounts to 12% of total charges for service, and then 6% makes up the remainder of all charges for service and then for Payment Lieu of Taxes, we've broken out the electric and water, which is the PILOT we received from the BPU and also the sewer PILOT.

Chairman Burroughs said Debbie, if I may, I do have a question as we go along. In this first thing, UG wide revenue sources, anywhere in here is it mentioned about the revenue we received from the casino in lieu of not having the hotel. And two, the incentives that are coming back from projects that are coming online that were not online for the 10 years, but they're paying their PILOT that's different than the other PILOT, are any of those numbers reflected in this at all?

Ms. Jonscher said we don't have them broken out. I believe the casino tax, and I'll have to double check this, but I believe that's listed in the other property tax, that 1% of the total. I think that would be casino tax as well as other taxes, such as the liquor tax, there could be special assessments, those would all, I believe, are categorized in there, but I will double check that just to make sure.

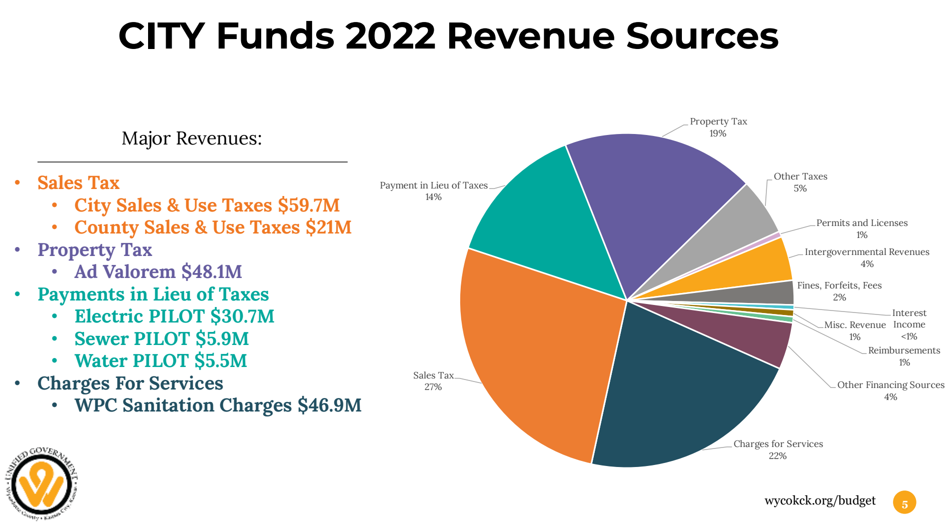
CITY Funds Revenue Sources

City Funds Include:

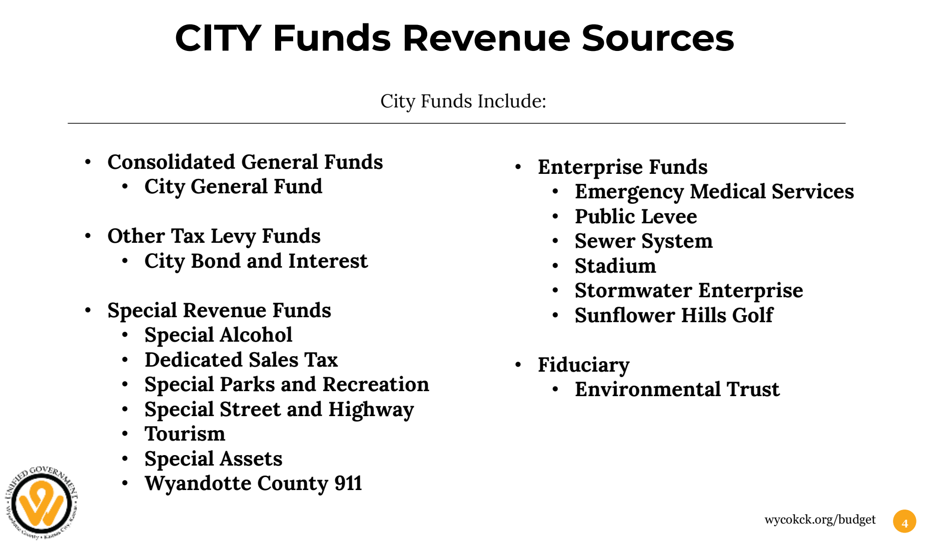
- **Consolidated General Funds**
  - **City General Fund**
- **Other Tax Levy Funds**
  - **City Bond and Interest**
- **Special Revenue Funds**
  - **Special Alcohol**
  - **Dedicated Sales Tax**
  - **Special Parks and Recreation**
  - **Special Street and Highway**
  - **Tourism**
  - **Special Assets**
  - **Wyandotte County 911**
- **Enterprise Funds**
  - **Emergency Medical Services**
  - **Public Levee**
  - **Sewer System**
  - **Stadium**
  - **Stormwater Enterprise**
  - **Sunflower Hills Golf**
- **Fiduciary**
  - **Environmental Trust**

wycokck.org/budget 4

Okay, now I'm going to break these out between city and county. The funds listed here are all the city funds, the City Fund Revenue Sources. We have the on the General Funds, we have the City General Fund, which it contains, there's multiple sources of revenue. You can have sales tax revenue, property tax, franchise tax, the PILOT charges for service, as well as other other charges. Then we have the Tax Levy Fund, both the City General Fund and the tax levy. The City Bond and Interest are the only two tax levy funds on the city side. All of the property tax revenue is split between those two funds. The Special Revenue Funds are funds that are restricted for a specific purpose. So they get revenues and those revenues are restricted by statute on what they can be spent on. So we have the alcohol, as I said, the dedicated sales tax that I mentioned earlier, that was a sales tax that was originally approved in 2010 and then it was renewed in 2020. It's a 10 year sales tax. It's specific for police and fire operations and public infrastructure. Parks and Recreation also gets the Liquor Tax. Special Street and Highway is the gas tax. Tourism is the hotel tax. And then we have the Special Asset and the Wyandotte County 911 fund. The Enterprise Funds are funds where we collect a user fee for the services that are provided. However, these funds can also receive other revenues such as sales tax or charges for service. We have the EMS fund, Public Levee, the Sewer Fund, Stadium Fund, Stormwater, and Sunflower Hills Golf Course. And then we also have the Environmental Trust Fund.

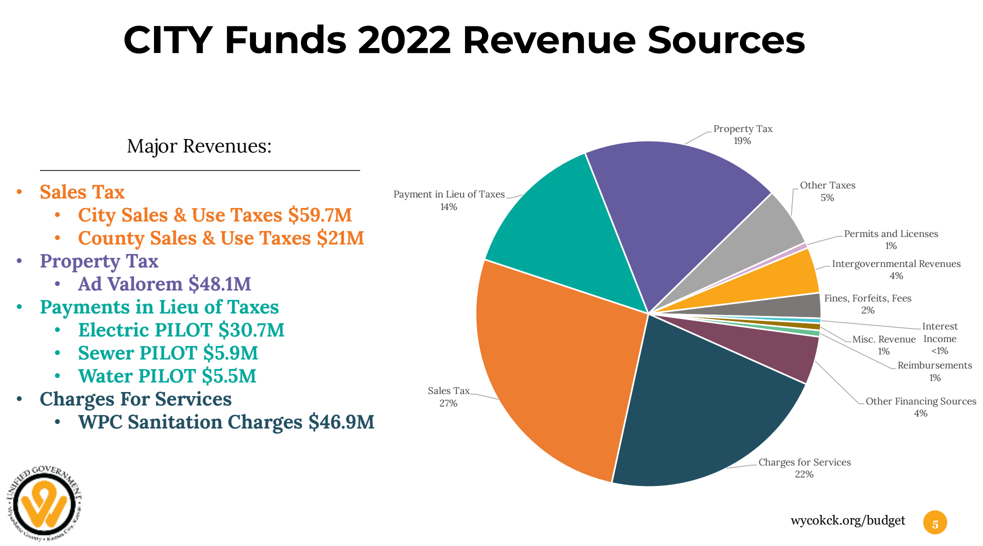


Commissioner McKiernan said one of the things that I want to go over here is just educational, a little bit. But we've got, if we can go back to the previous slide, with all of the city funds, and we've got the General Fund.

