ECONOMIC DEVELOPMENT AND FINANCE STANDING COMMITTEE MINUTES
Monday, May 8, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, May 8, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley. The following officials were also in attendance: Patrick Waters, Acting Chief Legal Counsel; Debbie Jonscher, Interim Chief Financial Officer; Reginald Lindsey, Budget Director; Alan Howze, Assistant County Administrator; 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 comment 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 UG Clerk,** stated there are no revisions.

Approval of standing committee minutes. (No minutes available)

COMMITTEE AGENDA

Item No. 1 – 212433…APPROVING: FIRST AMENDMENT TO ASSIGNMENT, ASSUMPTION AND AMENDED AND RESTATE AGREEMENT (HOMEFIELD CID)
Synopsis: Approval of First Amendment to Assignment, Assumption, and Amended and Restated Agreement (Homefield CID), submitted by Patrick Waters, Acting Chief Legal Counsel.

Patrick Waters, Acting Chief Legal Counsel, said thank you Mr. Chairman. I believe that the developer and their counsel have a presentation they would like to start off with, so I will turn it over to them. **Chairman Burroughs** said, and gentleman, for those watching, would you please introduce yourselves so that they know who is speaking?

Richard Napper, 1671 Kansas City Rd, Olathe KS, representing Homefield, said Homefield, the master plan developer and the developer named under the development agreement. First off, thank you all very much for your time tonight. It's wonderful to be in front of you and update you with where this project is and then also walk through what we're requesting this evening to see this project through to its fruition.

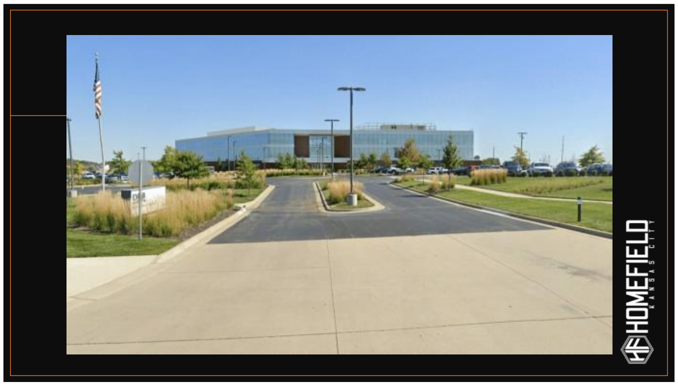
It is further interesting to me that when you look back, it is a little ironic we're here this evening in the month of May of 2023. 10 years ago, this month, I started working on this master plan. Initially for the prior financial partner for the land that surrounded the former water park and today for the current owner, Homefield, that is developing what was the water park and the rest of the remaining land.

Since 2013, we've seen the development out there, hundreds of millions of dollars in development activity. Ford, Nissan, Chrysler, and Jeep, all were out of state companies coming into the state of Kansas into Wyandotte County from Texas as well as Louisiana, employing great numbers of people, paying large property taxes, and creating a lot of jobs. Further, Enterprise Rent-a-Car is on site, Phillips 66, Go Big Carwash, Freddy's, Frontier Justice, Menards, Camping World, which is the largest RV dealer in the country, a large publicly traded company. We have the National Training Center for US Soccer. We have a Fairfield Inn and Suites. The world headquarters of Dairy Farmers of America, the largest private employer in the Kansas City metropolitan area. We have a $50 million plus, Class A, market-rate apartment complex finishing development by Milhaus out of Indianapolis. We have two medical office buildings currently under construction. We have the Homefield Indoor multi-use sports arena that will be unlike anything else in Metropolitan Kansas City. We have the Homefield Outdoor baseball complex, 800% synthetic turf, baseball fields lighted. We have a Margaritaville Resort Hotel with large outdoor amenities of Homefield Outdoor. As you'll see here in a moment in the rest of slideshow, we have other users coming. Atlas 9, which is very similar to the Meow Wolf concept if you've seen that across the country. We have Big Shots Golf, which is the largest competitor to Top Golf. I remember 10 years ago, I had people all throughout this community asking me when can we get a Big Shots Golf—I mean Top Golf. We have Big Shots, it’s owned by ClubCorp, the largest owner of golf courses in the country, to my knowledge, that owns the National Golf Club, as well as Nicklaus Golf Club here in town. We have a deal pending with Live Nation, the largest concert promoter in the country. We have a concept going with 6S Pickleball, Hilton Garden Inn, Supercar Guys, another medical office building, and an indoor karting concept that is one of the largest entertainment attraction uses in the country. So there's been a lot of progress in the past 10 years.

That was in the past 10 years. In the past two years, progress is part of this. I touched on that earlier, but to elaborate a little bit further, construction has commenced on the 150,000 square foot Homefield building. I will have an image here shortly. Construction has also commenced on the baseball facility. The final development plan was approved for the Margaritaville Resort and mass grading is underway. We have applied for footing and foundations permits. We are anxiously awaiting that permit and we will start footings and foundations. Camping World, as I said, the largest RV dealer in the country, is open for business. Fairfield Inn and Suites are set to open in August. I've noted before Milhaus, the apartment developer is, as I understand, taking reservations and residents are moving into that complex.

I go back to 2013, as I opened up my comments, I'm sure a lot of you remember this. That was what it looked like in 2013. Since then, all the name people, all the named users that have occurred are under construction, open for business, or under contract and letter of intent. I did not want to bore everyone here with about 35 images, so I kept it brief, but I thought this one from 2013, looking easterly, was very interesting.

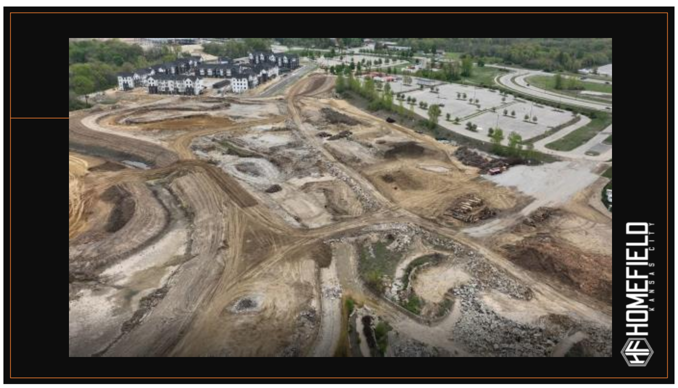
The National Training Center, a premier athletic facility.



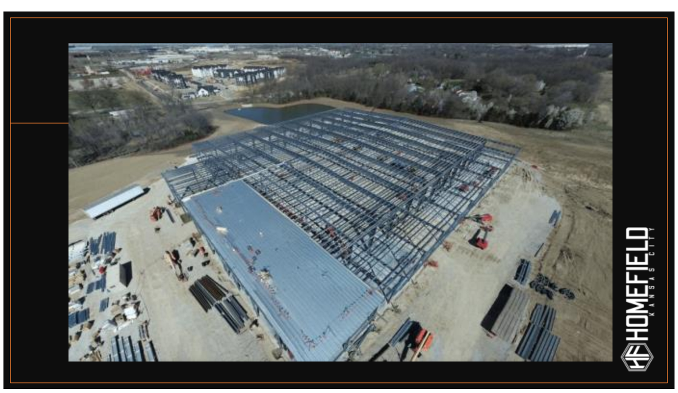
The world headquarters of Dairy Farmers America.

Mass grading for Homefield Outdoor and the Margaritaville Resort. A footnote, Margaritaville and Homefield Outdoor as currently referenced our development agreement, which is but a year old, was called out collectively as about $100 million dollars on the budget in the development agreement. Today, that number is $150 million dollars. That is a sizable increase. We've not changed the scope dramatically, but I think we've all witnessed inflation, labor shortages, and just how expensive everything is. We remain fully committed to this build. We have not decreased the scope or decreased what we're doing. It's $150 million dollars.

You can see towards the back of this image, this is the baseball facility. It is hard to tell from this vantage point, but that is the four easterly most baseball diamonds. Fine graded and actually the light poles are up as well. The westerly diamonds are being cut in as well.



Another image of Homefield Outdoor Margaritaville with the Milhaus apartment complex in the background.



The steel structure is nearly topped out on the Homefield, 150,000 square foot and multi-use indoor sports facility, that will bring people in from all across the Midwest.

Another image of it looking west shows the Milhaus apartments and the rest of the development.

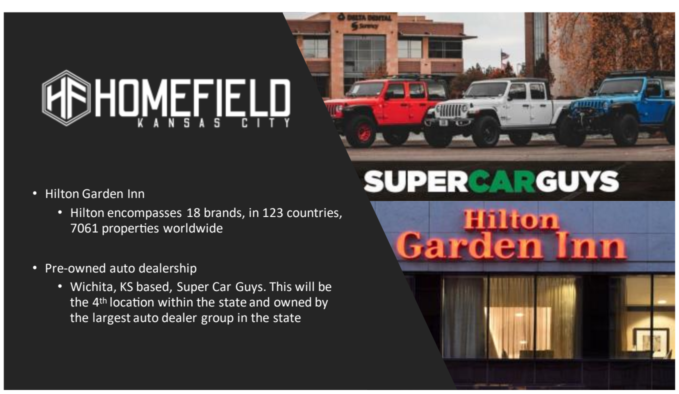
Images are of the Margaritaville Resort, which I just referenced, that along with the Homefield Outdoor amenity components, right now, is priced at $150 million. That is the Land Shark signature restaurant on the left, the hotel tower on the back of it, and the outdoor pool amenities cozy up next to it.

The indoor pool so that we can activate this resort year-round. There is a ninja course that drops down from the ceiling. There is a rock-climbing wall that when the kids fall off the rock-climbing wall, which is not but 10 or 12 feet tall, but they will fall into the pool. I know my son would have loved that when he was a little bit younger.

We've hit on baseball a couple times. Part of what is in the development agreement amendment is in our current development agreement, there was a user that was more or less our operator within the development agreement for the baseball facility. Unfortunately, that user, past the 11th hour became in default of their lease agreement with us. Not only were they trying to reduce the usage fees or rent fees to use the fields 65%, they were also not meeting other financial obligations under the lease. We went to find—Perfect Game was one of the premier operators. There are other premier operators in the country and our mission was to find another premier operator. As it turns out, when you look at our development agreement as it was written a year ago, everyone wanted to make sure that what we were building, the facility we were building, was Class A and met certain standards. The standard called out in our development agreement was “you must be like

LakePoint in Atlanta" and that is one of the mothership youth baseball facilities in the country. LakePoint was previously managed by Perfect Game. They were removed and a company called PBR Tournaments was put in place and they were managing and operating the baseball facility referenced in our developed agreement that we must be like. PBR Tournaments is our operator for the baseball fields. We have found an equal or better operator than we ever had before.

Briefly touch on the new tax generators and attractions that I hit on earlier. Hilton Garden Inn, Super Car Guys, which is owned by the largest automotive dealership group in the state of Kansas, 6S Pickleball, Big Shots Golf, Atlas 9, and Live Nation. Those collectively add about $200 million in additional development costs. Honestly, when this is published from that time today, the $190 is probably up to $210.



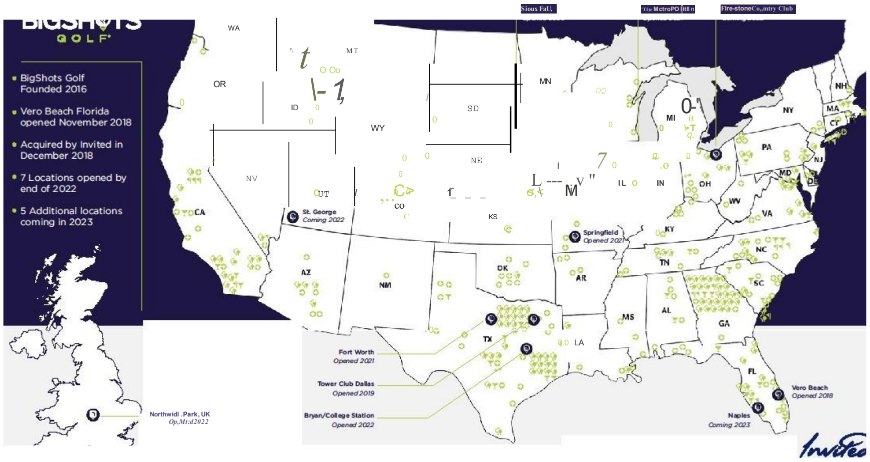
A brief image of Super Car Guys and Hilton Garden Inn.

6S Bar and Grill, this is the pickleball concept.

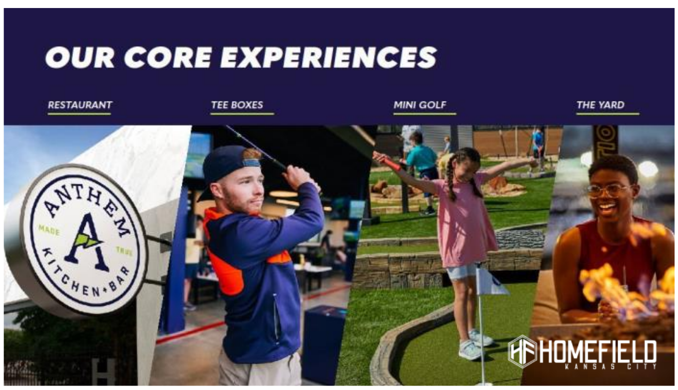
Then, we come to Big Shots. This, I think, is one of the most exciting concepts we've had at this project in the 10 years I've been involved.

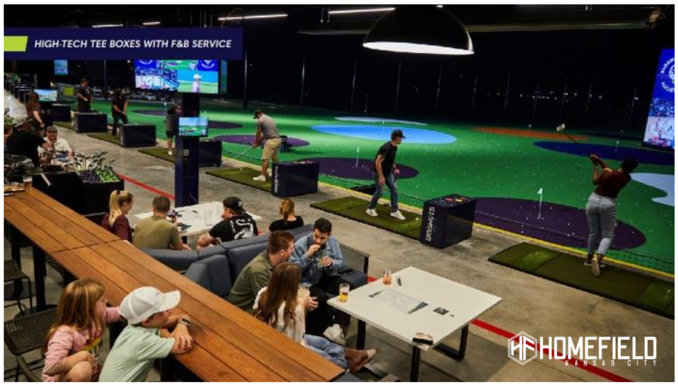
These are images of current Big Shots. They have slightly refined their prototype. We are one of three Big Shots moving forward in the United States for 2023 to 2024. It’s an adult type of outdoor putt-putt golf. Of course, kids can play as well, but there is no clown’s mouth. Other outdoor games as well.

Food and beverage.