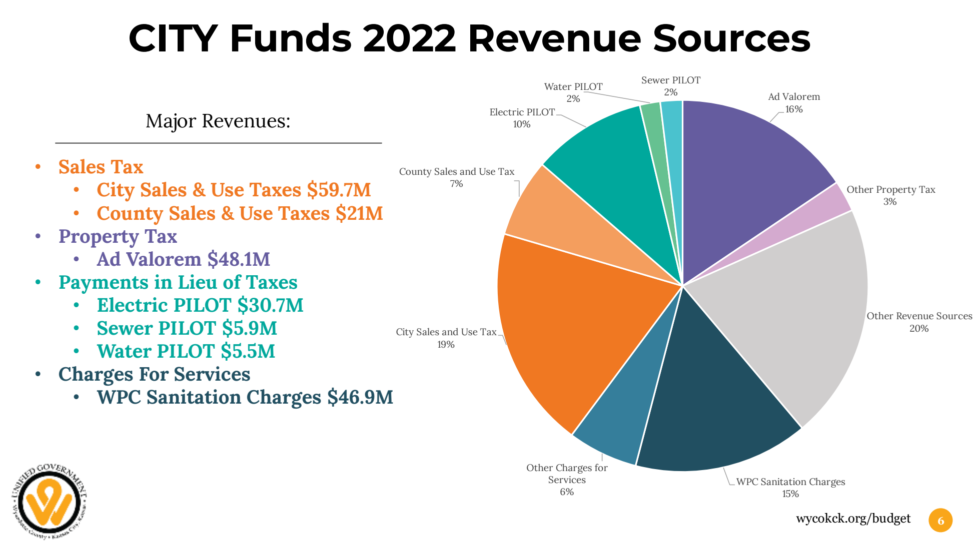


Those monies can be used basically to provide city services that we might repair a street with those. But these other funds here, really all pretty much are targeted in terms of what those monies can be spent on. And if we need money for something like a street repair, we can't necessarily go to these other funds to get that money to take it out to do something like a street repair. For example, the Tourism Fund, the Transient Gas Tax, that is targeted. And we say that that money as collected goes back into the promotion of additional tourism. So it's not just general in its application. The Enterprise Funds like the sewer system, those collected as a user fee, but they go into a pool that then is spent on the maintenance and improvement of the sewer system. And again, we can't take those off to do other city services. The Environmental Trust Funds, same thing. I just want to make sure that we're clear, that out of all of these funds, and they're all essential for various aspects of the government operation, that really only the City General Fund is generally available for the provision of city services.

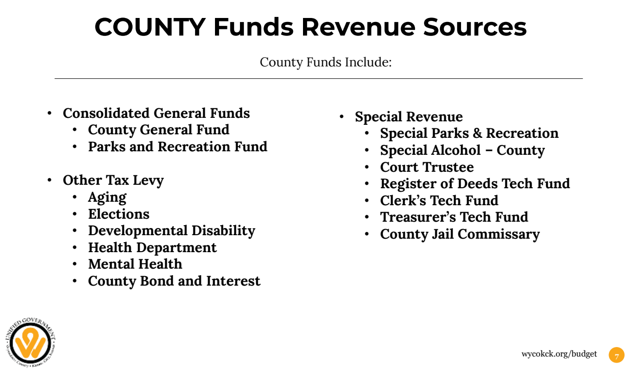
Ms. Jonscher said that’s correct that, yeah, the General Fund is the primary operating fund, which accounts for the majority of services that are not accounted for in any of these other funds. **Commissioner McKiernan** said would it be safe to say that a local government is a service organization at its heart and service organizations typically spend about 75% of their revenue on personnel. Would it be safe to say that the high majority of personnel spending on this slide would be from the city general fund and not from these other funds? **Ms. Jonscher** said yes. **Commissioner McKiernan** said beautiful, thank you.



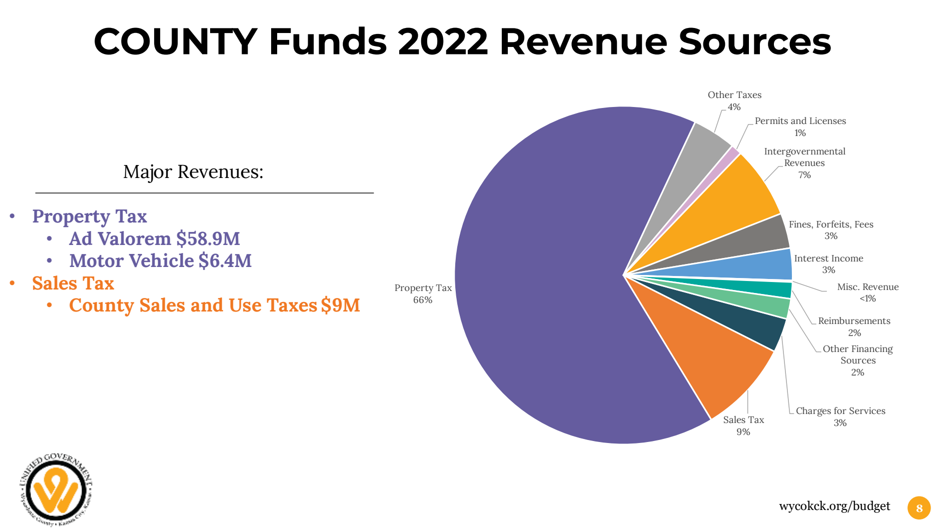
Ms. Jonscher said these next two slides are also breaking out just the City funds. And so as I said, we've listed out the major revenues again. So we've got sales tax. And if you'll recall, when we looked at total Unified Government, property tax was the highest at 30%, whereas you can see here in the City General Fund, sales tax is the highest at 27%. Property taxes 19%. A Payment In Lieu of Taxes is 14%, and charges for service are 22%. The graph shows all those major categories, along with the other fees that are also included in the different city funds, which you know, we have permits and license, intergovernmental revenues, which could be payments from other agencies. ARPA funds would be included there. You know, fines and fees, interest revenue, all of those are the other revenues that are also included in all the funds.



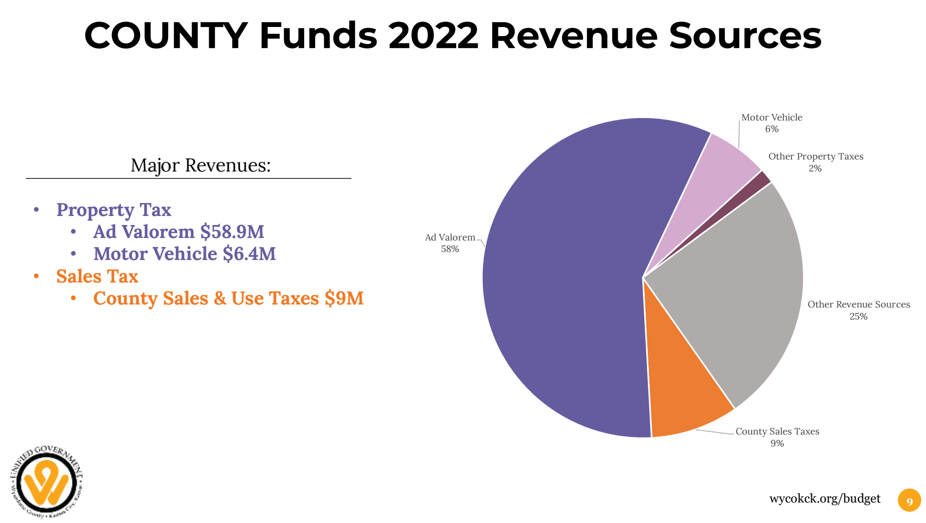
And then this next slide is just a further breakdown of the major revenue. So now we've taken the sales tax and broken it out for the city. We have the City Sales & Use, and then the County Sales & Use. I just wanted to make clear the city gets the city's portion, the city sales tax, as well as each city gets a portion of the county sales. So when that says county sales, it's not all of the county. This is the city's portion of the county sales tax that's listed there. And then we also again have the PILOT and the charges for service broken out.



The next three slides, we're going to focus on the county side revenue sources. So once again, we broken out all of the county funds, and I think I forgot to mention, on the city side there were 16 funds. On the county side there are 15 funds. Within the general fund, on the county side, we have two general funds, the County General Fund and then the Parks and Recreation General Fund, as well as other tax levies. As I mentioned, on the city, there were only two tax levy funds, the City General Fund and the Debt Service. On the county side, we not only have the County General Funds, as well as we have about six other tax levy funds, including the County Bond and Interest Fund, that all received tax revenue. And then once again, we have other special revenue funds on the county side, and as I said before, those funds are restricted for a specific purpose.



This graph is just breaking out all the revenues on the county side, the two major revenues. On the county side property tax, it's at 66%. It's the main revenue source for the county funds, and then sales tax is at 9%.



The final slide for the county just breaks down those major revenues. Once again, property tax of that percentage, 58% is real estate, 6% is motor vehicle, and then 2% would be other taxes. And then we've got the county sales tax at 9%. So that kind of just shows all the different funds on both the city and the county and how they're broken out. Now, I'm going to turn this over to Adrian to talk about property taxes.

Adrian Alemifar, Budget Analyst, said I'm going to talk a little bit about property taxes, which I know is all of our favorite subject.