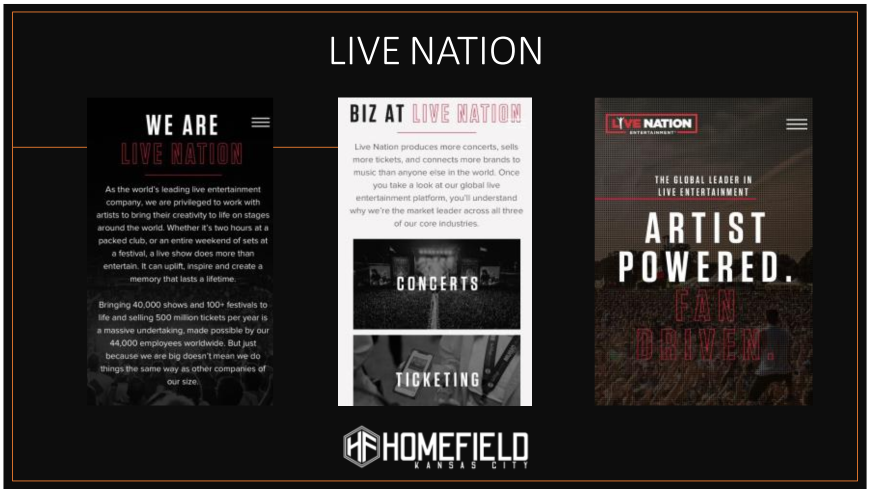
All these dots are where Big Shots and ClubCorp have touches of golf and entertainment related complexes throughout the country.





More imagery of Big Shots.

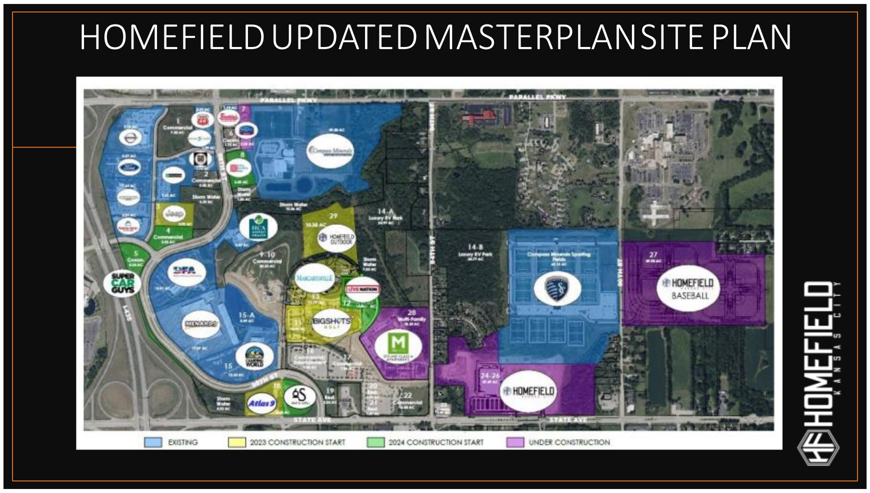
Then we come to Atlas 9. If any of you have been to Meow Wolf, as I've referenced before, you would know this. This is a concept similar to Meow Wolf. If you've not been to Meow Wolf, I would ask you to Google that when the meeting is over. This would be a better, more attractive version of that. It is an immersive, interactive museum. The three Meow Wolf across this country bring in visitors from all across the country. Large employment, large revenue, and again, a tourist attraction.



Live Nation, largest concert promoter in the country. We are trying to finalize the deal with them for a 55,000 square foot, indoor, multi-use arena. They would anchor it for about 110 nights with music, the rest of the events would be activated with sports and sports related. When you look at the indoor sports that we have within the Homefield organization, and to have the championship volleyball or basketball game in a facility like this would be awfully exciting for the players, as well as parents.

Other sports, eSports, cornhole, we've had them active in our other facilities. Again, activating this with other indoor sports, dance, cheer, and the like, for this facility as well.

An image of a current model that Live Nation is looking at.



This is the updated master plan, color coded for what is existing under development and what is slated for development in the near term. Major components, and, Curt I'm going to let you take it from here.

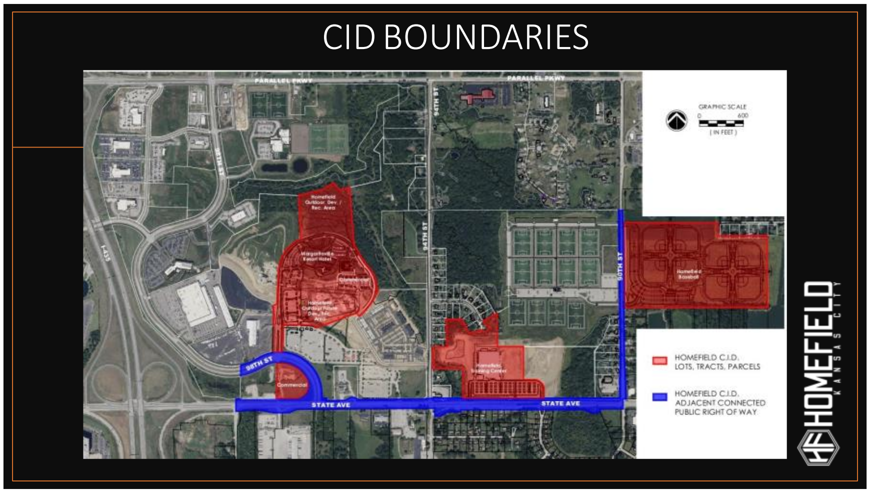
Curt Petersen, with Polsinelli on behalf of the developer, said with Richard’s remarks as the backdrop talking about the overall project, I want to remind us and kind of draw our attention to why we're specifically here tonight, which is a pending proposed amendment to the existing development agreement for the overall Homefield project. This is the first of two steps tonight, going to full commission, of making that $200 million of additional investment happen. It's two steps. Tonight is the first, going into full commission. Later this summer, is the other. The reason we have to wait on that is because it involves STAR bonds. As you all know, everybody knows sitting in this room, that that also involves the state and just takes a little longer to get that piece going. Tonight is step one of two steps for this additional couple $100 million dollar investment. So tonight, the DA Amendment is this critical first step that has the following components and I know the UG's attorney Todd LaSala, is here, and we'll go into more detail, but I want to touch on it for a culminating point.

The first is that it officially recognizes three of these pieces, these new projects, that make up the several $100 million-dollar additional investment.

That is Big Shots, Atlas 9, and the arena, what Richard referred to as Live Nation. Second, it recognizes PBR as the new Baseball operator, again, as Richard touched on. Third, it establishes and adjusted Homefield Baseball predictable tax amount. Already, as part of getting that deal financed and moving forward, there was a predictable tax amount that was set and approved by the full commission. But now because instead of having 10 fields, the fields are all east of 90th Street. Altogether, was that two clovers you started to make out, the two sets of four in that photograph Richard put on the screen? There used to be the concept of two additional fields making ten on the west side of 90th, but both the former baseball operator and now the current one, PBR tournaments, said that is not credent to the business model, it doesn't really make sense, especially cost-benefit. So now it's eight fields all together on the east side and because of that the predictable tax amount is adjusted by 20% to reflect going from ten to eight.

The next is the establishment for the first time of a Margaritaville Resort and Homefield Outdoor predictable PILOT. We worked with UG staff on trying to figure this amount out. Getting this right is critical because there's really nothing like Margaritaville Resort and the amenities that will have anywhere in the state. Predictability is key as you can imagine. When you put together the capital stack, the equity, and the debt for something like this, everybody wants to know what the taxes are going to be, not just for a year, but for the foreseeable future as it stabilizes. It's really, really hard to finance a $150 million hotel with this sort of amenity package. This is a key aspect to make sure we get these fixed predicable taxes in place.

Then the last piece, to kind of summarize it again, what's before you tonight as part of this amendment is the CID Bond financing.



If we go to the next slide, you'll see a map. The map, you'll see the colors there, the red indicates what will be within the proposed Community Improvement District CID. The blue is just that you always—in Kansas we always connect our pieces of the district and that's all public right-of-way, a very common approach to piecing together the CID district, but the red is what you want to focus on. There are six projects within the proposed CID, within that red area. If you start on the right of the screen, east of 90th there, you'll start with Homefield Baseball. If you move to the west you're down on State Avenue now, you'll have the Homefield Training Facility. Then lastly, if you move to the last red area farthest to the west, the former waterpark area, you'll have in the northern part Margaritaville Hotel, and Homefield Outdoor, all the associated amenities. You'll have the Live Nation Arena just to the east of that still within that big red area, farthest west. You'll have Big Shots as you move south from there. Then, if you go down on State Avenue, that southwest corner, the Southwest red piece there, that is where you'll find the Atlas 9 Museum.

So why a Community Improvement District and Community Improvement District bonds? Well, first, we have to understand that there's two financial components to it that affect those red areas. One, there would be as proposed, a 2% additional sales tax on any sales that happen within those red areas, that is cash registers for the six projects I just mentioned. The second piece is a CID special assessment. The special assessment would apply to three of those pieces. Specifically, there would be one, a $2 ticket fee on anyone entering the Atlas 9 Museum. Second, there'll be a $2 ticket fee on anyone going to an event at the arena. And lastly, there'll be a $30 resort fee for use of all the amenities at the Margaritaville and the Homefield Outdoor Resort and that makes up together this special assessment component of the Community Improvement District.

Now those revenues, the sales tax, and the special assessments would all be bundled and underwritten and would be part of an, as requested, a CID bond issuance to third party bond purchasers. The bond proceeds, once the bonds are purchased, the proceeds of the bonds would be used to help finance the attractions that Richard went through in some detail, on the screen in front of you within the CID. While all of that is important to the overall project all of the uses, absolutely the most important one from a temporal perspective is the piece that would go to help finance this $150 million resort hotel and amenities. The construction loan for that project, that is the resort, requires that all of the financing be in place to have any of the financing, which is totally typical for those of you that are involved in financing pieces. The lender wants to see you have it all there and part of that is the CID bonds. So the UG has engaged, subject to all this moving forward, has engaged Stiefel, a common underwriter for UG projects to look into this, underwrite everything, and with this bodies recommendation, hopefully, and then the full commission later in the month approval, we would move forward to getting the CID bonds issued later in the summer, and getting the financing in place, and the hotel resort, and the rest of the projects moving forward.

Chairman, one last piece, before we're just available for your questions and inquiries, is this. We couldn't help ourselves as we were kind of collecting our thoughts and putting this all together, how do we be succinct, but put a lot in? I mean, this is six months of solid work by the team trying—more than that, putting everything together? How do we do it quickly, that gets you all the substance you need for you to make a good judgment about whether you want to see all this move forward? One question that jumped out, we said there's a lot of money here. There's also a ton of private money being proposed to be spent. There's a ton of amenities for Wyandotte County, but there's also a lot of what we call public financing. The question on the table we wanted to ask and answer briefly. Is this, what's before you tonight, is this good for the taxpayers and citizens of Wyandotte County? It's a lot of money. I'm going to attempt briefly to answer that, maybe to cause you have some questions, we can talk a lot about later. One, and you can guess what we think the answer is or we wouldn't have spent this much time on this. But one is property taxes, real property taxes. I've had the privilege of working in this county on this project, even in the previous iteration that laid the kind of foundation for what we're doing today. There's especially a few commissioners in this room that have pounded the table again and again and said, I'm supportive all this, this is great for the county, but I want to see property tax generation go to the taxing jurisdictions, including the city and county like the UG. I will tell you this in brief, a little bit of a sketch, the property tax generated by the overall project is mind-blowing. It's a ton of tax, but I don't even need to go there. I just want to focus on what Richard has said before you tonight. In fact, I'm going to do a sub part of it.

He laid out six—if you saw on that slide, there were six new projects that would cost somewhere in the range of another $200 million. Because the arena and Atlas 9 the museum, just to be totally honest, no one has a clue yet about what the tax would be. We'll be working with staff, that's part two this summer we said we'll come back with, we'll talk about that later. Let's just focus on the other four pieces. The other four pieces, estimates, that we can go into great detail and work through with you, but the estimate generates another $1.5 million dollars in real property tax. That's not counting the other two components. That's not counting all the components Richard went through, that's not counting the components that are still to come with everything. This positive feedback loop creates huge, massive property taxes involved just with what's before you tonight, the Unified Government, the school district and the other taxing jurisdictions.

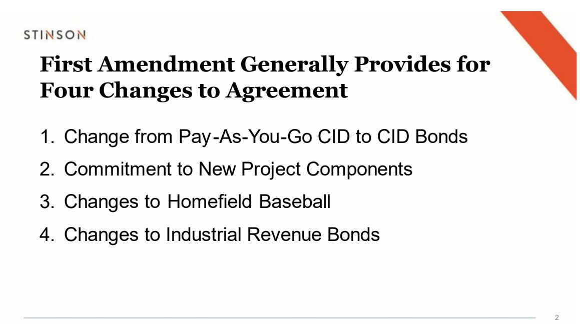
Two, this level of investment and construction creates an immense number of construction jobs, but then also ongoing operational jobs forever in this county in this location, huge benefit. Next, the amount of visitation, and I use this phrase and it's one of my favorites for projects like this, positive feedback loop. When we put into the state's biggest tourist destination, that's already here, it's already operating that way, and we drop another total almost a billion dollars, $800 million, another $200 million tonight, and bring the amount of tourists that these amenities will bring has an amazing feedback loop on bringing more development, and more residential and more commercial and everything. So the positive feedback loop is incredible with this level of investment.

Next, is just to briefly reflect on the history and I know you all appreciate the history here. We had a waterpark that obviously had a tragedy and we had a major problem for a prime area of western Wyandotte County. That whole section was tainted, it was, what goes there, what builds around that, what do you do with that? The current developer, who Richard and I represent and work for, has frankly solved that problem with your partnership. Not only have they solved that, but also you'll remember the 2015B STAR bonds had some—we call it credit enhancement. Credit enhancement means the UG stands behind it with their pen. By the way, not what's proposed for the summer with CID bonds, totally Special Obligation Bonds. Different topic, right? But this developer found a way to take care of that, the UG no longer has their signature if you know what

I mean, credit enhancement on the 2015B bonds. Also, Big Shots that you saw there, that has an immense amount of sales just from their track record. All of those sales will go to the 2015A, the existing STAR bonds and feed those. It's a great thing.

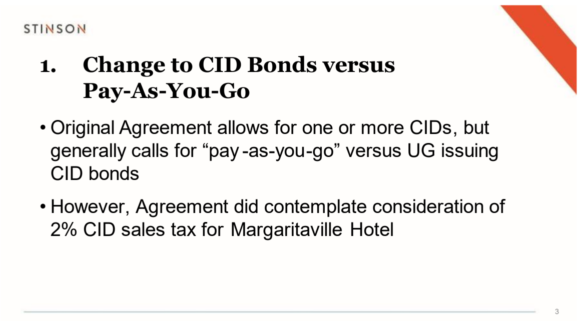
Lastly, just making a remark again, why is this good for the taxpayers? How amazing to live in the county where you also get to use these amenities when your family and friends come into town or just on the weekend. This is incredible that this is an amenity for the residents of Wyandotte County. So finishing with what was the question, what was the answer? Do we believe, respectfully, that what is proposed tonight, with another $200 million of capital investment for Wyandotte County and this overall project, is it good for the taxpayers? We think respectfully, Chairman, it's amazing for the taxpayers and we're proud to be presenting it to you. With that, we'd be ready either now or after Mr. LaSala speaks to address any questions you might have.

Todd LaSala, Stinson Firm, said I'm representing the UG on this as I have for a long time. I'm going to focus primarily on the development agreement, the first amendment to our development agreement and what it does. It essentially accomplishes four things. I will show you what those are.

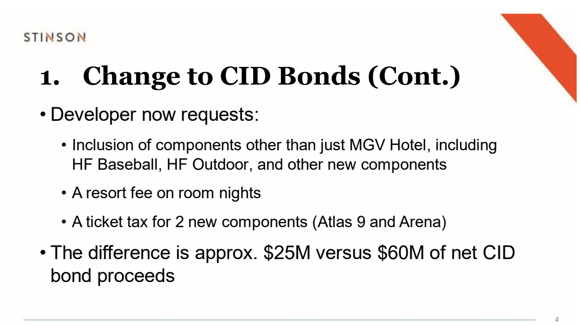


These are the four primary changes we're looking at tonight in the development agreement. The gentlemen from Homefield have really alluded to what those four things are. I'm going to try and crystallize these and do this very quickly.

One, we're going to change what our development agreement currently says about how we do Community Improvement Districts here, from a preference towards pay-as-you-go CID to a bonded CID issued by the Unified Government. Two, the developer will commit to many of those new project components that they were talking about. We will get a contractual commitment, along with a commencement date, and a completion date for those components. I'll go into detail about what that looks like. Third, there are changes to Homefield Baseball that the guys talked about, including the change of the operator and the reduction of the fields from ten to eight. We'll touch that too. Fourth, and finally, some changes to the Industrial Revenue Bond, or IRB bond, part of our financing project and I'll give you some detail about that as well.



Okay first, change to CID Bonds versus pay-as-you-go. Well, what does our development agreement currently say, the one we executed last summer. It really talks about the availability of using Community Improvement District, CID, in this project, one or more CIDs, but really expresses a preference for pay-as-you-go CID versus bonding them as an issuer. The one exception to that was the developer even then was telegraphing, hey, for the Margaritaville Hotel, I think we're going to need to bond, and it says that the UG reserves the right to have the commissioners make a decision about bonding the Margaritaville component as and when more information becomes available. That's what it says today.



So what's changing, the developer is requesting a number of changes to the CID structure. Number one, all of this, they'd like to bond as opposed to pay-as-you-go. The UG would be the issuer, we would go out publicly, and we'd sell these bonds publicly. Is there some risk related to that as the issuer? Sure. Now, as the guys said, we're not going to back these bonds, the sole pledge will be the revenues generated from the CID, but to be fair, when bonds don't perform, you're still the issuer, you get those calls. There are rating agencies that are taking a more jaundiced view, even of Special Obligation Bonds. So, it's just a risk we need to be cognizant of that didn't exist last years development agreement, it is going to be more prevalent now.

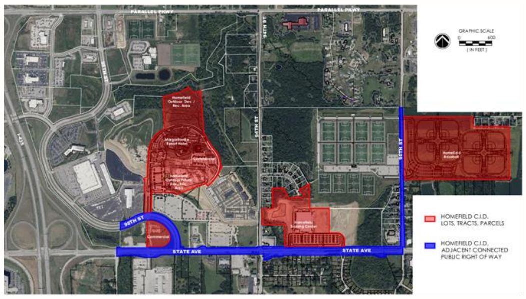
Secondly, it's not just the Margaritaville Hotel anymore that we bond, it's these other components as well, Homefield Baseball, Homefield Outdoor, Atlas 9, the arena, all of those would be covered by the CID bonds we'd issue, not just the hotel, so it's broader in scope. Another way that it's different and broader is that we're not talking about just CID sales tax on the 2%. We're also talking about these concepts that Curt alluded to, a resort fee, ticket fee, those are unique to some of the components that are now coming and there's a revenue opportunity there that really wasn't contemplated before but is part of this deal now. Particularly for Atlas 9, the arena, and the Margaritaville Hotel. The difference in those things based on what the original development agreement contemplated versus now when you get into a bonded environment, it's the difference between about $25 million dollars’ worth of net bond proceeds versus $60 million. So, it's a much bigger number. The developer team will tell you, this is a much bigger project and a much bigger capital investment, that's why. But I want to be clear about how this is different than what was on the table last year at this time.

Secondly, the new project components, the guys did a great job of articulating what those things are. These are things that were not contemplated at your original development agreement. It's all new. They're going to contractually commit to all of these things and it's very, very positive for us.

Big Shots Golf is a $20 million project with 60 bays. The sports live music arena, the Live Nation component, is a $53 million project, 55,000 square foot arena, they would contractually commit to deliver that. Atlas 9 that the guys talked about, very unique art museum, immersive. I did go visit one of these Meow Wolfs because I was interested in it. I went to one in Denver. There's really nothing like it. It is a very unique component. That's about a $26 million add. So just within the CID, there's $99 million worth of new project components that were not committed to be delivered to us before. So all of this is new.

STINSON

Map of Proposed CID District



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The guys showed you before where those things are. I won't dwell on this, but this is what the CID district would look like.

STINSON

BUDGET FOR CID PROJECT

		Total Est. Cost	Use of CID Revenues
Themed Hotel/Homefield Outdoor	Area C	$ 145,000,000	$ 29,461,000 [1]
Homefield Indoor Training Facility	Area B	$ 60,000,000	$ 4,648,000 [2]
Big Shots	Area C	$ 20,000,000	$ 1,034,000
Atlas 9	Area D	$ 26,700,000	$ 15,388,000
Arena	Area C	$ 53,000,000	$ 8,558,000
Total $$:		**$ 304,700,000**	**$ 59,089,000**
Percentage of CID			**19.39%**

1. In addition to the CID Proceeds listed here, the Homefield Outdoor component is entitled to a $15M allocation of STAR Bonds, approximately $13.4M of which are available in the previously issued first Series issued in 2022.

2. In addition to the CID Proceeds listed here, the Homefield Indoor component is currently entitled to a $60M allocation of STAR Bonds, approximately $53.8M of which are available in the previously issued first Series issued in 2022.

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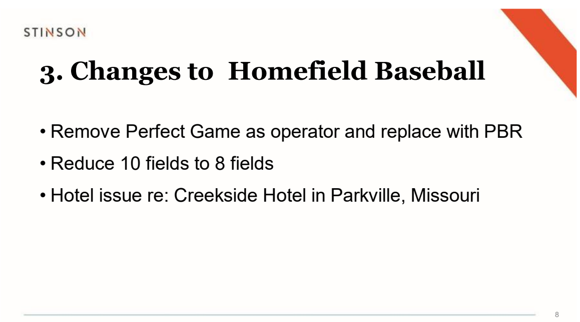
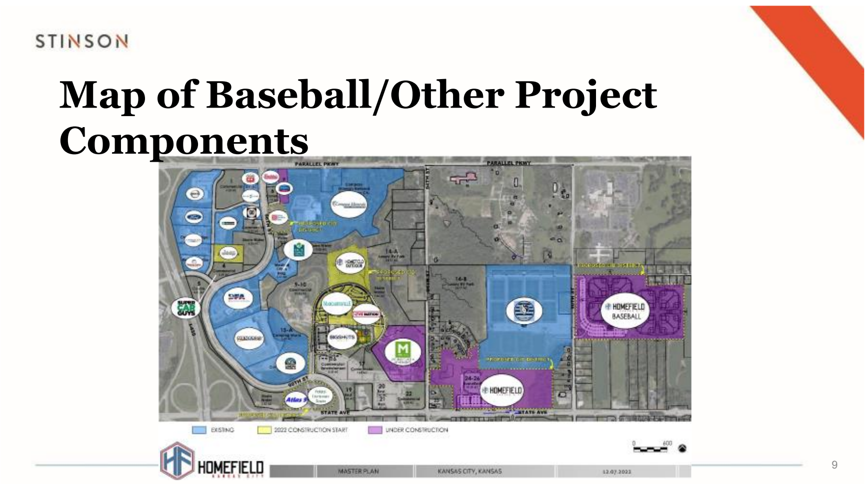
This is the budget. This is attached to the first amendment of the development agreement. It really shows you the various components that are within the boundaries of the Community Improvement District. That first column shows you the total cost of those projects as contemplated. The second column shows you where the $60 million dollars in net bond proceeds would go. When you do the ratio and you look at those numbers, when you talk about CID alone, it's about 20% when you compare the total cost of those projects versus the CID that's contributed. Now, there are footnotes here that that make clear for some of these components there are also STAR bonds in the equation.

When you talk about Homefield Indoor and Homefield Outdoor there are STAR bonds contributing. When you add those to the mix, the public/private ratio here, the public component is north of 40%. So, it's a different number, but to be fair, that's what we're talking about.

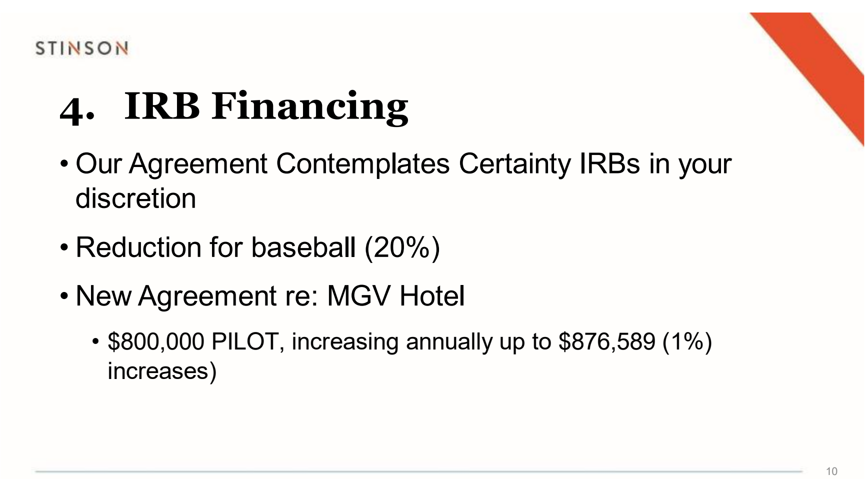
One other thing that I should point out, the arena component, Live Nation, the developer is talking to Live Nation and is down the road aways within their contract negotiations. Our amendment would allow them to pull out Live Nation if they don't get all the way to the finish line or get far enough as we proceed toward bonding. They have the ability to pull back on that and pull Live Nation out of the equation to do it in the future in another different CID and it would come off of the table. Now, there's some mechanics and some gymnastics to how we would do that, but I want to be clear that even though these other things are really pretty hard and fast contractual components, Live Nation, they have the ability in their discretion to pull that off the table and not do that as a part of this CID.



Changes to Baseball, the guys did a good job of articulating this. They talked about the change from Perfect Game to PBR. The development agreement amendment would now take care of that and fix that. It also reduces the baseball field commitment from ten fields to eight fields. Then I also want to talk for a moment about hotel rooms. The baseball component of this project, a major part of it has always been that would attract lots of families to our community to play here and be here for a weekend. There's a bunch of good things that happen when that occurs, including hotel room nights in your community. Our development agreement, even from last summer, has a prioritization and a booking system that we're asking the Baseball operator to use with these families and prioritize first hotel rooms that are within our districts, then second hotel rooms that are within the county, and then third hotel rooms that are within the state. That's the prioritization of booking hotel rooms for Baseball. There's a caveat to this because PBR currently has a facility in Parkville. There was a TIF involved in that over on the Missouri side. Accordingly, PBR already has a contractual commitment to promote the Creekside Hotel there in Parkville. It's a 92 room hotel, so it has to be an exception to our agreement with them about the way that they promote hotel rooms. Now, they'll tell you, that's not a very big hotel. They contemplate PBR having very large tournaments that will use both facilities and they believe it will be net positive to the UG, but I want to be very clear that when we get into this amendment, they are carving out in our prioritization this one hotel in Parkville because they have to contractually.



This map they showed you before, the only reason I'm putting it there is I want to show you on the far right, in that purple area, that's where the eight fields remain. That's the same place they were located last summer when we did this. The two fields that are removed are in that other purple box just on the other side of 98th along State Avenue. That's where the other two fields were previously located. Those are the ones that are going away.



Alright, I'll conclude by talking about Industrial Revenue Bonds. The IRB financing, the guys have done a good job of talking about this. They're really Certainty Industrial Revenue Bonds. We're really not trying to use the vehicle in this case for tax abatement, but really to provide 10 years of certainty about what the property taxes will be for some very unique assets. As they mentioned, the baseball component has been reduced from ten fields to eight fields. There's a 20% reduction in the PILOT we had previously agreed to for baseball and I'll show that to you in a minute. The Margaritaville Hotel and Homefield Outdoor, that one is new, negotiated for the first time, and I will show you the schedule.

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Homefield/MGV Hotel PILOT Schedule

	Homefield Building	Homefield Baseball	Homefield Outdoor/Themed Hotel
Year 1**	$ 241,253	$ 85,362	$ 801,500
Year 2	$ 243,666	$ 86,216	$ 809,515
Year 3	$ 246,102	$ 87,078	$ 817,610
Year 4	$ 248,563	$ 87,949	$ 825,786
Year 5	$ 251,049	$ 88,828	$ 834,044
Year 6	$ 253,559	$ 89,717	$ 842,385
Year 7	$ 256,095	$ 90,614	$ 850,808
Year 8	$ 258,656	$ 91,520	$ 859,316
Year 9	$ 261,242	$ 92,435	$ 867,910
Year 10	$ 263,855	$ 93,360	$ 876,589

*Excludes capital outlay mills not subject to IRB property tax abatement.
**For Homefield Building and Homefiled Baseball, begins first calendar year after the date when IRBs are issues for eitherHomefield Building or Homefield Baseball [See Section 4.12(b)(i)].

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When you look at these components when it comes to using Industrial Revenue Bonds for purposes of certainty, this is exactly what the UG would get from those assets for the next 10 years.

Mr. Chairman, I'll stop there. I think that's what I wanted to highlight as the changes in our development agreement. This is what the first amendment would contemplate. The other two agenda items you have after this are really resolutions of intent that are about formalizing these Industrial Revenue Bonds. I'll stop there and stand for any questions.