PROPERTY TAX BURDEN

Awareness and Understanding

REAL ESTATE PROPERTY TAX EQUATION
Value Per Mill* x Mills = Collected Tax Revenue
*Value Per Mill = Assessed Value / 1,000

- Low City Population Density revenues are in line with per capita tax levies but generate significantly less revenue to support city services for our land area
- High County Population Density allows for a lower tax burden and additional revenue to support county services for our land area

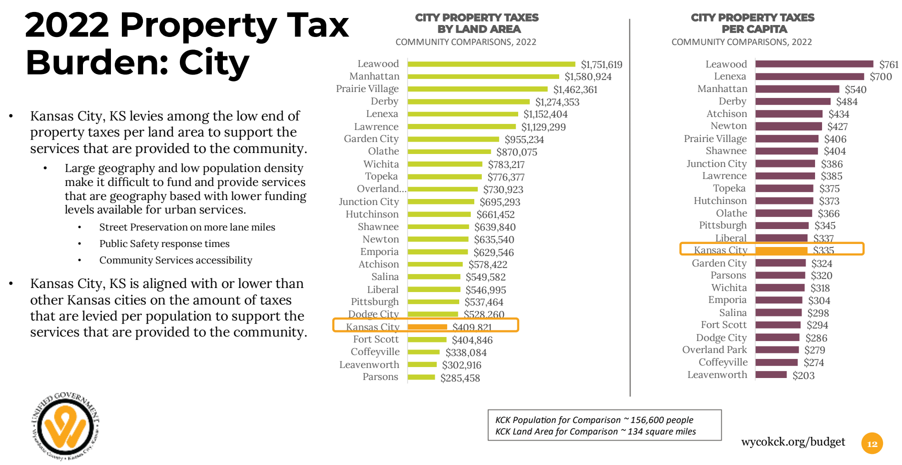
CITY	1 MILL REVENUE	POP PER SQUARE MILE	TAX PER CAPITA	TAX PER SQUARE MILE
Wichita	$3,938,087.85	2,459	$318.48	$783,217
Overland Park	$3,778,438.96	2,619	$279.10	$730,923
Olathe	$2,137,039.32	2,375	$366.42	$870,075
Kansas City, KS	$1,329,255.09	1,224	$334.91	$409,821
Topeka	$1,169,618.83	2,070	$375.04	$776,377
Lawrence	$1,138,458.49	2,933	$384.97	$1,129,299

COUNTY	1 MILL REVENUE	POP PER SQUARE MILE	TAX PER CAPITA	TAX PER SQUARE MILE
Johnson	$11,387,996.91	1,250	$490.63	$613,291
Sedgwick	$5,311,195.88	525	$297.79	$156,459
Shawnee	$3,532,284.46	328	$478.13	$156,680
Douglas	$1,523,321.45	262	$592.54	$155,446
Wyandotte	$1,445,590.48	1,058	$344.55	$364,431
Leavenworth	$762,689.33	178	$342.72	$60,966

2023 Unified Government PROPOSED Budget

UG FWD

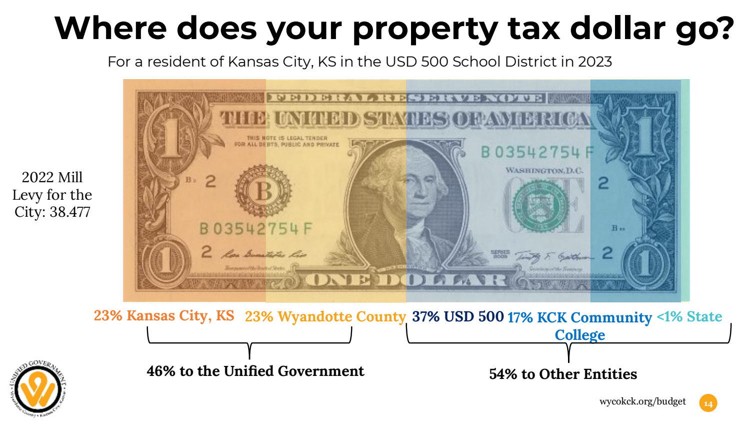
Just to get us started tonight, we wanted to review some information that we presented last year about the property tax burden for Kansas City, Kansas and Wyandotte county. It's really important to remember when we're talking about our property tax burden that there are two sides to the equation in terms of our collected tax revenue. So, as we know, part of that is the mill levy that is set by our Commission. And the other half of that is the valuation of the real estate in our area. What these two tables are showing is that when you take into account the whole equation, in terms of how much property tax revenue we're actually collecting, we are collecting mid to low tier as compared to other similar cities in our region that we often get compared to. Whereas, our mill levy might be higher than some of these cities or counties, the actual amount of property tax revenue that we collect can still be lower because our property tax values are lower. So, just wanted to point that out.



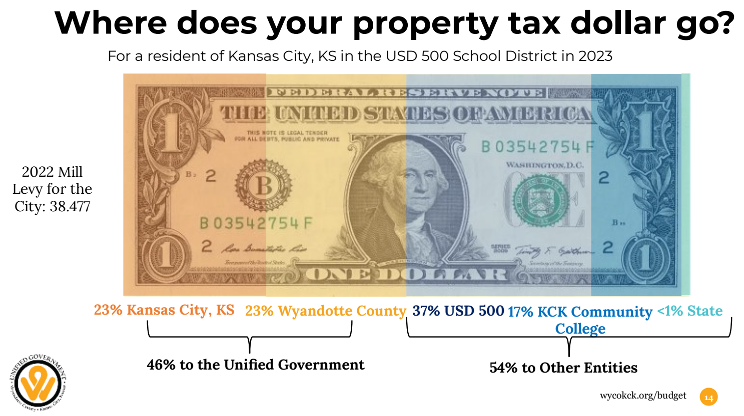
Here, we're seeing essentially the same thing, except for now we're comparing our property taxes collected to all of the first-class cities in the state of Kansas, and all the counties of the first-class cities, and we broke it out per square mile. So the amount of property tax collected per square mile in 2022, and the amount of property tax collected per capita in 2022. Here, you can see that Kansas City, Kansas falls low to mid-tier in terms of the amount of property tax collected per square mile and per capita.

Here we see the same thing, except for on the county side. The picture looks quite different here. When you look at the amount of property tax revenue collected, per square mile for Wyandotte County as compared to other counties in the state of Kansas, we actually fall towards the top of the graph and that would be partly because Wyandotte County as compared to these other counties actually has a pretty dense population, we have a high population density. That is why we would fall towards the top of the per square mile graph and towards the bottom of the per capita graph, because with a higher population density, it lowers the burden on each individual resident to contribute to those services that are spread across a wide geographic area.

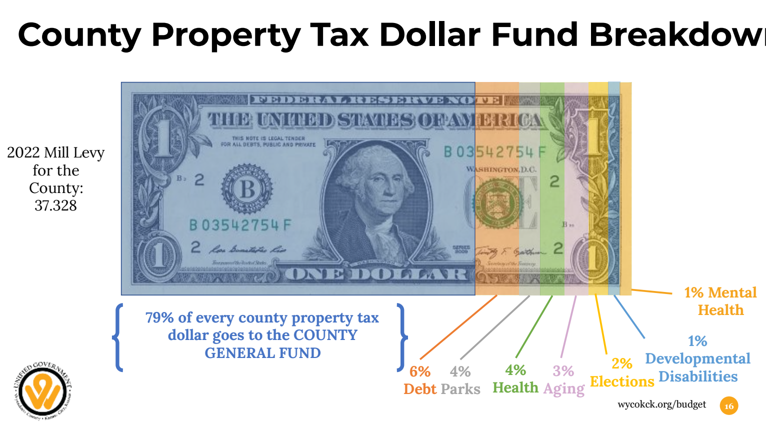
Chairman Burroughs said if I may, I have a question. In reading this document, it says "having one of the lowest mill rates in the state". **Ms. Alemifar** said, yeah, for 2022. **Chairman Burroughs** said wanted to bring that up. Please, continue.



Ms. Jonscher said this next slide we just wanted to show the breakdown of the dollar. This is a slide that we presented usually during the budget process. This is the dollar bill and showing where your property tax dollars go. This one is using USD 500. In this example, and this was just to show that the Unified Government's portion of the tax bill, the city and the county, is less than 50% of the entire tax bill. The other 54% is attributable to the other taxing entities, the state, the school district, and the community college. For this one, it can vary by school district. But with all the school districts, the Unified Government's portion is less than 50%.



I just want to note, as we talk about these next two, we've broken out the fund for the city property tax, given a breakdown for the city and the county. So, when we're talking about these $2, we are talking about our 46%, which is approximately 23% for the city and 23% for the county. On the city side, when you're just talking about our 23% of the tax bill, 56% of every property tax dollar goes to the City General Fund and 44% goes to the Bond and Interest Fund since those are the two Tax Levy Funds on the city side. I just wanted to note that the Bond and Interest Fund determines the level of revenue that's needed to support the cost of the debt service principal and interest payments for projects that are bond-financed. So that is that's the city portion.



The next slide shows the county fund breakdown. For the county's portion, 79% of the dollar goes to the County General Fund, and then the remaining portion goes to the other seven tax levy funds that I had listed earlier in the presentation. So that's how the county portion breaks out there, 23% gets broken up with the majority going to the County General Fund.