Chairman Burroughs said before I take questions, Todd, the aggregate total of the 800 on the side, is that roughly just under $9 million or is it under $10 million dollars? The aggregate number starting on the far right. I mean, if you want to do all three of them, that's fine. I'm just trying to get an aggregate count of the property or the PILOT proceeds on these three developments in aggregate numbers. I just noticed that's not on there. **Mr. LaSala** said yeah, so if you went through year one, and you added—**Mr. Petersen** said Chairman, lawyers don't do math. Can you answer that? Is that about $1.3 million, Chairman, I think? **Mr. LaSala** said that looks about right, in the first year. **Mr. Napper** said are they asking for all 10 years, is that the question? **Mr. LaSala** said let's do one year first. If you took year one, I think Curt's right, you got about $1.3 million dollars when you total 241 from the indoor building, 85 for baseball, and 801 for the hotel and outdoor. That's about 1.3 annually. **Mr. Petersen** said I was doing year ten too, just not to be confusing when I was totaling it up but—**Mr. LaSala** said oh, yeah. **Mr. Petersen** said so 1.1 to 1.3 depending if you're in year one or year three. **Chairman Burroughs** said so we're looking at over—we're looking at about $12-$13 million in total aggregate numbers. **Mr. Napper** said approximately, yes.

Chairman Burroughs said thank you, Mr. Napper. I think it's important that we see the numbers in the aggregate amounts so the public knows what kind of money we're talking about here. Okay, gentleman, if you're done with your presentation, I'll now ask if there's any questions or comments from the Commission.

Commissioner Townsend said thank you for your continued interest in development in Wyandotte County, but I do have some questions. I'll start with the easiest one, I can barely read my own notes. Start with the new piece, the immersive theater project, a couple of questions. My only experience with the immersive theaters have been like the Van Gogh setups and those types of things. It's not a whole lot of them in a year. Do you see this as something that would be used year-round? I also saw in some of the paperwork, there was a talk about a theater and I wasn't quite sure in what manner theater. Would that compete with our movie theater already out there? We'll start with those questions.

Mr. Napper said no, it would not compete with your traditional movie theater whatsoever. I believe as Todd referenced, he's been to the Meow Wolf. Again, this is not Meow Wolf, we'd like to think of it as version 2.0: better. This would be year-round, 365. Our partner in this endeavor, Dimensional Innovations, came up with this three-paragraph summary of what this envisioned. I did not read it earlier in the respect of time, but I'm happy to read this real quick as to how they would describe it. So, give me 60 seconds, I'll try not to bumble through here.

"A movie ticket like no other. Atlas 9 is the Midwest premiere immersive art museum driven by an intriguing narrative centered around a movie theater that has been magically transformed. Visitors have a ticket to explore an artistic escape from reality. Spanning two floors and over 30,000 square feet, the experience invites visitors to explore multiple installations, interactives, and integrated live performance where local and regional artists channels cinematic themes to conjure a surreal and captivating world. All are meticulously crafted to artistically bring to life everything that we've loved about the movies. Food, beverage, events, and retail options are all woven into the experience. Replete with a full themed concession stand, and a time traveling speakeasy where the bartenders play the part. A 250-seat movie theater auditorium offers countless opportunities not just for screenings and film festivals, but a staged performance venue for live events. Not simply an escape room or a haunted house, and light years beyond a selfie museum, Atlas 9 represents a new wave of immersive entertainment that blurs the line between reality and fiction."

They are not showing first run movies. This is, again, I would ask for you to Google Meow Wolf when you leave here and I'd be happy to advance to you after tonight a few of the images that are still in works. I'd hated to share them tonight because they're not finished, but this is not where you're going to go see the same movie you'd see at AMC or any other theater like that, not possible. **Commissioner Townsend** said that's why I was wondering, I'm not familiar with Meow Wolf, I will Google it, if there is a year-round market for the variety of things that you're talking about.

Mr. Napper said we believe there is and I think if you look at the existing three Meow Wolf facilities, kind of just the template, one in Denver, one in Santa Fe, and one in Las Vegas. They are year-round. We actually think the fact that this is year-round and it happens to be indoors—I think on the hot, muggy days of summer when kids are playing baseball, this is a great place to go inside and see something unique. In winter, same thing, a great place to come inside. This is absolutely 100% a year-round activity.

Mr. Petersen said Commissioner Townsend, one of the things to Google, because I can tell you're interested in this, Dimensional Innovations, if that's not somebody that kind of jumps to the forefront of your mind. It's a national, frankly, international—I don't even know what to call them. They can—how about this. If you can, if you can think it, they can build it. Tucker Trotter is the CEO. If you Google their website and look at some of the projects they've done, stadiums across the United States, and how they're renowned around the world. They're based in the metro and there are partners signed up ready to do this. I think that will be the other piece of the puzzle for you when you see who's involved. **Commissioner Townsend** said what's the name again? **Mr. Petersen** said Dimensional Innovations. Their symbol you can see on I-35 there at their headquarters. It's a big DI on the building.

Commissioner Townsend said counsel, you were talking about the special assessments as part of the package now, $2 ticket fees? I'm not sure I can write quickly enough on which activity. $30 resort fee, I imagine that's for the hotel, is that $30 per night? **Mr. Napper** said per night per room. **Commissioner Townsend** said who will see that money? How does that play into the financing packages, those special assessments. **Mr. Napper** said whether it's the ticket tax or the resort fee, they will be—and I'm summarizing at a very high level for my brain. There'll be packaged with the rest of the CID, underwritten by the third-party underwriter and a third-party analyst that would do the projections and they would be sold in the same, more or less, the same package as the balance of the CID. **Commissioner Townsend** said okay, in addition to the 2% sales tax on any sales. That's on any good or service affiliated with any of these projects? **Mr. Napper** said anything that is eligible for retail sales tax. **Commissioner Townsend** said thank you. I may have some questions later, but that's a good start for me.

David Haley, BPU Board Member, said this is a comprehensive review. Thank you, Mr. Chair, and thank you for the presentation. I'm impressed to look at the expansion that has been outlined. As stated by the previous Commissioner, I probably don't know what to ask, I wish I did. When we look at the shift from the IRBs and where they will fall. I don't exactly know where we go from here with the ask, and this may be a question more for staff. In terms of access, I know that other venues have bifurcation of fees. We look at if there's any way to generate and to incentivize participation by Wyandotte County taxpayers for access. I know that's been done in some other venues. I think right offhand, at the sporting venues in Jackson County, Missouri were first come, and certainly opportunities are afforded to their tax base to participate. I don't know how or if that has ever come up or even if it's feasible to do so. The Wyandotte County taxpayer is incentivized, I guess, because of being a proud participant taxpayer in assisting with this to participate. It may not have come up before, it may not be anything that could be a part of that. But I just thought I would throw that out, because again, full disclosure. I don't know much of whatever else I could ask about.

Mr. LaSala said really appreciate the question. Though this isn't new, this is a part of our development agreement from last year. There are some commitments to the local community and opportunities for Wyandotte County citizens that I'd love to remind you about. This says that during—and I'm going back to Section article 8 of our original development agreement. One thing is when it comes to admission to Homefield, the Homefield Building, Homefield Outdoor and Homefield Baseball, all of those admission prices will be at least 20% off for Wyandotte County residents. Secondly, the developer is working on, and you guys may want to give us an update about this, they are working with the local school districts, all of the local school districts to provide special opportunities for these sports related facilities to the students of our various school districts. There is also a commitment to provide at least 500 tickets annually to the UG Parks and Rec Department for free admission to the Homefield Outdoor facility part of the project. Then finally, the commitment to push hotels is also a part of this list. There were some things that we negotiated previously that were about prioritization and access to the local community. Those remain in place. The component with the school district is a thing that they have been working on, it really has to be finalized before we go out and do this next round of bonds.

Mr. Napper said that is completely accurate. The agreements with the school districts, last information I've received, as they had been sent to the school districts for review and hopefully execution. Then additionally, late last year, November or December, Homefield delivered approximately—hard to pick the exact dollar value, but a couple $100,000 in textbooks that we were able to get our hands on and we delivered them with our baseball club and other volunteers to all of the high schools in Wyandotte County. So again, that's outside of our obligations or commitments in the development agreement, that something we thought was a great community benefit that we wanted to do and our Head of Operations took that on and made it happen.

Mr. Haley said thank you for that, in terms of, and I do appreciate the initial assessment of the tax, I think you said 1.5. Has there been a run or looked at what some of the other property tax, real property tax assessment might be or when might those be forthcoming? **Mr. Napper** said on the components we're bringing to the table? If I understand the question. **Mr. Haley** said yes. **Mr. Napper** said obviously, it depends on how quickly we're able to get them through Planning and get them built, but everything—and as Mr. LaSala pointed out in the development agreement amendment we will have dates that he's called out in there, we must deliver these components. These aren't dates 10 years out, they're in the relatively immediate term that we have to execute on all these potential new developments. It is in the near term, not the long term.

Mr. Petersen said adding one layer of detail, which I think you might be looking for as well. With respect to Live Nation and the Atlas 9 Museum, those will be worked out in—I don't know if you want to call it round two, but remember I said two steps. Step two this summer. So you'll see that this summer, we will work that through staff and do the normal processes.

Mr. Haley said finally, Mr. Chair, gentleman, I didn't quite catch the further commitment from the state STAR bond on what exactly, I missed that, it glazed over me a bit. **Mr. Petersen** said I made a brief reference to it that's why you're—I didn't really go into any detail. I look over at Mr. LaSala and Mr. Waters because we work very closely with UG when we do STAR bond deals with our third partner, which is the state of Kansas. So anytime we're proposing new projects or additional revenues, or changing use of revenues, the three parties, the state being the third, get together and talk about it. Frankly, and it's understandable, it just takes longer when you're working with the state at that level. So that's what I was referring to, that process will play out over the next few months.

Mr. LaSala said yeah, I would only offer a little more detail. The original development agreement called for $150 million worth of STAR bonds, 130 in the first issuance and then another $20 million issuance. When we actually went out last summer, we issued 115 as opposed to 130, give or take. So it is still on the board's pursuant to the development agreement right now that we could do—we could do another $35 million of STAR bonds. The developer is really telling you, hey, with these additional components, many of which are STAR bond type components, there's a desire to go back to the state and talk about additional STAR bonds on top of the $150 million that are currently authorized right now. And Mr. Petersen is absolutely right, all of that is done in concert with our partners at the state. I should have said this earlier, we also previewed all of this, this first amendment and what's going on here with baseball and these new components with the Department of Commerce. They have seen all of this, including a copy of this amendment. We are always careful to be transparent and forthcoming with the department there because they're a very good municipal partner.

Commissioner McKiernan said from the beginning, this has been a really exciting project. I still think it is a really exciting project. It's a very complicated project. I'm disappointed that I didn't get the PowerPoints until this afternoon. I'm disappointed that I didn't get these cost-benefit analyses until this afternoon. I did get the development agreement, the wording of that, I was able to go through it and pick out relevant details. But in something as complex as this, something I've asked for from the beginning is, give me time to thoughtfully consider these materials before you ask me to make a thoughtful decision. Please. Mr. Petersen, I'm glad you remember that I liked the fact that everything out here is paying property tax. I don't remember pounding the table, but I have been pretty insistent that one of the benefits we get, besides all of the amenities, besides all of the sales tax, besides all of the visitors, we get the real property tax benefits from this. And so I just have a few questions, like Senator Haley, I will undoubtedly be back for more questions as I continue to think and evolve here.

First of all, what is the CID percentage? I'm sorry, the CID is 2%. What will that bring the total sales tax up to in the CID boundaries? **Mr. Petersen** said right now it's 9.125%, so we would add the 2%, which would be 11.125%. **Commissioner McKiernan** said so that really would not be out of line with other areas that have similar CIDs in the Legends Village West area. Correct? **Mr. Petersen** said right. Just even more broadly, I kind of thought someone—this is a good question. I thought about it and I went and counted. In our state, we have 220 2% CIDs. The latest numbers were 92 of those have rates above 11%. So when there's something compelling there's a pathway for this being done both here and statewide.

Commissioner McKiernan said so we have several benefits that accrue from this CID. First of all, it enhances the project. Second of all, it's only visitors to that site who actually end up paying it. And third, it is not out of line with other tax rates that you'd find in various districts within Village West area. Good.

We're proposing, however, to bond the CID proceeds in advance. I know we're not going to back those, but if you'd elaborate a little bit, does issuing those have any impact on our credit rating and what we might pay for borrowing for actual UG related projects?

Mr. LaSala said I'm going to answer this question and I'm going to also offer—if Kevin Wempe, your bond council, wants to come up if I do this wrong, I'd ask Kevin to come up and make sure that he weighs in here too. The answer is it shouldn't, because you are only—it's a special obligation. It's only a pledge of the revenues from the—you are not putting your full faith in credit behind these bonds. However, Commissioner, your question is timely. There are cases in the country in the last year where municipalities who have done something similar and the bonds go south, there is at least one rating agency who has been giving municipalities, at least a couple of cases, a black eye on their credit rating as a result of that. Despite the fact that the municipality had not guaranteed the bonds and had not put its full faith in credit behind them. Now, the other two rating agencies have not followed suit and done that, but there are at least a couple of examples out there that your financial advisor, your bond counsel, are worried about, and so when I tell you that there is risk related to bonding versus paying-as-you-go, that's what it is. Now, there are trends in the marketplace, and you know, the answer to your question is it shouldn't, but of late for at least a couple of municipalities it has. It has hurt their credit.

Commissioner McKiernan said so that might be something that we want to take into account every time from now forward that we consider something like bonding for a CID or because we are also going to issue the IRBs here. Again, not back them, but issue them. Does that then just compound our problem? **Mr. LaSala** said IRBs shouldn't have any impact on your credit rating because those you're not going out and selling publicly in the marketplace. It's really a very different risk profile and we do not have the same concerns when it comes to the IRBs versus packaging CID bonds or STAR bonds and going out to market publicly. **Mr. Petersen** said Todd, can I add just on top of that. Just to put a point on what you said, which is, no concern, because in this instance, we're doing buy your own bonds, which means the developer buys its own bond. I'm just adding to the fact that, in this particular case, we're not worried at all.

Commissioner McKiernan said we could put back up onto the screen the PILOT schedule. Again, just to make sure that we're clear, this is not the BPU payment in lieu of tax, but a property tax payment in lieu of tax. What I want to know is—so for example, in year one, I'll go to the far-right column, we have broken out that the themed hotel will pay 801.5 in property tax as the first year of that schedule, would that 801.5 be similar to the amount of tax that a similarly assessed property would pay in that year? **Mr. Petersen** said footnote, because I'll lose it, and then we go to the main point. When we throw these numbers, I'm looking at my fellow attorneys, there's certain mill levies. School district, capital, outlay mill levies that are carved out. So just using rough numbers that 800 in the first year could be as high as 850 to 875. It's a material amount of money, so I just wanted to say it.

Commissioner McKiernan said then I'll go back to some of the documents that we received this afternoon that do spell that out a little bit in some of the tables here, but I haven't had a chance to look through those yet. I figured that that was the case, but just with whatever mill levy we're applying is 801.5 what this property would ordinarily pay?