Ad Valorem History 2015-2022

WyCo & Cities General Funds

	KANSAS CITY	BONNER SPRINGS	EDWARDSVILLE	WYANDOTTE COUNTY
Change in Mills	-5.66	6.13	-4.97	-1.80
% Change in Mills	-21%	26%	-14%	-6%
% Change in Valuation	48%	52%	79%	50%
Levied Revenues	17%	91%	55%	41%

Other Taxing Districts

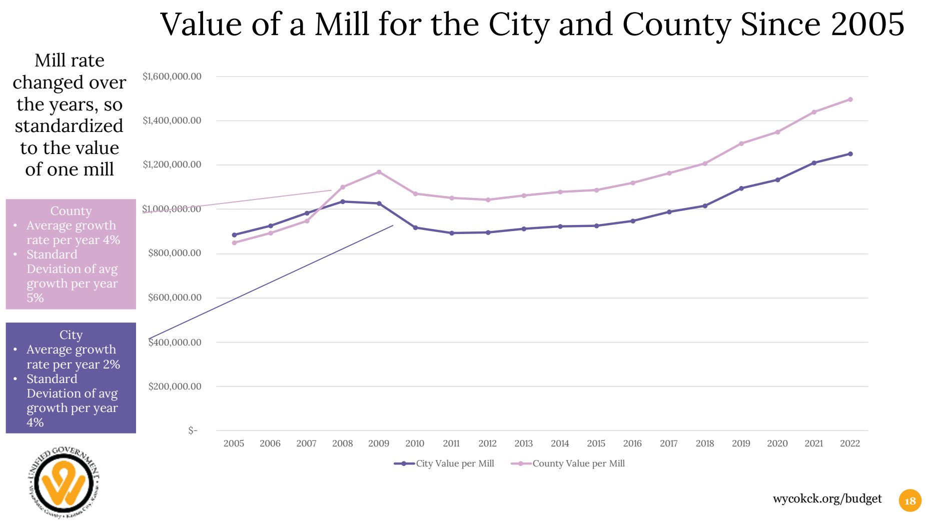
	KCKCC	Turner USD 202	Piper USD 203	Bonner USD 204	USD 500
Change in Mills	0.05	-7.49	-1.90	-5.64	0.49
% Change in Mills	0%	-12%	-3%	-9%	1%
Change in Valuation	50%	54%	62%	51%	36%
Levied Revenues	50%	39%	75%	27%	42%

The Kansas City, KS General Fund has seen the greatest decrease as a percentage of Mills and smallest growth in additional Levied Revenues

Average annual increase in levied revenues for KCK is 2%

wycokck.org/budget 17

Ms. Alemifar said here we wanted to compare our ad valorem history from 2015 to 2022 to the other cities and Wyandotte County, and the other taxing districts within our county. When we did so, two things really stood out to us. The first thing is that the Kansas City, Kansas General Fund has seen the greatest decrease as a percentage of overall mills. And the second thing is that "percent change in valuation" row, which is the third row down, shows that we have also seen the smallest growth in additional levied revenues. Actually, it's the fourth row down, excuse me. While our mill levy has been decreasing at the highest rate, our total levy revenues have also been increasing at the lowest rate. Something to point out is that the average annual increase in our levied revenues for Kansas City, Kansas, over the time period was 2%, which depending on what inflation rate you're looking at, is either barely keeping up with inflation or not quite.



Here, we wanted to look at what our ad valorem revenues have looked like over time because we wanted to get an idea of how volatile ad valorem revenues are, as well as getting some kind of idea of what we might be able to expect for the future. And so when we looked at our ad valorem revenues over time, we needed to standardize what we were looking at because we have changed the mill levy various times since 2005. And so what we're seeing on this graph is what the value of one mill was for the city and the county in each particular year. The lighter purple line is for the county and what we see is that it has an average growth rate per year of 4%. And the darker purple line is for the city, which has an average growth rate per year of 2%.

The next thing I want to talk about is the standard deviation of these two lines because that gives us an idea of the volatility of the source of revenue, because the standard deviation is a measure of, on average, how much the data deviates from the mean. It's just a measure, a way of looking at how volatile the source of revenue is over time. For the county, the standard deviation of the average growth rate per year was 5%. For the city, the standard deviation of the average growth rate per year is 4%. Those numbers we want to keep in mind when we look at the standard deviations for the sales tax for the city and the county, because what we'll see is that the sales tax is slightly more volatile, which makes sense given what we know about these two sources of revenue. So, for ad valorem, you're really not going to see the impacts of an economic downturn, for example, until the next year because our valuations are based on the previous year. Whereas for sales tax, we're constantly bringing in that revenue and so, any changes in the economy we're going to see almost immediately.

Revenue Neutral Rate

- Defined (KSA 79-2988)
  "Revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the **current tax year's total assessed valuation** ".
- Examples of when assessed value may be added to current year's total assessed value
  - The construction of any new structures or improvements or the remodeling of existing structures
  - Expiration of property tax abatements or TIFs
- Summary: Total assessed valuation, which is defined as total taxable value, is used as input in calculation of RNR

wycokck.org/budget 19

Mike Grimm, Unified Government Research Manager, said I'm going to do a recap to start with on revenue neutral rate. And as defined in state statute, the revenue neutral rate means the tax rate for the current tax year that would generate the same property taxes as levied the previous year, using the current year's total assessed valuation. So, the key pieces to the model or the tax rate and the valuation and we'll kind of explore how those work together. An example of assessed value that may be added, the most common examples are the construction of new structures or improvements or remodeling of existing structures, or expiring property tax abatements or TIF. These are all examples of items that will add assessed value to the tax roll. And then, in summary, total assessed value, which is defined as total taxable value is input to calculating the revenue neutral rate. So anytime we add information or data to the tax roll, value to the tax roll, that's going to be reflected in the revenue for a calculation.

Revenue Neutral Rate, cont.

Example: *Estimated impact on COUNTY mill levy fund mill rate and taxes levied*

Property Taxes Levied and Mill Rate	Prior Year	Current Year At Constant Rate	At Revenue Neutral Rate
Existing Property Taxes Levied	$63,816,000	$67,645,000	$62,290,000
New Constr., Improvements, Remodels Taxes Levied	---	$1,601,000	$1,475,000
Expiring Abatement Taxes Levied	---	$56,000	$52,000
Total Taxes Levied	$63,816,000	$69,302,000	$63,817,000
Mill Rate	37.328	37.328	34.373

Note: Assume a 6% growth in existing valuation from prior to current year.

Going revenue neutral would save a homeowner $59 annually on Wyandotte County portion of tax bill (assume home valued at $175,000)

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As we look at a hypothetical example, numbers are somewhat realistic on the county side. On the first column, the prior year, existing property taxes levied at $63.8 million, and that would had been derived with a mill rate of 37.328. So if we look at the current year, we grow that valuation by 6% and if we show taxes levied for new construction improvement, remodels at $1.6 million, expiring abatement, for example, $56,000 and the elected body kept the mill levy the same at the 37.328 that would give us taxes levied of $69.3 million. However, if we look at going revenue neutral, we see the revenues, we just had a rounding issue, it's the 63.8, 16 and 17. So revenues stay the same, but that would mean we'd have to decrease the mill to 34.373. So again, we're keeping revenues the same and by doing that, we have to decrease the mill. Then to give you an idea of what that would do, for the taxes levied in those existing property taxes, new construction, and expiring abatements, we're not saying those values go down to effect that, we're just showing that, in essence, that is what would happen to those taxes levied. And then that bottom box, we see that on the county side, for a home worth $175,000, that will save a homeowner $59 annually.

On the city side, $58 million in taxes with a mill levy rate of 38.477. If we increase the value and to get us existing property taxes levied to be that higher amount of $61 million new construction, expiring abatement. Now we're up to $63.4 million, assuming the same mill levy rate. If we go revenue neutral, we would decrease the mills to a little over three mills to 35.35. That would save a homeowner $63 annually on the Kansas City, Kansas portion of the bill.