Mr. Petersen said I mean the closest you get to again—see, we all know it's unique, it's unique in the state. We looked across the street at Great Wolf in tax, last year, paid about 895. So right in there, I mean, you can speak to the credit markets, but they're telling you about comp, but I mean is that—to be fair, the closest thing to— **Mr. Napper** said I think that's the closest comp, so if we're all in at what you said 858.75 could be as high as 900. Our closest comp we can come up with for 2022 was Great Wolf at 898 or 899, whatever your number was, we were trying to comp off of that. **Commissioner McKiernan** said so we can be confident that even though we're applying a PILOT with a predictable change year to year, that we're at least starting at a payment that is as close as we can find to a comparable assessed property.

Mr. Napper said that is correct. And again, our comp has been, on many levels, has been Great Wolf and that's what we were—when we are approached by investors and lenders and they look at Great Wolf as the closest thing to a comp and they look at all levels of the income stream and they focus on the property taxes, again, that's why we try to comp off of them as we think it is as close to comparable as we can possibly get.

Commissioner McKiernan said fantastic. Well, as Mr. Petersen knows, I've always looked at the fact that these properties are paying property tax as a real benefit because that is money that doesn't get funneled back into the development. It's money that we can take for the provision of city services to our residents. I think it's really important that this is how this is built, that it'd be money that's available to us. Mr. Chair, at this time, that's all the questions I have.

Commissioner Davis said this has been very informative and I am excited. I have not been to Meow Wolf, but I am familiar with the museum and the amazing amenity that they offer in various kind of touristy areas in Vegas and Denver, and what have you. I do have some questions. I know that with these added amenities and with the changes of the Baseball developer it has changed in just the details of the agreement. Has there been any contemplation on the community benefit portion? I know, Todd, you had kind of mentioned what it was in the previous agreement. Now that we have new amenities, I think we may want to revisit that portion of the agreement as well. Has that been contemplated? **Mr. LaSala** said we have not made any changes to that.

Commissioner Davis said gotcha, gotcha. Well, I think there are some things that could be given if we're going to talk about the museum and Big Shots, and what have you, that if we want access for—I'm particularly thinking about our residents on the east side, who may not have access to transportation or it may be slightly expensive for them to access these amenities. I would like to see some sort of language codified within the contract that would allow that access, whether it'd be a discount or something of that measure, the same kind of structure that you all had for the school districts in regards to Baseball and Margaritaville. Let's just apply that to Atlas 9, Big Shots, and what have you. That way we can get field trips and things of that sort there. Do we have a response?

Mr. Napper said great idea. My only comment would be that would be for the assets, or the uses, that we control such as Atlas 9 and we will be the landlord under the Live Nation sports arena, we absolutely have no issue. It may be the best time, if not now, it'd be in the version 2.0 Curt referenced earlier. Todd, elaborate on for third party users like Big Shots where we are selling them the land and they are the owner and developer. There's no way for us to agree to that. I mean, I would say—and I can’t speak for them, but if everyone else around there is working towards that same type of goal, I don't think it would be out of bounds to speak with them about that, but I can't contractually obligate Big Shots to offer that. But for the assets we control, we have no issue in working with counsel and staff to come up with what that formula is for the next round of attractions that we own or operate. **Commissioner Davis** said yeah, I mean, even just having a conversation with them as you had before about being partners. **Mr. Napper** said I know they want to be a great partner to the community and to the project. I don't foresee that being a difficult conversation with them, but I certainly can't bind them. I can make the introductions and push the ball as hard as we can.

Commissioner Davis said awesome. Yeah, I wouldn't want you to commit to something that you couldn't honor, but I do appreciate that honesty. I think with Atlas 9, so we have a lot of artists within our community that I think are really looking for opportunities. Perhaps this could be one where there could be some sort of partnership and we can give them the opportunity to display their art or we can teach our students or our youth about the various professions associated with Atlas 9 and those experiences. I'm a big, big proponent of that. Another idea would be recruitment heavily within Wyandotte County. I know, if we cannot mandate hiring requirements, maybe going to various entities with workforce partnerships and others to ensure that our residents know about the jobs that are available and are able to put in an application. Those are the things that I would like to see since we are adding on and the UG's putting a considerable amount of investment. I would like to see some of that codified as well.

Mr. Napper said we love the idea and I think we've tried to be a good community partner, not only within the bounds of the development agreement, but outside of those actual written words as well and would certainly welcome the opportunity to expand upon that relationship and communication with you.

Commissioner Davis said awesome. Thank you. Then, for the special assessments, that would be in addition to the market value of the entry, right? For the $2 added that would be in addition to, correct? **Mr. Napper** said correct. So if the—and I'm making numbers up a little bit, but if the ticket is $25, it would be $27. We've spoken with not only the parties that would have the ticket tax, but also other parties that have the CID. They see this not only in, really, all of metropolitan Kansas City, but other markets there in as well and understand it. Again, when you look at a lot of the users that we have, we'll be bringing people in from out of state, out of county, a lot of money will be coming in from out of state that would pay in this versus people in state or in County.

Commissioner Davis said awesome. My last question, Chair, for the PILOT payments, and staff may be able to answer these questions, was there a particular formula or just remind me of the rhyme and reason of how we come up with these particular numbers? We know that they're not market value property tax payments, but how did we come up with these numbers?

Mr. Napper said we believed that the Margaritaville, Homefield Outdoor, we comped off of the property tax being paid across the highway at Great Wolf, so we believe that is a market value, a comp. That was our goal, just to have it predictable for the next 10 years. So we believe comping off Great Wolf is a market number.

Commissioner Davis said I see. Okay, gotcha for your rhyme and reason for the PILOT was just look across the street. Right, okay just to have that. Awesome. Well, yeah, I would just like to see—I agree with my colleague, Commissioner McKiernan, of just getting more time to really digest this. I would also like to see if we're going to give more incentives and put more of an investment in that. I would like to see more from you as a developer as far as community benefits, just so that we're both being good partners.

Commissioner Stites said I guess I'm going to switch gears on what I was going to start with, I got many notes here. I think that they have already demonstrated their civic contributions. They were not obligated to the nearly $200,000 worth of books that went to every high school in Wyandotte County, so I think they're actually demonstrating. I don't disagree, because we have economically challenged areas in, not just the eastern part of Wyandotte County, but we have them in all three cities. I think that everywhere that we can help our Wyandotte County constituents access these amenities, I think it's good. One thing if you guys would go back to, and I remember hearing Series A and Series B. I want to be real clear on it because if I'm not mistaken Series A, the Unified Government is on the hook for right now. Is that right? Or no? That's why I'm asking.

Mr. LaSala said no, if you're talking about the bonds that we issued, no, those are Special Obligation Bonds. Are you talking about the Homefield STAR bonds or are you talking about the Schlitterbahn 2015 Series A. **Commissioner Stites** said yes. **Mr. LaSala** said okay. 2015, you're right there were Series A and Series B bonds. The Series B bonds were the ones we were on the hook for. We took those bonds out last summer when we publicly issued. So those Series B bonds where we had a general obligation pledge behind it, they have been repaid, refunded, fully amortized. They're gone. **Commissioner Stites** said okay. That's what I wanted to make clear that we are no longer, as the Unified Government, are no longer on—and we were for quite some time on the hook for those and the developers have now stepped up and those have been paid off. **Mr. LaSala** said they were paid off as a part of the bond issuance we did last summer.

Mr. Napper said yeah, if I may, can I make a point on that? The former developer that had the Series A and B issued, they never asked for the B to be issued. That is something that they wanted. Again, they're long gone, but those have been paid off in full. Even at the bond closing in May of '22 when the proceeds that developer—well the forecast came up $14 million short. The full Bs were still redeemed paid in full.

Commissioner Stites said perfect. The development agreement for the north of the river in Parkville, they have 92 rooms, right. I know that how we had it structured, that it was at Margaritaville and then Wyandotte County, and then just local. Do they have—and I understand that they have contractual obligations up there to steer and fulfill those 92 rooms. Are they also under that same—then we need to go to, was that Platte County? Does it need to be in the county or can they then steer them to our project in Wyandotte County. **Mr. LaSala** said I'm going to ask Curt to confirm this, but I believe it's the latter.

Mr. Petersen said it's the latter. I didn't want to interrupt at the time, but teamwork in terms of explaining the web that's out there. When PBR in theory, because I think this is in theory going forward once we’re built, in theory would hold the tournament in Parkville. Then, they're contractually obligated to push people to the 92 rooms that are right next to the fields, right. The important point is that they intend—PBR is making this their absolutely world-class headquarter fields here in Wyandotte County. So in reality, what's going to happen is—and by the way we're all turf, not to baseball coach, are nice fields and everything, but they're partial turf. So we still get in Kansas City, we lose a lot of games there. Here in Wyandotte County they're going to play and they're going to play, and play. They have more fields here. This is the marquee field area. What they're going to do is their tournaments are so popular, they're a national operator, that they're going to bleed over and also use the Parkville fields. What this development, as Todd explained it well, what the development agreement is saying is that, look, we understand when you do that and you're playing people over at Parkville, you got to do your 92 rooms. But after that, you're absolutely 100% back to your formula with us for your tournament of filling the ones in the district, the ones in the county, and then lastly in the state. Richard, just because you've worked so closely with the PBR guys, very quickly add—we can say it because they've said it so many times to us, relay their view on what we offer down here to their players.

Mr. Napper said if you look at the intersection of the two freeways where they're located and Google where there's hotels, restaurants, and amenities and you do a mapping service, we're closer or the same time of where you're going to find any of the large amenities to them. They are beyond excited to book the hotel room nights down here because we have all the amenities. There are no attractions up there. Their first comment was, all the bookings they're putting people in up by KCI, they're bringing them down here because of all the attractions we have and from a time standpoint, mileage and driving time, we are as close, if not closer, than where they were putting people. With their headquarters being in our building and one of our eight fields is a championship quality field, in our opinion, we'll be seeing more than we can probably handle on a given summer with hotel room nights at our facility.

Mr. LaSala said Commissioner, there's a sentence in here that I probably should have read in the beginning of this that puts an exclamation point on what you're asking. The last sentence in our first amendment about this says; however, the developers going to cause PBR to agree that it's booking system will not promote the Creekside Hotel unless and only if PBR is hosting a tournament that's large enough to require both Homefield Baseball and Creekside Baseball Park to be engaged and only for such large tournaments requiring use of both facilities. PBR may not promote any non-Kansas hotels other than the Creekside Hotel. So, we've driven that point home, contractually.

Commissioner Stites said yeah, because we want to fill up our rooms in our area for sure. I think it's interesting that in the original development agreement that LakePoint was identified as, we need to have a user that is like LakePoint, right? I mean, we call them out, we named them we because we feel like they are it. Then, we end up landing Perfect Game and I think it's very unfortunate that the way that these developers were treated by Perfect Game, that they've backed out of what they contractually obligated to do. I commend the developer for not going out and getting somebody like LakePoint, they got LakePoint. We got the premier, so congratulations. Perfect Game, shame on you, but I'm glad that we've got the better product. I'm in full support of this, I look forward to it. It's in my district and I look forward to seeing more things come out there.

Mr. Haley said just a brief postscript on some of the things you mentioned. The event space out there has been some sort of— would house 55,000? Please just touch on that again. Was that—

Mr. LaSala said are you talking about the 55,000 square foot Live Nation arena, the sports and live music venue? Is that what you're asking about? **Mr. Haley** said is that only a sports venue? **Mr. Napper** said sports, live music, and then frankly, the Margaritaville Resort has conference space in it as well. We have an agreement, the agreement would say that if that conference space is filled up, we can overflow into the arena for additional capacity. So maybe it's a multi-use arena that could be used again for sports, live music, and other events.

Mr. Haley said do you happen to know offhand the square footage of that area? **Mr. Napper** said that buildings 55,000 square feet. **Mr. Haley** said and the spillover? **Mr. Napper** said the live music and sports arena is 55,000 square feet. The conference space inside Margaritaville is approximately 12,500 square feet. **Mr. Haley** said 67? **Mr. Napper** said those combined are of size and then if you look at outdoor areas, and again, we realize not every day you could host an event outdoors. But when you look at the outdoor area around Margaritaville and Homefield Outdoor, number one, it's pretty cool. Number two, it is expansive.

Commissioner McKiernan said I agree with Commissioner Stites. I do think that there is a lot of very positive benefit that could come from moving forward with this. I do have a question though. I'm trying to read quickly through the cost-benefit analyses here. It appears that if I cut to the chase, each taxing entity has a positive benefit to cost ratio in excess of the desired 1.3. Whoever prepared this report, would I assume that they believe that there is a net gain for all taxing entities? **Mr. Petersen** said correct, Commissioner, we use an outside consultant to prepare all of these for every IRB and both of these came back positive.

Commissioner McKiernan said right. I do definitely want a net gain. One thing that's interesting here is that it says that this report assumes—no I'm sorry. The PILOT to be in place for any property tax payment, except for the school capital outlook. Is there a difference, stratification for USD—but by the way, what school district is this, 500 or 204? **Mr. LaSala** said it's in multiple school districts, isn't that right, Patrick? **Mr. Waters** said I thought it was all within 500. **Mr. Petersen** said I think it's all within 500 as well.

Commissioner McKiernan said I thought that. Is it all 500? Okay, so do I read—**Mr. Petersen** said that's why we're getting that—Todd is answering the question that we made sure all the school districts in the county are helped. But your question is, is it physically 500? Yes. **Commissioner McKiernan** said so it is 500. Do I read this correctly, that the school district will not follow the same PILOT schedule?

Mr. Petersen said this is my cryptic comment and I'm jumping in because I touched on this, but we always don't want to test the Chairman's patience here as we get into the gross weeds until you say go ahead, go ahead. State law says that—and I have the boss in the back, the Bond Counsel, back here, but state law says that when the Unified Government or any other municipality approves, predictable PILOTs, abatement, depends on the circumstance, that there's a part of the mill levies that are held harmless. It's like things just go on, like you didn't even do what you're doing over here and that is the school district and its eight mills. When I said, if you remember on the screen, rough numbers $800,000 PILOT for Margaritaville, Homefield Outdoor, but I said just to be clear, we don't know exactly 850, 875, maybe a little higher, because I'm adding—I'm doing the math, I'm adding on those eight mills that's held harmless. We cut the $800,000 schedule, but state law says you still have to pay eight mills, which is another 50, 75, whatever, that was that conversation.

Commissioner McKiernan said okay, so the school district then in that case is really getting full benefit from full valuation as if their mill PILOT—**Mr. Petersen** said for part of their mill levies because their mill levies are much higher. **Commissioner McKiernan** said exactly, but proportional to their mill levy, they are still getting full benefit from this. We are choosing to set the PILOT up for the benefit of gaining the amenity, gaining the jobs, gaining the tourists, gaining the sales tax, all the gains that we will make. With the school district, while still benefiting from those, will also benefit from the full application of their mill levy against these dollars. **Mr. Petersen** said from those eight mills, precisely right.