CONSUMPTION TAXES

- **Sales Tax**
- **Tourism Tax**
- **Earnings Tax**
- **Soda Tax**

UNIFIED GOVERNMENT
Wyandotte County • Kansas City, Kansas

Sales/Use Tax Rates, Kansas Cities of the First Class

City	Total Tax Rate Non Food[1]	Total Tax Rate Food (beginning 1/1/23)[1]	Rank Among Listed Cities in Group
Junction City	9.750%	7.250%	1
Shawnee	9.600%	7.100%	2
Coffeyville	9.500%	7.000%	3
Leavenworth	9.500%	7.000%	3
Olathe	9.475%	6.975%	5
Fort Scott	9.400%	6.900%	6
Lenexa	9.350%	6.850%	7
Lawrence	9.300%	6.800%	8
Manhattan	9.300%	6.800%	8
Liberal	9.250%	6.750%	10
Parsons	9.250%	6.750%	10
Salina	9.250%	6.750%	10
Topeka	9.150%	6.650%	13
Kansas City	***9.125%***	***6.625%***	***14***
Leawood	9.100%	6.600%	15
Overland Park	9.100%	6.600%	15
Pittsburg	9.000%	6.500%	17
Prairie Village	8.975%	6.475%	18
Garden City	8.950%	6.450%	19
Atchison	8.750%	6.250%	20
Hutchinson	8.600%	6.100%	21
Dodge City	8.500%	6.000%	22
Emporia	8.500%	6.000%	22
Newton	8.500%	6.000%	22
Derby	8.000%	5.500%	25
Wichita	7.500%	5.000%	26

Sales/Use Tax Rates, WyCo. Cities & Kansas City, MO

City	Total Tax Rate Non Food[1]	Total Tax Rate Food (beginning 1/1/23)[1]	Rank Among Listed Cities in Group
Wyandotte County Cities			
Bonner Springs (Wyan. Co)	9.250%	6.750%	1
Kansas City	9.125%	6.625%	2
Edwardsville	9.000%	6.500%	3
Lake Quivira (Wyan. County)	7.500%	5.000%	4
Kansas City Missouri			
Kansas City (Jackson & Platte Co.)	9.250%	6.750%	1
Kansas City (Clay Co.)	9.125%	6.625%	2
Kansas City (Cass Co.)	9.000%	6.500%	3

wycokck.org/budget 23

We're going to transition to a discussion on consumption taxes. We'll start with sales taxes. The table on the right, mainly want to focus on that first column, which is the total tax rate for the city and it's that yellow column there, 9.125 is our total local sales tax rate, that ranks 14th out of all first class cities. I'll just point out I have that second column in there, it's just not going to really discuss it tonight, just to acknowledge that on the state reducing the sales tax on food items by 2.5%. So by and large, we're just going to focus on the total sales tax rates. The table on the left shows the Wyandotte County cities, so Bonner Springs, total local sales tax rate 9.25%. There's Kansas City, Kansas, 9.125%, Edwardsville at 9%, and Lake Quivira at 7.5%. And we also show just for comparison, Kansas City, Missouri. Kansas City lies in four different counties, the ones in the portion of Kansas City and Jackson and Platte have a sales tax rate of 9.25%.

Sales/Use Tax Rates in Special Economic Development Areas*
Highest Rate in Each City

City	Total Sales Tax Rate, Includes Special Districts (Total City Rate + Special Eco. Devo. Rate)	Rank Among Listed Cities	*City Sales Tax Rate*	*Special Sales Tax Rate (added to total city rate)*
Leavenworth	11.500%	1	9.500%	2.000%
Olathe	11.475%	2	9.475%	2.000%
Topeka	11.150%	3	9.150%	2.000%
Kansas City	***11.125%***	***4***	9.125%	2.000%
Shawnee	11.100%	5	9.600%	1.500%
Overland Park	11.100%	5	9.100%	2.000%
Lenexa	10.350%	7	9.350%	1.000%
Lawrence	10.300%	8	9.300%	1.000%
Bonner Springs (Wyan. Cnty pt.)	10.250%	9	9.250%	1.000%
Leawood	10.100%	10	9.100%	1.000%
Edwardsville	10.000%	11	9.000%	1.000%
Wichita	9.500%	12	7.500%	2.000%
Kansas City, Missouri (Jackson Co.)	**11.850%**	---	8.850%	3.000%

*Special economic development areas may be relatively small geographic areas and generally do not apply to a majority of residents shopping in a community. (e.g. a special economic development area may be a shopping area or a stand alone hotel).

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We did feel we needed to point out that although the overall sales tax rate for the county is 9.125%, we do have, you know, various special economic development areas and this could be a Community Improvement District, Transportation Development District, for example. If you take the highest rates and all those communities that I have listed on the table, Kansas City, Kansas comes in fourth with a total sales tax rate of 11.125%. We do discuss on the bottom there that these special economic development areas are geographically very small, wouldn't affect a great portion of the community, it's just these one-off projects and may have a special sales tax associated with it.

Sales Tax Rate Detail for Select Kansas Counties, Citie

WYANDOTTE COUNTY

KANSAS CITY, KS	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Kansas City, KS, City	
General Fund	1.000%
EMS	0.250%
Public Safety/Infrastructure	0.375%
Total City Rate	*1.625%*
Total Current Sales Tax Rate	**9.125%**

Bonner Springs (Wyan. Co. pt.)	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Bonner Springs, City	
General Fund	1.250%
General Capital Improvements	0.250%
Public Safety & Emergency Services Capital	0.250%
Total City Rate	*1.750%*
Total Current Sales Tax Rate	**9.250%**

Edwardsville	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Edwardsville, City	
General Fund	1.000%
Roads, Park, Fire/EMS	0.500%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.000%**

JOHNSON COUNTY

Olathe	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public Safety	0.250%
Public Safety Capital & Operations Tax	0.250%
Courthouse	0.250%
Storm Sewers	0.100%
Education Triangle Tax	0.125%
Total County Rate	*1.475%*
Olathe, City	
General	1.000%
Street Maintenance Sales Tax	0.375%
Parks	0.125%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.475%**

Overland Park	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public safety I	0.250%
Public safety II	0.250%
Courthouse	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Overland Park, City	
General	1.000%
Street Improvements	0.125%
Total City Rate	*1.125%*
Total Current Sales Tax Rate	**9.100%**

Lenexa	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public safety I	0.250%
Public safety II	0.250%
Public safety III	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Lenexa, City	
General	1.000%
Parks, roads, civic center project	0.375%
Total City Rate	*1.375%*
Total Current Sales Tax Rate	**9.350%**

Shawnee	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Law Enforcement	0.250%
Public Safety	0.250%
Courthouse	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Shawnee, City	
General	1.000%
Parks, Trails, Stormwater	0.125%
Public Safety	0.125%
Streets, Curbs, Sidewalks	0.375%
Total City Rate	*1.625%*
Total Current Sales Tax Rate	**9.600%**

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I'm not going to go through these in detail. Really what the next few slides do is start the discussion or the idea of Wyandotte County or all these cities listed, also those in Johnson County show the breakout of the sales taxes. So we have the state sales tax at 6.5%. There's county sales tax and local sales taxes. When you add those three up, you get your total local sales tax rate. So for example, Wyandotte County, or Kansas City, Kansas, the state rate is 6.5%, Wyandotte County 1%. And then for Kansas City, Kansas, we have a General Fund sales tax rate of 1%. And then something we kind of refer to as our special sales tax rates, EMS, and our public safety infrastructure. If you add all those up, we get 9.125%. I'll point out Bonner Springs and Edwardsville have also specials under the city portion of their sales tax. In Johnson County, their county sales tax there generates a half percent, but they have specials on the county side for public safety, stormwater and education related and then each of the cities also have specials associated with them.

Sales Tax Rate Detail for Select Kansas Counties, Citie:

Other Communities

Lawrence	Current Rates
State of Kansas	6.500%
Douglas County	
Jail & Health Buildings	1.000%
Mental Health	0.250%
Total County Rate	*1.250%*
Lawrence, City	
General	1.000%
Streets & Infrastructure	0.300%
Public Transit	0.200%
Affordable Housing	0.050%
Total City Rate	*1.550%*
Total Current Sales Tax Rate	**9.300%**

Leavenworth	Current Rates
State of Kansas	6.500%
Leavenworth County	1.000%
Leavenworth, City	
General	0.500%
Community Center & Capital Improvements	0.500%
Property Tax Reduction	1.000%
Total City Rate	*2.000%*
Total Current Sales Tax Rate	**9.500%**

Topeka	Current Rates
State of Kansas	6.500%
Shawnee County	
General	0.500%
Washburn University	0.650%
Total County Rate	*1.150%*
Topeka, City	
General	1.000%
Street, curb, gutter, sidewalks	0.500%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.150%**

Wichita	Current Rates
State of Kansas	6.500%
Sedgwick County	1.000%
Wichita, City - *No city sales tax rate*	0.000%
Total Current Sales Tax Rate	**7.500%**

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Lastly, these other communities I show kind of a mix of county and city specials. Leavenworth does not have, they're like Wyandotte County, just have a 1% general, as does Sedgwick County. You'll also notice Wichita does not have a local sales tax rate, so their total sales tax rate is 7.5%.