Commissioner Townsend said going back to the agreement here, it seems like I noted that there were obligations for the partners, the developing partners for the hotel, for I think the theater, maybe the golf, not so much Live Nation, but for those operators if this goes forward to operate for 15 years, so there won't be other entities coming in? I guess this is really relevant based on what just happened with Perfect Game. (Inaudible) did pass though, right?

Mr. LaSala said when we're doing these, particularly when we're going out for bonds, we are trying to get a covenant, an agreement from the developer to continuously operate these new assets for as long as possible. For the things that this developer has control of, particularly when it's the Margaritaville Hotel, this partnership they have with Dimensional Innovations for Atlas 9, they can commit to us that they will stay open, no matter what, for a certain period of time, that period of time is 15 years for those two assets, Margaritaville and Atlas 9**. Commissioner Townsend** said and as a Margaritaville and as Atlas 9, I think that's really important. I remember that type of term, it gives certainty when we did the theater out there, which seemed a long time ago now. So I just wanted to make sure I was clear on that. **Mr. LaSala** said it's important to us whenever we can get it. They will tell you when it comes to Big Shots Golf that they don't have control over that. For ones where they have control, we've been able to secure a 15-year covenant, which is pretty good.

Commissioner Townsend said the other thing, Mr. LaSala, you talked about. I just want to make sure I understand, we're still having a CID for some or all of these projects because they were talking about financing by bond and so other than the uncertainty to a credit rating if something goes south, what is the risk to the UG by going from the CID, if it's not existing, to the bond financing?

Mr. LaSala said I would tell you it's really two things. The credit rating thing is important and worth noting. The other reason that the UG has a general preference for pay-as-you-go is you remain in control. When you bond these revenues, you have to pledge it all upfront. No matter what happens after that, the bondholders have access to that revenue stream. When we do development agreements where we've got pay-as-you-go, we continue to hold that money, you pay it out slowly over time. In a development agreement where somebody closes in spite of their 15-year covenant or doesn't rebuild after a fire, a bunch of the ongoing obligations we have, we have the ability to shut off the money. Here you won't have—once you issue bonds and pledge that revenue, you're no longer in control of that money as and when that money comes in, it is necessarily pledged to bondholders, and you can't ever pull it back from them. You can't. So it provides you less control over the project over the 22 year life with a CID versus a vehicle where it's purely pay-as-you-go.

Mr. Petersen said, Commissioner, may I add to that? In addition to what Todd is saying is that when you are wanting to dig in when—I was going to make a joke about if you need to fall asleep, but if you wanted to get deep—**Commissioner Townsend** said I'm wide awake when we're talking about this level of money.

Mr. Petersen said there are what's called disbursement conditions that say that the bonds close and number of big bond buyers come in, and so the bond proceeds are sitting there. Before the developer for these various CID projects can actually get their hands on that money, it's sitting there, it's up front, there's a whole list, it's probably a page or something like that in the development agreement amendment that spells out you need to get all your plans approved, needs to be vertical construction, and I'm not going to say them all off top my head, but it goes through. The reason that Mr. LaSala, Mr. Waters and the UG attorneys put all those in there is to make sure that the Unified Government is going to get what they bargained for before the bond money can be received. The only thing Mr. LaSala referred to after that is if there's a 15 year covenant or something like that, but other than that piece of it, the rest of it, we—there's a lot of negotiation, gets handled through those disbursement conditions, which if you want, I'm sure I could to talk a long time about those if you want, but I want to at least get that—it's kind of a diamond with all the facets, I'm speaking to a different facet than Todd.

Mr. LaSala said he's right. There're multiple things going on here. There's the construction risk and getting what you're asking for in the first place and we do as much as we can to make sure that happens when we're in a bonded environment. The part I started with was, what happens after the thing opens, it's delivered to us initially? The place where you lose control is after the thing gets built initially and opens. It's control over the facility over the remaining life of the vehicle. That's the place where this is about losing—I'm going to say losing control. That's not strictly true. You still have these agreements, but your remedies are different when you're no longer holding money hostage.

Mr. Napper said can I make one comment, just on one property, Margaritaville and the Homefield Outdoors, about $150 million dollars. That is a staggering amount of money in the CID component and that pales in comparison to the amount of private capital being invested in that project. So yes, there's some risk that goes around, but for the parties putting in an excess of $100 million dollars, they've got a lot of reasons to make it work. I think the list of users I rattled off since 2013, the status of the drone videos, and the other construction going on, I think you have in the Homefield group, I think you have some proven performers, again, in my opinion. Again, $100 million dollars or more just on one project, that's a lot of private capital.

Commissioner Townsend said thank you, gentlemen, for that. I mean, these are just questions worth asking at this level and I want to echo something that Commissioner McKiernan brought up, I think for something this level, I would like to see from staff, a preview, like a three on three. I think that would benefit all of us for something this detailed. We may have the opportunity to do that when part two or before part two is introduced, I think that may be helpful. I look forward to these new additions. I would appreciate the consideration of what can be done as a community benefit maybe in the way of tickets or something to be considered for citizens of Wyandotte County east of 635. I think that would be something worthy of this project. I want to say that I know that Mr. Napper and his group hasn't been formally announced yet, but they have taken that into consideration and some other areas of development related to Homefield that will come up that will benefit District One.

Commissioner McKiernan said just one other thing. If this does move forward to Full Commission, then there will be a period of time where I can look through all these documents in a little bit greater depth. I would just say for future meetings, if we were to get these documents prior to the Committee Meeting, then we can make relatively more progress in terms of our discussion here, leaving less to be discussed and potentially considered, debated, voted on at full commission. Anything we can do to accelerate the delivery of these I think would just be beneficial from the standing committee moving on forward. Should we move this forward to full commission, we will have a period of time to do that, ask additional questions, and fold that into the discussion then. I think that ultimately will work out.

Chairman Burroughs said okay, no other questions. I do have a few. I would just like to say that this kind of reminds me of a bundled bill that we made rules about in the legislature. It's got good and bad in it, or maybe not so good in it, and hearing some of the comments from the committee I do see that we have some reputation risk in our credit rating that could be at risk for us and increase in fees and an increase in taxes. Mr. Napper, do you believe that the $30, that is not going to force you out of market for a resort style environment, will it? **Mr. Napper** said we do not think it will, neither do the financial partners that are investing in the project, and neither does Margaritaville as a large corporate international resort.

Chairman Burroughs said wonderful. I just wanted to make sure that we're not pricing ourselves out of the market in order to make the CID work. The next question I might have is, Mr. Petersen, you gave comment that 92 projects were around us that had over 11% CID, or sales tax base. How many of those projects are close to us in a metropolitan area that we might find ourselves in competition with in like-type sporting venues, because we do have a number of sporting venues within the metropolitan area that are pretty close to one another.

Mr. Petersen said I didn't go that deep. That's something I can work with staff on to collaboratively prepare for you, Chairman, between now and full commission if you'd like to see it. Those are just the raw numbers that I counted off while building a spreadsheet. The state publishes all this. I just didn't commit those levels of details to memory.

Chairman Burroughs said I appreciate that. The only reason why I brought that up is because you went through the numbers and I just wanted to see how many of those are in competition with the projects being proposed before us tonight. I did want to talk about the monies that I asked an aggregate number because I think it's important that taxpayers realize they're going to get nearly $13 million in revenue that the developer knows they have to pay through the PILOT. I do appreciate Commissioner McKiernan bringing up it's not the PILOT that you see on the utilities. I still wish we would change the name of that because it does get quite confusing.

It was requested that we look at doing something for the individual districts. I would encourage just to be mindful that this is community-wide tax dollars that are going into this. I would hope that all Wyandotte County districts would be included and considered when it comes to opportunities for our kids and/or job creation. Mr. LaSala, this is a new thing that I haven't heard of and that's bonding CIDs and we're doing away with the pay go, which I think was a very appropriate approach in the initial agreement and I think if it was a 70/30 or 60/40 that had to be met in the initial agreement.

Mr. LaSala said your memory is spot on. When it comes to the STAR bond part of the equation, it's 60/40 for the first phase of STAR bonds, 60 private, 40 public. When we go to issue a second series of bonds, it's 70 private, 30 public. **Chairman Burroughs** said alright. Thank you. I just wanted to make sure we're on that, but now it's nearly 50/50. **Mr. LaSala** said well, even when—I don't think so. It'll still be short of 50/50. We still have the 50/50 test in our development agreement, we'll never be north of 50/50. My math on that suggested that we were above 40 when you combine STAR bonds and CID, but we're still not right up against 50. You're still in the low 40s, I think.

Chairman Burroughs said I appreciate the developer bringing forward six individual projects of quality magnitude. I mean, every one of them is a hook for a major development, so I commend them for doing that. But I also see that three of the projects proposed here aren't supposed to start—and the commencement date is in the contract July of 2025 I believe. **Mr. LaSala** said it was the completion dates, right? I believe the completion dates for those are all in July of 2025. I think they're all supposed to start in July of 2024. **Chairman Burroughs** said yeah, commencement of construction in July of 2024. So, the CID will be in place now and they all start drawing the proceeds once construction is up, and they start submitting their expenses from the bonding issue portion that we're going to bond. **Mr. LaSala** said your timing question is a really good question when it comes to the CID. We would form it now, establish it now—relatively right now. But, you wouldn't have to start collecting at that time. With CID you can peg a date in the future and I'm sure the developer will want to do this in a way that really maximizes the proceeds and coordinates with the opening of these facilities. We probably won't start collecting right away. It'll be around the time these things open and then it runs 22 years. **Chairman Burroughs** said I was going to say most of them do run 22 years. So that's not any different than any other project that we've worked on that has this type of—**Mr. LaSala** said you're absolutely correct.

Chairman Burroughs said one other item, if I may. We talked about the downgrade that could occur if there's any kind of default or shortness of revenue proceeds to meet the CID requirement which could hamper our, I call it, reputation risk as a government. Is there anything in the contract—I know this is a new item, we may want to consider some kind of bonding benefit that should that downgrade occur. This is just moving forward, I'm not saying that needs to be done with this project, but if this is something that's going to be used coming forward, we may want to put some protection in it to ensure that if the development does not meet the proceeds projection and our reputation risk, and it costs us more to borrow money moving forward, that somebody has to pay that or remedy that for us as a government. It's tough. It's tax dollars that the public deserves to have protected. **Mr. LaSala** said I hear where you're coming from. We'll certainly look at that and talk about that. That one's tough to do, but we totally hear you and we'll look at it.

Chairman Burroughs said two other comments if I may. If I remember correctly, it was stated that you have talked with the state to ensure that they are aware of the additional items. I know the STAR bonds are a very wonderful economic development tool provided it's utilized properly and I'm sure they will keep their eyes on the project moving forward, but these are stellar projects. I do commend the developer for bringing this type of development forward. I'm anxious about seeing something occur out there when it's been sitting around.

One other thing if I may, I want to bring to the committee's attention that on page nine of the development agreement, Section F, there is no UG guarantee or credit enhancement. The UG shall not be required in any way to guarantee or lend its credit to secure the CID bonds. Now, this question has been requested here this evening and it's spelled out in the contract. **Mr. LaSala** said absolutely. That's absolutely right.

Chairman Burroughs said wonderful. Well, the only other thing is does the CID enhance the developer's equity position to draw down additional STAR bonds? **Mr. LaSala** said no, I get what you're asking, that again is about the public/private ratio. The CID money is not public money—or it's not private money, it's public. But yeah, absolutely.

Chairman Burroughs said wonderful. Thank you. Any other questions committee? Okay, seeing none, I'll ask the Clerk if there's any comments that were received from the public. **Ms. Sparks** said no comments received. **Chairman Burroughs** said I'll now recognize members of the public who wish to address the committee. I'll ask the Clerk, are there any hands raised by the public who wish to speak? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said is there anyone in the audience who wishes to speak? You will be given up to three minutes to make your comments, please come to the podium and state your name and city of residence for the record. Let the record show no one stepped forward. Thank you, committee. Thank you, Mr. LaSala, Mr. Napper, Mr. Petersen. We sincerely appreciate the transparency and the full disclosure that you brought forward this evening in reference to this project. With that, this is an action item. I would entertain a motion.

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

Chairman Burroughs said thank you, committee. I sincerely appreciate all your help. **Commissioner Stites** said all I want to say is that, when this comes in front of full commission, which is when is that? **Ms. Sparks** said May 25th. **Commissioner Stites** said I'm sure that there are many questions perhaps (inaudible). I figured I'd talk loud enough, sorry. But I appreciate the thoroughness tonight, and that the full commission will probably have some questions also, if they didn't get answered tonight, so thank you again.

Item No. 2 – 212434…RESOLUTION: ADOPTION OF RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BONDS (MARGARITAVILLE/HOMEFIELD OUTDOOR PROJECT)

Synopsis: Adoption of a Resolution of Intent to issue Industrial Revenue Bonds for the Margaritaville/Homefield Outdoor Project, submitted by Patrick Waters, Acting Chief Legal Counsel.

Mr. LaSala said you have two other agenda items right after this. These are the resolutions of intent that are about the Industrial Revenue Bond financing, those Certainty IRBs. First for Margaritaville Hotel and Homefield Outdoor. The second one is Homefield Baseball.

Chairman Burroughs said I'll recognize Patrick, if he has any comments. **Mr. Waters** said Mr. Chairman, I have no additional comments. I believe it's ready for a motion, if the committee so chooses.

Chairman Burroughs said our conferees have any comments? **Mr. LaSala** said no, Commissioner. **Chairman Burroughs** said any comments from the Commission? Okay, we'll move right along. I'll ask are there any comments that were received from the public? **Ms. Sparks** said no comments received. **Chairman Burroughs** said I'll recognize member of the public who wish to address the committee. I'll ask the Clerk, are there any hands raised by the public who wish to speak? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said is there anyone in the audience who wishes to speak? You will be given up to three minutes to make your comments. Please come to the podium, state your name and city of residence for the record. Let the record show no one stepped forward. Thank you, committee. I'll entertain a motion, this is an action item.

Action: **Commissioner Stites made a motion, seconded by Commissioner Davis, to approve.**

Chairman Burroughs said we have a motion and a second. David, do you have a comment? **Mr. Haley** said restate exactly specifically because there are three. So, this is specifically? **Chairman Burroughs** said Item #2. It's a resolution of intent to issue the Industrial Revenue Bonds for the Margaritaville, Homefield Outdoor project and I think it was referred to as the Outdoor Hotel, so I'm assuming—Homefield Hotel, so I'm assuming it's the Margaritaville. **Mr. LaSala** said that's correct. **Mr. Haley** said thank you. **Chairman Burroughs** said we have a motion and a second. I'd ask the Clerk to please call roll.

Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 3 – 212434…RESOLUTION: ADOPTION OF RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BONDS (HOMEFIELD BASEBALL AMENDMENT)
Synopsis: Adoption of a Resolution of Intent to issue Industrial Revenue Bonds for the Homefield Baseball Amendment, submitted by Patrick Waters, Acting Chief Legal Counsel.

Chairman Burroughs said that takes us to Item #3. I'll recognize Patrick for any comments. **Mr. Waters** said no additional comments. **Chairman Burroughs** said conferees? **Mr. LaSala** said nothing from me. **Chairman Burroughs** said committee? Seeing none, I'll ask Clerk if there's any received from the public. **Ms. Sparks** said no comments received. **Chairman Burroughs** said any members online have their hand raised? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said is there anyone in the audience who wishes to speak to this item? Let the record show no one step forward. With that, I'll entertain a motion.

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

Mr. Haley said whatever happened with the field, the turf for the field. I was not privy to that. I remember that was a previous discussion. **Commissioner Burroughs** said I can't hear you, David. I'm sorry. I got this thing right behind me here. **Mr. Haley** said so that was for Monarch's field and not for Homefield. Thank you. I should have conferred with Commissioner Stites.

Item No. 4 – 212428…RESOLUTION: AUTHORIZING UG TO ENTER INTO TWO REAL ESTATE PURCHASE AGREEMENTS WITH KCKCC
Synopsis: A resolution authorizing the Unified Government to enter into two real estate purchase agreements with the Kansas City Kansas Community College, submitted by Patrick Waters, Acting Chief Counsel.

Chairman Burroughs said for our next item it's going to be a resolution dealing with Kansas City Kansas Community College. I'll wait and ask for a transition to occur. And at that time, if the individuals are wanting to step up, speak to the item, please, this is the time to do so. Just a minute, Mr. Mosier. If you want to join us up here to speak about the project, I would just assume you'd be up here in front of us in case there's any questions anybody should have. Alright, committee. Item number four is authorizing the UG to enter into two real estate purchase agreements with the Kansas City Kansas Community College, submitted by Patrick Waters, Chief Counsel. I'll recognize Patrick at this time.

Mr. Waters said the Unified Government owns two properties just down the street, 600 State Avenue + 645 Nebraska Avenue. These are in the general area where the Community College is planning to do their downtown campus. After discussing with the Community College, we believe that this land could be put towards a very good use with their downtown campus. This resolution would authorize the Unified Government to sell outright 600 State Avenue and then a portion, approximately half, of 645 Nebraska which is on the eastern edge by the Willa Gill Center. We are working with the Community College and their engineers to get that exact dividing line, we would do a lot split there. We show in the resolution approximately where that lot split would occur, it’s about the eastern half of the property. Dr. Mosier is here to discuss a little bit about the Community College's proposed use for the property.

Greg Mosier, Kansas City Community College President, said good evening, Commissioners. It's a pleasure to be with you tonight and talk about the progress that we are making on the project. This project has been going for approximately three years now. When we hit January of 2023 we have achieved the fundraising efforts of raising $46 million dollars for the downtown project. It is a public/private partnership with KCKCC, Swope Health, Community America Credit Union, and we're working very closely with USD 500 as well to provide dual enrollment for high school students at this site.

It will be approximately 100,000 square feet in total with the college owning the property and about 80% of the facilities. It is a commercial condominium association, so the other partners have ownership in their space as well with Swope Health having about 16.5% and Community America Credit Union owning about 3.5%. We have been making great progress on this. We have done both the environmental phase one and phase two studies. The land surveying of the entire block going to the opposite sides of the roads is being conducted by BHC as we speak. We are working with the Landmarks Commission and I presented a week ago tonight on the adoption of a revised selective deconstruction schedule for the 7th Street Church which was approved. The land that we are looking at and requesting the transfer of is the addresses that Mr. Waters identified. Those are extremely important to the project as they will allow for off-street parking. The 600 State Avenue will be a small parking lot adjacent to the blue building that will continue to stand and maybe repurposed as a food service or some other site or business for the community. Then the 645 Nebraska up to about 20-30 feet from the east side of Willa Gill will also produce off-street parking which will be important for the project, approximately 80 to 90 parking spots dependent upon the layout and the islands and such that will be required to put in this facility.

The time schedule is moving right along. We have hired our owner's rep Copaken Brooks. We've hired our architect PGAV. We were down at the site today actually working through the church with a historical architect as well identifying historical elements that will be built into the project. Selective deconstruction will start in the fall. Full demolition will begin in the winter and we look to go into full construction of the site beginning January 2024, with an anticipated completion date of June of 2025, opening for the college in fall 2025. This land would be extremely beneficial to not only this project, but the community that it will be serving in downtown Kansas City, Kansas.

Chairman Burroughs said thank you, Dr. Mosier. Commission, any questions?

Commissioner Davis said just some clarity, have you all reached your fundraising goal? **Mr. Mosier** said we have reached the fundraising goal that allows us to move to construction. We have a partner agreement with all three partners that they are financially obligated for anything that has not fundraised. So, in essence we are at 100%, but we are going to continue to fundraise to try and get as close to 100% raised with the fundraising efforts as possible. **Commissioner Davis** said well congratulations and kudos to you and your board and your staff for getting that done.

I have another really miscellaneous question for staff. Is there a reason why we're selling it for $10? **Mr. Waters** said Commissioner, this is proposed as an in-kind donation to the college to assist their efforts. That's what's being proposed. Obviously, it is the Commission's discretion, but that's the proposal. **Commissioner Davis** said I'm sure that's fine. I didn't know if there was any rhyme or reason behind it, but I'm in full support and I'm excited to see this transition and the revitalization of downtown.

Mr. Haley said Dr. Mosier, I too, as you know, I'm extremely excited about the overall project. Glad to hear that you've reached the funding point that you anticipated and to see it move forward. Certainly glad you got over the hurdle of the historic property that's there and how that's going to be met. So succinctly, and I wish we had a map or some sort of—so that I could visualize. I'm familiar with the area, but is this going to be, if approved, basically, parking or you said there was something, a residential component? I'm trying to see how it, if approved, is going to meet with the existing facility that you mentioned or referenced. The kitchen there, the food kitchen, is that independent of that? Again, I wish I had some sort of a map to point to because I heard the addresses, but I don't know exactly how they meet with what's already there.

Mr. Mosier said sure. I apologize for that. The ground that has been identified is currently a parking lot. The entrance to the college facility will be on the corner of 7th Street + State Avenue. 600 State Avenue is the far southeast corner. There is a blue building standing there currently. It's been a variety of different denominational churches. The last service was as a Hispanic store that just sold general items to the community. This is to the east side of that. So it's the very bottom right hand corner, southeast corner of the block on 6th + State Avenue. The top half of that block, Willa Gill Center is in just about in the center, slightly west, there is a dirt gravel parking lot from the east side of Willa Gill over to 6th Street and that is the other piece of property that is being identified as 645 Nebraska. The Willa Gill will stay as it is for now until solutions are made available for maybe a full-service encompassing food service, housing, additional services provided to the community. Then there's a parking lot to the west of that as well, so that will still stay intact. We're just talking about the gravel lot that is on the east side of Willa Gill to 6th Street and then the bottom southeast corner of that block on 6th + State Avenue.

Mr. Haley said let me ask you to speculate and thank you, Mr. Chairman. Thank you, Dr. Mosier. What the future, once you're up and running, might be of the location of the food kitchen and what is then the heart or very close to the heart of your facility. I don't know the mechanics of what's happening or what's envisioned. But would you anticipate if you could prophetically look at some point in time that the functions now met by the Willa Gill Center might be relocated?

Alan Howze, Assistant County Administrator, said there are some discussions around the provision of services that currently exist downtown and what the future could look like for those, so that there are some active discussions. The Mayor has his task force on the homeless and so there are several conversations that are overlapping at this point. We do anticipate here in the next several months, year or so to have some sort of ideas to put back on the table in terms of what that could look like in the future. But I don't think it’s concrete at this point for consideration. **Mr. Mosier** said and we have no desire to disrupt the services that are currently provided there.

Mr. Haley said I just think about what fits, you know. You have the academic environment, you'll have students coming and going, and then you'll have those that are under-housed or, in fact, need of the social service of—and I don't know, for the full flow in the mix of what's happening in the transformation. If it is a seamless mix there or disruption of service, it may or may not be in the best interest of the success of the long range project. **Someone** was inaudible. **Mr. Haley** said if I could remember exactly what I said I would. Just looking to the future of what that mix might be with the existing land use and the functions that are provided, and the future what's anticipated with as much appreciated project of the school. I don't know how long range the two might successfully coexist. So anyway, it's a philosophical musing on my part, and pardon me, Mr. Chair, for going down that rabbit hole on the microphone.

Commissioner McKiernan said so the map is actually in our agenda packet as an appendix. For those people who don't have it, I just pulled up Dotte Maps and cobbled together this little diagram. I do believe that the areas that I've shaded in green are the areas that we're contemplating with this. I would remind everybody that these are the same areas that we previously committed to the Linear Group Project way back when. So, it's not new that we are considering the transfer of these properties for another use because we've previously contemplated that. Mr. Waters, am I fairly accurate in terms of what we're looking at? **Mr. Waters** said yes, absolutely. **Commissioner McKiernan** said perfect. Thank you so much.

Chairman Burroughs said any other questions? Okay, seeing none, I'll ask the Clerk if there were any comments received from the public? **Ms. Sparks** said no comments received. **Commissioner Burroughs** said I'll now recognize members of the public who wish to address the committee. I'll ask the Clerk if there are there any hands raised by the public who wish to speak? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said is there anyone in the audience who wishes to speak, you will be given up to three minutes to make your comments. Please come to the podium and state your name and city of residence for the record, and I believe Madam Clerk will give you the timeline with one minute remaining.

Steven Smith, Lake Quivera, said thank you very much for the opportunity to speak tonight about this real estate purchase. I'm on the board of Hot Lunch Service, Inc, more commonly known as the St. Mary's Food Kitchen. For those of you who don't know us, we've been serving free hot lunch—free lunch seven days a week, 365 days a year for the past 41 years and have operated out of the 645 Nebraska building that's subject to this transaction since 1997. We've not missed a single day during that entire 41 years of serving the people of Kansas City, Kansas and that includes working through all the issues that we faced during the pandemic. Just for a sense of volume, in 2022 we served 81,000 meals and we're projected to exceed 91,000 this year, just to give you a sense of scale.

Now, with regard to this transaction, to date we've really received very limited information. We have not been included, really, in any discussions for a couple of years at least. In fact, we just heard about this meeting by chance. We have a few questions we'd like to pose and a request. As I understand, per the resolution, the real estate to be purchased by the community college includes a portion of this subject 645 property that we're one of the tenants. We're just looking for some clarity with regard to how or if this impacts our operation because it's not clear. You look at the exhibits and what you put up earlier, Mr. McKiernan, helped because the exhibits attached to the resolution you could not tell what part of the property for 645 was subject to this purchase. So that was helpful to see. **Ms. Sparks** said one minute remaining. **Mr. Smith** said so first of all, if the building remains as is, we have access questions in terms of how we access the building. Will that change? Do we have access to the alley, how our volunteers can park and where they park, it looks like the parking lot will stay. Do our clients will they have continued safe access everyday while we feed them during this construction period? Then there's a whole host of questions if in fact we are asked to move our operation at some future point that was referenced here tonight, and how the UG will work with us on that. The main thing from our standpoint, we need to understand, for our planning purposes, the proposed timeline for all this to happen, what's going to happen, and that we get included in all future communications relative to this project. So that's our request, that we continue to work with the UG on this—**Ms. Sparks** said your time has expired. **Mr. Smith** said and that we are notified, we're happy to provide you contact information.

Jacqueline Elbert, Overland Park, said in continuation of what he was saying, the one additional issue that we would like to bring up, within that building there is Mt. Carmel and there is Hot Lunch Service, Inc., doing business as, St. Mary's Food Kitchen. Two separate entities. The information that goes to Mt. Carmel, goes to Mt. Carmel, it does not come to us. We have not been in the loop because of the fact that somewhere along the line it was believed that we were employees, or managed by, or in some way part of Mt. Carmel, we are not. We are a 501(c)(3), a non-for-profit that take care of the homeless and the food insecure. We are there for the marginalized. We are not in any way related to Mt. Carmel. Why is this important? It is important because we're not getting the information. We're not in the loop and that's all we're asking. Please talk to us, please include us. We want to continue for another 41 years.

Chairman Burroughs said is there anyone else in the audience who wishes to speak? Let the record show that no one else has stepped forward. Thank you, committee.

Commissioner Stites said I think it's totally ridiculous that we've gone this far down the road in this project and somebody that's doing this kind of great work in our community has no idea what's going on and hasn't been involved. I don't know where the breakdown or the failure has occurred there, but I think it's terrible and I thank you guys for what you're doing in our community. I have other questions regarding this location, the funding, the tax implications to our constituents. We already have a community college. Anyway, I'll get into those questions later, but I just can't believe that we are this far down the road and these folks are being treated this way. It's terrible.

Mr. Haley said from the last two speakers. Who owns Willa Gill? The city owns Willa Gill and so the city leases to the two entities that spoke? Is it a lease agreement with them right now? **Mr. Howze** said that would be yes. There are two separate contracts, one with Mt. Carmel, one with Hot Lunch. **Mr. Haley** said how often are those renewed? **Mr. Howze** said they were renewed last year, I believe. **Mr. Haley** said so they're annual contracts? **Mr. Howze** said I don't know if they are renewed annually, but they were renewed last year. **Mr. Haley** said has there been a variance, to your knowledge, previously in terms of use or what the contract has been for the lessees for those two that were here today? Has there been any variance in what the facility can provide or the surrounding area? **Mr. Howze** said variance in terms of? **Mr. Haley** said maybe parking or you know, what's allowed. I'm sure there's some code matters that might be there. I mean, has there been any new provisions or different provisions in several years at least that the city has leased to these two? So this would be the first change in the surrounding use of the building for the two tenants that they have, if approved? **Mr. Howze** said yes, I think that if I understand your question correctly. They've been operating in a kind of the same physical environment. So this would be the first time that the physical environment has changed.

Mr. Haley said so here's what I'm getting at, so there are two tenants that are in a city owned and operated building that has been leased to them for a number of years. Correct? **Mr. Howze** said yes. **Mr. Haley** said and during that particular time, there's been no variance in what their responsibility has been, which I will make the assumption that they've met, or new requirements by the city, a change in the peaceable use and enjoyment for that which they've contracted to use the premises for. **Mr. Howze** said none that I'm aware of. **Mr. Haley** said but to the best of your knowledge. So this would be a change in what they have known, if approved, for quite some time, but, arguably, for a broader use of the surrounding area.