Sales Tax Rate Detail for Select Kansas Counties, Citie:

KANSAS CITY, MISSOURI	*Jackson Co.*	*Clay Co.*	*Platte Co.*	*Cass Co.*
State of Missouri	***4.225%***	***4.225%***	***4.225%***	***4.225%***
General	3.000%	3.000%	3.000%	3.000%
Education	1.000%	1.000%	1.000%	1.000%
Conservation	0.125%	0.125%	0.125%	0.125%
Parks & Soil	0.100%	0.100%	0.100%	0.100%
County Rates	***1.375%***	***1.250%***	***1.375%***	***1.625%***
County	0.500%	0.500%	0.500%	0.500%
County Law Enforcement	n/a	0.125%	0.500%	0.250%
General County, Misc.	0.250%	0.250%	n/a	0.500%
Children's Services Board	0.125%	0.250%	n/a	n/a
Transportation	n/a	n/a	0.375%	n/a
Stadium	0.375%	n/a	n/a	n/a
Zoo	0.125%	0.125%	n/a	n/a
Emergency Services	n/a	n/a	n/a	0.125%
Law Enforcement	n/a	n/a	n/a	0.250%
Kansas City, Missouri - City Rates	***3.250%***	***3.250%***	***3.250%***	***3.250%***
Capital Improvement	1.000%	1.000%	1.000%	1.000%
Public Mass Transit	0.500%	0.500%	0.500%	0.500%
KCATA	0.375%	0.375%	0.375%	0.375%
Firefighters	0.500%	0.500%	0.500%	0.500%
Public Safety	0.250%	0.250%	0.250%	0.250%
Parks	0.500%	0.500%	0.500%	0.500%
Central City Economic Development	0.125%	0.125%	0.125%	0.125%
Total Kansas City, Missouri Sales Tax Rates	***8.850%***	***8.725%***	***8.850%***	***9.100%***

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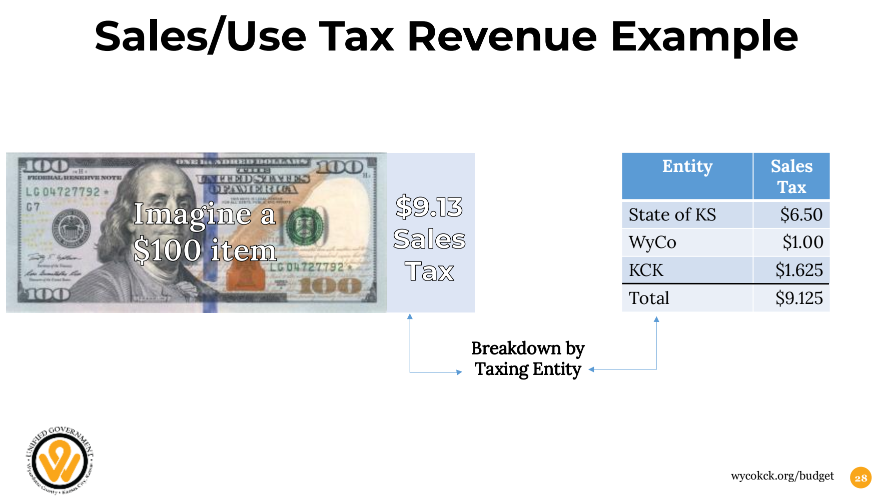
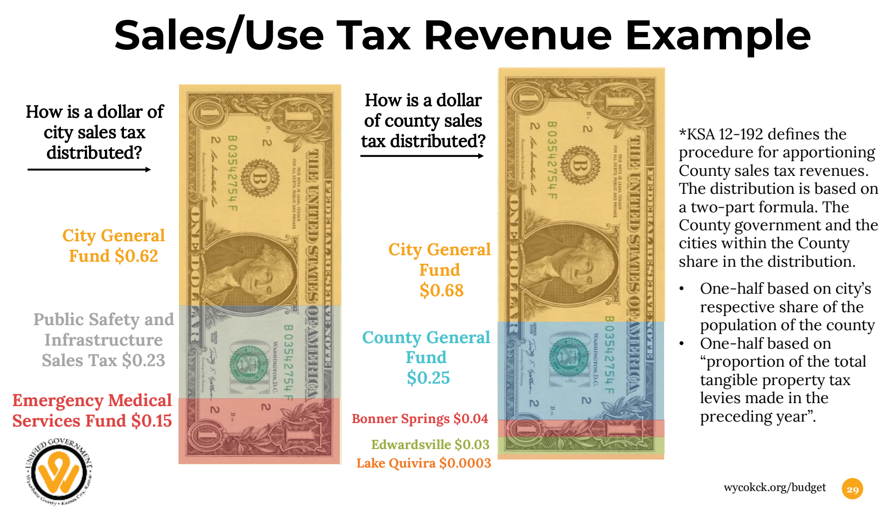
Lastly, for comparison, we're looking at Kansas City, Missouri. State is 4.225%. And after that, I skipped to the bottom portion of that table, the city rates have multiple specials. Total city rates can be the same for Kansas City, but when we go up to the middle portion of that table, the county rates vary because Kansas City lies in four different counties, but you can see they have multiple specials also.

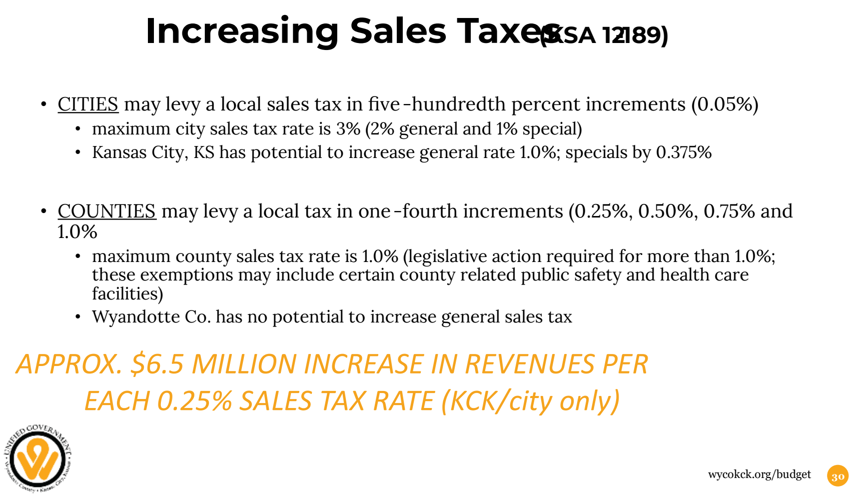


So just going to discuss hypothetically, if we had $100 item that local sales tax will be $9.13. Of that, how that would break down, the state of Kansas would get $6.50, the county would get $1, Kansas City Kansas would get $1.63, and that's going to be broke out with the general and then the two specials EMS and dedicated sales tax.



On this slide, if we now kind of shift our thought process a little bit, this $1 equals dollar in tax revenues, so on the left the city sales tax, how that would break out would be 62 cents would be to the City General Fund, Public Safety would get 23 cents, EMS would get 15 cents. And then on the county side, it's a little different. On that dollar, Kansas statute tells us how to split that dollar up amongst the cities in the county and the county itself and it's based on population. One half population of one has property taxes levied. So if we take that $1, the City General Fund gets 68 cents, County General Fund gets 25%, that's about 93 cents of that dollar going to the Unified

Government. Bonner Springs gets four cents, Edwardsville three, and then Lake Quivira gets a small portion.



If we were to explore potentially increasing sales taxes on the city side, statute tells us we can increase five hundredths of a percent increments. The maximum on the city side would be 3% and that's 2% General and 1% Special. Our potential there is to increase the general rate 1% We already have 1%, that'd get us to the 2% and specials we could increase 1.375%. On the county side, we can increase in 1/4 increments .25 up to 1%. That's a maximum, we're already there. However, with legislative action, there's room for growth or higher sales taxes for Public Safety. That would max out at 1.5% and healthcare related items at 1%. I'll point out on the bottom, just on the Kansas City, Kansas side, I just put that as possibly where we'd have room to grow, for example, that approximately $6.5 million increase in revenues for each quarter cent sales tax rate increase.

Ms. Alemifar said now we're going to shift over to looking at what our sales tax revenues have looked like over time. Just as we had to standardize the ad valorem to compare it over years with different rates, we also needed to standardize our sales tax because those rates have changed slightly since 2005 as well. And because when we're thinking about changing sales tax rates, we usually consider it in about 25 cent increments. What we're looking at here is the value of a quarter cent sales tax for each year since 2005. One thing to point out is that STAR revenues are not reflected here. But after 2017, STAR adds about $8 million per year for the city and $1 million per year for the county. When we look at the average growth rates for sales tax, we see that for the county the average growth rate per year is 4%. For the city, the average growth rate per year is 7%. The standard deviations we'll see are much higher than the standard deviations were for the ad valorem tax over time. So for the county and a standard deviation of the average growth rate per year at 7%. And for the city, the standard deviation of the average growth rate per year is 11%. And that just indicates to us that this is more volatile source of revenue, which makes sense given what we know about sales tax and how that's collected.

Transient Guest Tax

- A tax imposed on hotel stays (includes vacation rental businesses)
- Tax is imposed by city or a county if no city has imposed such tax
- Transient guest city rate is currently 8% in Kansas City, KS

- Range from 2% to 9% across Kansas

CITY	RATE
BONNER SPRINGS	6.00%
EDWARDSVIILLE	6.00%
LAWRENCE	6.00%
OLATHE	6.00%
WICHITA	6.00%
LANSING	7.00%
TOPEKA	7.00%
KANSAS CITY	***8.00%***
LEAWOOD	8.00%
LENEXA	8.00%
MERRIAM	8.00%
ROELAND PARK	8.00%
SHAWNEE	8.00%
MISSION	9.00%
OVERLAND PARK	9.00%
KANSAS CITY, MO	**7.50%**

wycokck.org/budget 32

Mr. Grimm said I'm going to discuss Transient Guest Taxes. This is a tax that's imposed on hotel stays. This would include vacation rentals and businesses. The taxes imposed by city or county, no city has imposed such a tax in all cities, not counting Lake Quivira, in Wyandotte county has a transient guests tax. Currently Kansas City, Kansas has a transient guest rate of 8%. On the right I point out that across the state, the rates range from 2% to 9%. Bonner, Edwardsville have 6% along with some other communities on the table, Lansing and Topeka 7%, Kansas City 8%, along with some other metro cities and Mission, Overland Park have a 9% Transient Guest rate and then again, for reference Kansas City, Missouri has a 7.5% transient guest rate.

Transient Guest Tax, cont.

- In 2022, transient guest revenues were $4.2 million (after pledged amount to special projects per development agreements)
- $1.4 million to Visit Kansas City Kansas (per contract)
  Note: contract is 2022 thru 2026; contract amount adjusts annually with changes to CPI/inflation
- Increasing transient guest tax by 1% would generate approx. $550,000 annually

wycokck.org/budget 33

In terms of revenues in 2022, those revenues were $4.2 million. Just to note, that we do have per contract funds that we have to provide to Visit Kansas City, Kansas, but with increasing transient guests by 1%, would generate approximately $550,000 annually.

Transient Guest Tax 1% Increase Chart

	2021 Actual	2022 Amended	2023 Forecast	2024 Forecast	2025 Forecast
Gross Revenue	$41,303,725	$52,244,375	$54,856,594	$57,599,423	$60,479,395
Current Tax Rate 8%	$3,304,298	$4,179,550	$4,388,528	$4,607,954	$4,838,352
Increased Tax Rate to 9%			$4,937,093	$5,183,948	$5,443,146
Increase in Revenue			$548,565	$575,994	$604,794
Total Forecast Increase			$548,565	$1,124,560	$1,729,354

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Here's a look at some actuals and minimum budget and some forecast numbers. If we just look at 2023, our gross revenues would be about $55 million. On the current tax, 8%, that would generate $4.4 million in revenue. If we increase that to 9% that transient guest rate, that would give us $4.9 million, so that would increase, it would get us to that right about $550,000. If we look at that over time, we can see how that grows. Then there's a cumulative forecast increase on that bottom line. And just to point out, per Commissioner McKiernan, this would be a tax that would be targeted per statute to have these funds or any increase in funds would have to be spent on convention and visitor-type functions.

UG Revenue Detail Supplement Example

The **Emergency Medical Services** fund revenue is budgeted over $12.4 million in 2023, making up less than 3% of UG revenues.

- Primary funding sources driving the EMS fund are Sales and Use Taxes (67%) and EMS Use Charges (30.7%) making up 97.7% of budgeted revenues.

The **Sunflower Hills Golf** fund revenue is budgeted over $1.2 million in 2023 and makes up about ¼% of UG revenues.

- Primary funding sources driving the Sunflower Hills Golf Fund are Greens Fees (57.6%) and Cart Rental Fees (39.1%) making up 96.7% of budgeted revenues.

		Revenue Detail	2023 Budget	% of Fund Revenue	% of Certified Funds
564 - Emergency Medical Services					
	41 - Tax Revenue	Sales Tax - City	$ 6,727,500.00	54.06%	1.59%
		Compensating Use Tax-City	$ 1,635,944.96	13.14%	0.39%
		Federal - Other Grants	$ -	0.00%	0.00%
	44 - Charges for Services	EMS Event Fees	$ 40,000.00	0.32%	0.01%
		EMS Memberships	$ 15,000.00	0.12%	0.00%
		EMS Use Charges	$ 3,824,800.00	30.73%	0.90%
		Collection Agency Revenue	$ 67,400.00	0.54%	0.02%
		Setoff Program Revenue	$ 120,000.00	0.96%	0.03%
	46 - Interest Income	Interest - Investments	$ 5,000.00	0.04%	0.00%
	48 - Reimbursements	Reim Expense-Other	$ 10,000.00	0.08%	0.00%
		Cancelled Prior Year PO's	$ -	0.00%	0.00%
	564 - Emergency Medical Services Sub-Total		$ 12,445,644.96	100.00%	2.94%
565 - Sunflower Hills Golf					0.00%
	44 - Charges for Services	Sunflower Hills-Snack Bar Fees	$ 16,000.00	1.32%	0.00%
		Sunflower Hills Golf-Green Fee	$ 700,000.00	57.62%	0.17%
		Sunflower Hills-Cart Rental Fe	$ 475,000.00	39.10%	0.11%
		Youth Sports Fees	$ 3,800.00	0.31%	0.00%
	46 - Interest Income	Interest - Investments	$ 5,000.00	0.41%	0.00%
	49 - Other Financing Sources	Operating Transfers-In	$ 15,000.00	1.23%	0.00%
	565 - Sunflower Hills Golf Sub-Total		$ 1,214,800.00	100.00%	0.29%

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Reginald Lindsey, **Budget Director,** said the current slide shows the supplement that came out with this PowerPoint, it shows our UG revenue in detail. An example on the slide is, we have

Emergency Medical Services and then also Sunflower Hills. And basically what was shown is the revenue detail, and what the supplement that you all have, it breaks down all the revenues that come in to all our 29 different funds. Commissioner Burroughs, you asked about where the contribution was for the casino, it could be found within the detail and it would be up under contribution of other City General Fund is like a one half million dollar number. So you could look at the supplement that was handed out and just kind of delve all into the revenues, all you wanted. How it breaks out is, on the screen we have EMS Fund and the type of revenue it is. And then it shows the budget amount that we're forecasting for 2023 for each of the amounts, and then it tallies it up by fund and you have all 29 funds that we have certified with state there.

Potential Incremental Revenue

- Earnings Tax
- Friendly Payment In Lieu of Taxes on Tax Exempt Properties
- New Dedicated Sales Tax
- Increase Tourism Tax
- Health Equity Tax

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Next, we have more potential incremental revenues. One of the things that our Interim County Administrator, Cheryl Harrison-Lee, spoke about is that we can't cut our way out of the structural imbalance that we have. One way to get out of the structural imbalance is to come up with some different incremental revenues. One of the first ones on the screen is earnings tax, something that Senator Haley has presented at the House level. Just to kind of break that down, it could either be a county tax or a city tax. We have $5.2 billion dollars in annual payroll in Wyandotte County. If we had a 1% tax, that will be $52 million going into our budget. One of the things that Senator Haley has proposed is that half of the 1% will go towards tax relief and half we'll get revenues into our budget. We would get $26 million for tax relief and $26 million to go into our budget. If it was just a city tax, the number drops by a little bit, as $4.8 billion in payroll within the city of Kansas City, Kansas. We'd be at $48 million for a 1% earnings tax. If we were to split it in half between tax relief, and also going into our budget, we have $24 million for each of those. Just to kind of give you an idea, $24 million dollars would do amazing things for our budget. We could definitely go revenue neutral, we could definitely cut the PILOT down, don't know quite how much yet, depending on how much the revenue neutral would be each year. For instance, if we went revenue neutral last year, it would have been $9 million, so there would still be money left over if we're going revenue neutral to cut PILOT for BPU, if we needed to.

Just to also give a comparison, Kansas City, Missouri, they have an earnings tax of 1%. They collect $305 million a year and it's like 17% of their budget. The amounts that I gave for collecting $26 and $24 million, that would be like 6% of our budget, just to kind of give a comparison with that would be. Other options or friendly payment in lieu of taxes on taxes and properties, a lot of times we talk about PILOT, we're definitely talking about BPU. We have taxes and properties that are on our tax rolls that don't pay any property tax. One of the possibilities that some cities do, for instance, like Boston does it, there's a possibility to have a friendly PILOT. In Boston, what would happen is the universities and the hospital agree to pay a certain amount. Basically, what happens is when these organizations that are tax exempt don't pay into property tax, they're not paying into fixing bridges, they're not paying into law enforcement, they're not paying taxes for emergency medical services, health services, that need to be provided. They're not paying into those, so that's one of the things that a friendly payment in lieu of taxes would do for us.

Another tax we could have, Mike Grimm, some things he covered is we could increase taxes. We could have additional new dedicated sales tax. Some of the cities that Mike Grimm showed on the screen, for instance, like the city of Kansas City Missouri, which we're not the same size as them, but we are very comparable just in the makeup of our city with the diversity and everything. They have two transit sales tax. They have the sales tax with capitol, they have a sales tax with firefighters, they have sales tax with public safety, they have sales tax with parks, they have sales tax for economic development, and they also have restaurant sales taxes.

Then some of our neighboring cities on the Kansas side, for instance, Lawrence as a transit tax. Also, Leavenworth had a property reduction tax of 1%. There's just some different things that we could do to make us more compatible in the services that we provide to our citizens as opposed to the cities around us. And then one of the things Mike also covered was the increased tourism tax. By doing that, Mike showed that it would bring us almost $550 million additional a year, but we would have to use it within that fund. But there are things that we could do within that fund that could help grow our city that would replicate more sales tax in the City General Fund and more property tax in the City General Fund.

Then there's also a possibility for Health Equity Tax. Basically what example this could be is tax distribution of sugar-sweetened beverages. The way that some cities use this is they use it to improve community health and increase investment in programs to reduce health risks across the city. Examples of cities that do this are Boulder, Colorado, Oakland, California, Philadelphia, Pennsylvania, San Francisco.

Potential Incremental Revenue

- **Increase Housing Stock**
- **Sale of Assets**
- **Increase Delinquency Collection**
- **18-hour Economies**
  Entertainment Districts
- **Form Port Authority**
- **Memorial Hall**
  Additional Revenue Streams

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Another way to increase our potential incremental revenue is to increase our housing stock. Commission got a presentation from DeWayne Bright last week and he'll be coming back to Commission to talk again. Increasing our housing stock definitely will increase our property taxes that we're pulling in. Definitely, our sales taxes we're pulling in, just from more people living in the area, also vehicles registered. We also will be growing our city by redeveloping current land we have and taking advantage of the infrastructure we have that we already have debt issued on. Another thing is the sale of assets that we have. So one of the things that we're looking at is facilities and different land and we have as assets looking at (Inaudible). One thing about that is it's not continued revenue, it's just a one time shot to the budget each year. Then we also have increasing delinquency collection on our property taxes. One of the things in the City General Fund, we have about $4.6 million in delinquency that we don't collect a year. Over in the County General Fund, we have about $5.7 million in delinquency, both those add up to about $10.5 million dollars. I'm not saying that we will be able to collect all those, but just maybe if we can collect a little bit more of those.

Another potential way to increase income rental revenue is to have 18-hour economies and create entertainment districts within our city and one thriving place that we already have is Strawberry Hill, it could become something like a Westport. We already have things going on there. We have businesses that are open from six in the morning to midnight most nights. If we could foster the development that's going on there are some things we have going on. We definitely have a street project that will be coming to make 6th Street more walkable. Doing things in Strawberry Hill, we could create more jobs, attract more people to move into the area. Once we got that down and turned it into an entertainment district, we could replicate this across the city, maybe taking it to places like Quindaro Boulevard and doing the same thing.

Another opportunity is to form a Port Authority. We have the Rock Island Bridge that is that is going on. So there's a possibility to form a Port Authority that would help us develop land around our rivers and also take advantage of abilities to recognize revenues from transport going up and down a river.

Then, last item is Memorial Hall, bringing in additional revenue streams there Building and Logistics, they already do a great job in bringing in events each year, they bring in about 175 different events each year. If we invest a little bit more money in there, they can bring in different type of events that will bring different types of revenue streams as possibility to bring in revenue streams that will get us television rights and also pay-per-view rights, also, looking at maybe making more money off of concessions. We can do some things like invest a little bit more in personnel there and also maybe have a kitchen area there that needs to be redone. There's a possibility to bring in more revenue with Memorial Hall.

With all these items that we went through tonight, there's a lot of potential incremental revenue that could help us get out of our structural imbalance. Also, once we get out of our structural imbalance, there's a lot of potential revenue that we can help the citizens by cutting things like the BPU PILOT and property taxes. That is the presentation that we wanted to bring you all tonight.

Commissioner McKiernan said one word, wow. Okay, so you all have thought about this for a good deal of time and putting this all together, this is magnificent information. But I'll just put you on alert that we're going to be calling you back because it's going to take us a while to digest all of this and make sense out of it. This is fantastic information as we start the budget process for the

2024 Budget. It's great that we have it now. Let's just accept the fact that there are going to be some ongoing discussions as we see what all is in here and consider how that applies incrementally to the 2024 Budget. Thank you for this work. Let's continue to have conversations. I know that everybody gets it, but if all the commissioners, especially those who are not here on this committee, could explicitly either be sent this presentation or the link to it, then they will have all of this explicitly in front of them so that they can consider it as well as we start our budget conversations for 2024. Thanks for your work. We will talk again.

Commissioner Stites said thank you all for the presentation and I agree with Commissioner McKiernan that there's a lot of good information. I appreciate that we are out in front of this prior to going into a budget. I did have a couple comments that I wanted to make. I had been asking and when we gave the presentation, and I'm not going to ask you to go back and find the slide, but of the dollar bill and all of the taxing entities, we have asked, I have asked, that we somehow if we could get all taxing entities into the same room so that we can talk about how we all responsibly approach, lowering our taxes. So that's one thing that I want to still look at doing. Reggie thanks again, but when you talked about the sale of potential assets, can you give me an example of what you guys were thinking when you talk about that? **Mr. Lindsey** said one of the things we're definitely doing in looking at our asset of buildings and also our assets as far as park land. So, between those different type of assets. **Commissioner Stites** said okay, so but I mean, are we talking, I'm not wanting to put things out there that we own that is going to be up for sale, but I mean, we have a lot of things that that we own. Are we talking baseball, amphitheaters, are we talking about golf courses? Are we talking about just land and Land Bank land or facilities that we own now that we're talking about combining? I'll leave it at that. **Mr. Lindsey** said, we don't quite know which, we have a list of facilities that we're looking at. We don't quite know which ones yet we would put up for sale, but we are examining those right now.

Commissioner Stites said the last comment that I'll make is I totally agree, we are underutilizing Memorial Hall. What a great venue that we have. I would, if quickly, Reggie, you could say by improving the kitchen area, I understand you said the kitchen. What would that do for us investing more money into the kitchen? What would you foresee us being able to attract?

Mr. Lindsey said so they would definitely be able to bring in more types of activities. We already get a good amount of activities, but there will definitely be the type of activities that we could attract. So, Building and Logistics, they do a great job where they bring like 175 different events here, so they could be more specific in the type of events they take on. **Ms. Jonscher** said it might also allow for some catered events.

Commissioner Stites said well, I'm definitely in favor of exploring what we can do to utilize Memorial Hall to its full capacity. I remember going there for major concerts and I don't know how long it's been since we've had one there. It's a great location and I think that we should invest some dollars into that.

Commissioner Townsend said I want to echo the thanks to my fellow Commissioners McKiernan and Stites for the work put into this. It is a lot to unpack, but you put a lot of work into it. So, heads up, I will be calling to have my own repeat of some of this because I will not delay the rest of the business we have tonight with questions I have, particularly with those last slides and some of the impacts that other cities may have experienced. For instance, was there a drop in entertainment when entertainment district taxes were imposed? And is this type of tax that you would have imposed on every entertainment district? I heard you mentioned Quindaro and I'm saying what? I don't know about that. I appreciate your work and as a segue to Commissioner Stites endorsement of more use of Memorial Hall, there will be, for those who are fight fans, fights there this Friday night March the 10th, Upcoming Future Stars. Go to Eventbrite or you can google fight club at Memorial Hall and in and bring into fruition what Commissioner Stites just promoted and urge the use of Memorial Hall.

Chairman Burroughs said, Commissioner Townsend, I sincerely appreciate the advocating for the fight night at Memorial Hall. As a Kansas Athletic Commissioner appointed by the governor, it's my intent to fill Memorial Hall up many weekends with combat sports. So I do appreciate the support that Commission has put forth with Memorial Hall.

Staff, thank you. This was very thorough, I do sincerely appreciate it. Since I've been here as a commissioner, five years, this is information that is tremendously useful and I know it's a daunting exercise for everyone to go through it, but it also helps us think of new ways. I will be reviewing it again, but thank you so very much.

I specifically like the increase in revenue proposed by any increase or additional revenue that may come up, supplemental revenue, the 1%, what it would generate and comparing it to other counties and stuff keeps us competitive, but at the same time allows us to look at what our options might be. The next option we will have to look at is how do we cut expenses, but this gives a tremendous light on our opportunities here. So I appreciate it. It shows a lot of innovation, a lot of thinking, and a lot of conversations have been had. So I sincerely appreciate the work product that was submitted here this evening. Each and every one of you to be commended. Thank you.

Madam Clerk, is there anybody else would like to speak to this evening? **Ms. Sparks** said no comments received, no hands raised.

Chairman Burroughs said anyone in the audience care to speak to this? Seeing none, I would like to say this was for information only and with that, that concludes our meeting this evening and I would entertain a motion to adjourn so that we can move into our next meeting.

Action: For information only.

<u>Public Agenda</u>

No items of business.

<u>Adjourn</u>

Chairman Burroughs said I will entertain a motion to adjourn.

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

The meeting was adjourned at 7:05 p.m.

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