Mr. Howze said yes, comma, if you look at the map, I think the portion of the property that's, you know—because the plat is envisioned to be subdivided, so the portion of the plat that is currently being utilized for the service delivery is the same. It's sort of held harmless in a sense. The portion to the east is the portion that is to be given to the community college for their project. I'll ask Mr. Waters if he has— **Mr. Waters** said right. This had contemplated to be an athletic field for some time under the Linear development and now it's contemplated to be a parking lot. So I mean, the reuse of this in a different way had been contemplated for some time. But instead of a grass field, it sounds like now it would be a parking lot, so that's the only difference. **Mr. Haley** said okay. I need to think this through further, but thank you Mr. Chair for now. I appreciate the responses.

Chairman Burroughs said there was a lady had her hand up in the back. I want to make sure if you have a response, public comment is closed unless somebody wants to make a motion to allow you to speak again.

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

Chairman Burroughs said you will have up to three minutes and please restate your name and place of residence please.

Ms. Elbert said the reason I said, wait, is because there has been a change. That building was built for us. It was a social concerned group along with Bob Dole that built that building for the usage to serve the people food. We had been in there with a lease up until most recently, when they changed it to a license. We are only licensed to utilize the space, which means we can't even lock our supply closet door where our things are because it's not our building. We don't even get to lock our office where our financial information is because they have given us a license, not a lease. We're not tenants. We are somebody who gets to come in there every day, serve food and leave. Now is that what that building was meant for? No, that was not what it was built for. It was for us to come in there and to provide a service and have a space that we could operate within. This license expires at the end of this year, then what? It took us two years to get to this point, to get a license instead of a lease. It's frustrating. We're here to do something good for the community and we're getting treated so badly. I'm not saying oh poor, poor pitiful us. I'm saying look at why we are here. Look at why this building was built.

Chairman Burroughs said I do want to remind the committee that we're not here to debate Willa Gill. We're here to debate the project to the resolution for the Kansas City Kansas Community College, but I do appreciate the comments that have been made and I do want to show respect to those in the audience that feel so passionate about this item. So commissioners, any other comments or concerns?

Commissioner Townsend said the comments raised by Mr. Smith, Ms. Elbert, and commissioners, the depiction there, just to make sure I understand. The areas shown in green that borders closer to the north that showed Nebraska Avenue. Is that totally vacant property or not?

That's totally vacant property now. Okay. So to Ms. Elbert's concerns, I want to make sure I'm not missing anything. When Ms. Elbert, Mr. Smith, you talk about the building you currently co-occupy the Willa Gill Center, correct? Okay. I agree with you, you should know as an independent occupant of that building what's going on as well. But currently, you're not using the green space for delivery of any service. Okay. Alright. The segment to the south, that green space, which is also an issue here. Is that totally vacant property now? **Mr. Howze** said yes. **Commissioner Townsend** said alright, thank you.

Commissioner Davis said this is news to me regarding the concerns and I do hear you all as far as wanting to be considered. I would leave that up to staff and the community college just to get folks up to speed. Perhaps, even if it's not this standing committee, maybe at another standing committee, there'd be a discussion about that particular situation. I don't—for me, that doesn't necessarily change whether or not we sell this for $10. I think that's another conversation on the relationship between the UG and the folks that are lessees, or if you have a license, or if you're using that particular space. But I do hear the unfairness of not being considered throughout, which is unfortunate. I don't know what the reasoning is, but I do want to validate those particular feelings. With that, I'm still in favor of this particular transition, committee, so that we can keep going with this particular project and have that conversation about Willa Gill at another time. But yes, I do hear those concerns and I hope at another time we can have that discussion.

Commissioner Townsend said thank you, Mr. Chair for indulging me again. Initially, I had concerns about which side of Willa Gill we were talking about. So thanks again, Commissioner McKiernan, for your depictions. To the west of the Willa Gill segment, I noticed that parking takes place there for recipients of the services of Willa Gill, so we are not talking about that. So I'm of the opinion right now, please correct me if I'm wrong, if Mr. Chair will allow me either Mr. Smith or Ms. Elbert to address this. There is no parking again currently being used in the green space to the north by your—okay. Alright. But parking is still being used at least for the time being, to the west of what's depicted there as the Willa Gill Center. So that was a concern I had. Again, I do agree that as a tenant there of the Willa Gill Center, it would be appropriate to know what's going on. But as has been mentioned before, the Lanier project contemplated years ago that green space as a field. The use has changed now, but I'm not understanding that this would interfere with the delivery of your services. The alley? Is that the space between the end of the green field and Willa Gill?

Chairman Burroughs said Dr. Mosier, you have something to add? I'm sorry, Commissioner Townsend, were you done with your questions?

Commissioner Townsend said that would be a concern for delivery of St. Mary's to continue to provide any service and how might that be addressed if the sale went forward? Is that a right of way that's still in the city's control or how does that work?

Mr. Mosier said if I may and also I want to provide some clarity to some of the feedback that has been provided. KCKCC and the Unified Government, Mt. Carmel, representatives from St. Mary's, and Wyandotte Behavioral Health Network, who also operates the Frank Williams Center on the other side of the street has sat down in conversation. All entities mentioned have sat down in conversations during the past couple years. I also have some more meetings scheduled on this topic with Mt. Carmel. I will make sure that St. Mary's is also on that list because I do have their contact information from when we met prior. When we have sat down and talked, we talked about that alleyway. That is the place where they have their loading dock that they receive their food. So the college has made a commitment that during the construction process of the new building, which is a $60 million dollar investment in downtown Kansas City, Kansas, which is economic development and for the good of the community, that we will not block their access to this loading dock and that we will not do anything that will disrupt services to the people that receive the important services and receive food from that location. The items that have been brought up tonight have been discussed and are in conversation. The college, and the Unified Government, and the Mayor's Office, we've all been talking about these things, so it's not brand new.

Commissioner Townsend said would it be appropriate, based on Dr. Mosier’s comments, counselor, to somehow document that as part of this sale or at what time or in what paperwork. Because if you're dealing with real estate, it doesn't exist if it's not in writing. I'm encouraged to hear that you've been speaking with these different services, including St. Mary's, about not blocking access then.

Mr. Waters said I could certainly add a provision in there to clarify that. I think also that's would probably come through their building permits. I imagine that when they're doing that there would be stipulations put on. So I think there's multiple checkpoints where we could do that, but I'd be happy to do that. **Commissioner Townsend** said so could that be part of what's done tonight with regard to the sale? **Mr. Waters** said I could add that. If it advances to full commission, I can put that language in there prior to full commission. **Mr. Mosier** said if I may, there'll be a point where we are working in that area, but we'll be very cognizant and making sure that the food is able to be delivered, etc. So that is high on our priority list.

Chairman Burroughs said and I do want to remind this committee that this is Item #4 and it is a resolution authorizing the Unified Government to enter into two real estate purchase agreements with the Kansas City Kansas Community College. Seeing no other comments, it’s an actionable item, I’d entertain a motion.

Action: **Commissioner Townsend made a motion to approve the resolution as proposed with the addition of language that would make it clear that St. Mary's would continue despite the sale, to have access through that alley so their delivery of services could continue.**

Chairman Burroughs said is that just—during construction, I think is what I heard. **Commissioner Townsend** said well, at anytime, that's the intent. **Mr. Mosier** said that would be correct yes. **Commissioner Townsend** said at any time, because the sale will transfer the title. But at no time, if I'm understanding Dr. Mosier's position, would there be blockage of the alley so St. Mary's could continue your delivery of services. **Commissioner Davis** said Commissioner, can you restate that one more time?

Action: **Commissioner Townsend made a motion to adopt the resolution with the addition of language that would document that access to the alley between the western part of the Willa Gill Center and the property that we are to sell to the college would not be blocked at any time and that they would have perpetual and continuous access to that alley.**

Mr. Mosier said I'm sorry, this may not be appropriate, but there may be some intermittent times, but we will make all accommodations to get the food to the site because they're going to have to work on that alley at some point in time. So I can't say it would absolutely never be blocked, that would be false, but we would be making the appropriate accommodations to ensure that the Willa Gill Center, Mt. Carmel, St. Mary's is able to receive their food shipments and provide their services to their constituents.

Chairman Burroughs said if I may, I guess, Commissioner Townsend, maybe unobstructed delivery have continued—unencumbered access to the delivery access point of Willa Gill during construction time. I don't want to put words in your mouth. I want you—it was getting quite lengthy there. I think it can be a succinct thing. I'm just trying to find an avenue. I understand. I think there's a perception as to what you want to do. **Commissioner Townsend** said that's what I was really going for as opposed to trying to exactly wordsmith right now, counsel was nodding his head. **Mr. Waters** said I think I can draft some language and you can look at it. If you have suggestions please tell me, but I think I can come up with something based on the language you gave in the motion. **Commissioner Davis** said I will second that if that is the intent. I understand the spirit of what we're trying to do. Yes, I second that.

Roll call was taken and there were five “Ayes,” Haley, Davis, Townsend, McKiernan, Burroughs; and one “no” Stites.

Commissioner Stites said this Item has already closed. I'd like for us to explore the options of what we may be able to do with getting them out of just an occupancy status into some sort of a long-term lease so that their future is certain and the rug can't be jerked out from under them at any time.

Item No. 5 – 212429…RESOLUTION: A RESOLUTION AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE WITH REGARD TO THE TAXABLE INDUSTRIAL REVENUE BONDS (DAIRY FARMERS OF AMERICA, INC. PROJECT – BUILDING)

Synopsis: A resolution authorizing the execution of a second supplemental indenture with regard to the Taxable Industrial Revenue Bonds (Dairy Farmers of America, Inc. Project – Building), Series 2017A, previously issued by the Unified Government of Wyandotte County/Kansas City, Kansas, submitted by Patrick Waters, Interim Chief Counsel.

Chairman Burroughs said I'll recognize Patrick Waters at this time. **Mr. Waters** said Mr. Chairman, I am going to turn it over to Bond Council Kevin Wempe to discuss this item.

Kevin Wempe, with Gilmore and Bell, Unified Government's Bond Council, said before I give a brief overview, I just want to state that Dairy Farmers of America, the beneficiary of this Industrial Revenue Bond, has a representative here, Steve Sparks, should there be any questions that should be directed to him.

There's a resolution in front of you to be approved, a Second Supplemental Indenture, for these IRBs. It does two things, number one, it extends the term of the bond documents through the abatement period of 2027 which had been contemplated all along. Second, it installs a backup index of Secured Overnight Financing Rate or SOFR, which replaces the benchmark, the interest rate on the bonds that was originally LIBOR, the London Interbank Offered Rate. A little bit of background about why those two things are necessary, I'll be concise here, but if you recall in 2017 these bonds were issued near completion of construction and that commenced the 10-year Pilot, Property Tax Pilot, again, not the utility PILOT as mentioned earlier tonight. Unlike most of the IRBs in the Unified Government, this was not a buy your own bond. The company was purchasing its own bond and instead was a real financing where Wells Fargo purchased this IRB. In alignment with their credit restrictions, they only extended for five years on their loan for these bonds in the facility. Again, the benchmark for the interest rate was LIBOR at the time. So again, with a five-year term, initially, we always contemplated supplements. If you recall, in 2021, the Unified Government approved the first supplement to those IRB documents and again extended it five years, which unfortunately brought us one year short of the full 10-year term fee abatement, which is part of the reason we're here again tonight. Also at that time, installed a backup interest rate index because if you remember a couple years ago, that's when LIBOR was beginning to—the end date for that index was targeted. Now, in fact, we know LIBOR is ending here in the next couple of months. So that brings us to tonight for the Second Supplemental Indenture, to again clarify the benchmark interest rate index of SOFR, extend the bond documents through 2027 in the full abatement term. It should be noted that the Payment In Lieu Of Taxes were agreed to at issuance of 2017. Those remain. So the business deal and property taxes coming through to the Unified Government remain unchanged with this settlement. With that overview, happy to answer any questions you might have.

Chairman Burroughs said if I may, just a point of clarity, counsel, you said the abatement will end in 2027 or is it going to go beyond 2027? **Mr. Wempe** said that's the final year. In Kansas we get a maximum of 10 years. So with the abatement commencing in 2018, 2027 will be the final year of property tax abatement.

Chairman Burroughs said okay. I just wanted to make sure I understood correctly because I do know that it's a 10 year limit and I just wanted to ensure that we weren't exceeding the 10 year limit.

Questions, committee? Seeing none, are there any questions from the public? **Ms. Sparks** said no comments received. **Chairman Burroughs** said now I'll recognize members of the public who wish to address the committee. Are there any hands raised? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said anyone in the audience who wishes to speak on this issue? Let the record show no one stepped forward. Committee, this is an actionable item, I'll entertain a motion.

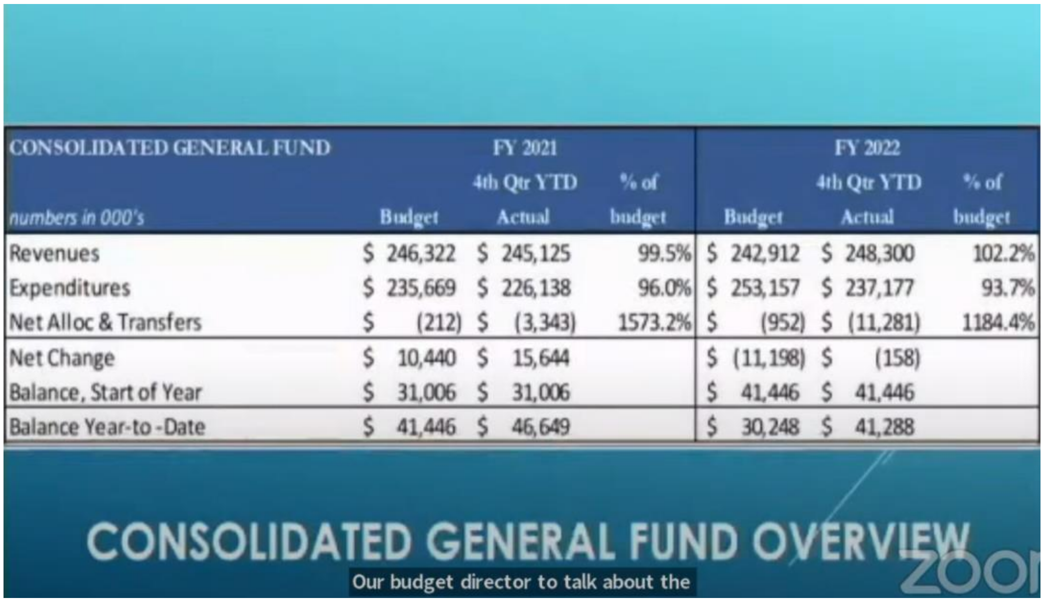
Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to approve.** Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 6 – 212438…FOURTH QUARTER 2022 BUDGET TO ACTUALS REPORT

Synopsis: Fourth Quarter 2022 Budget to Actuals Report, submitted by Reginald Lindsey, Budget Director, and Deborah Jonscher, Interim CFO.

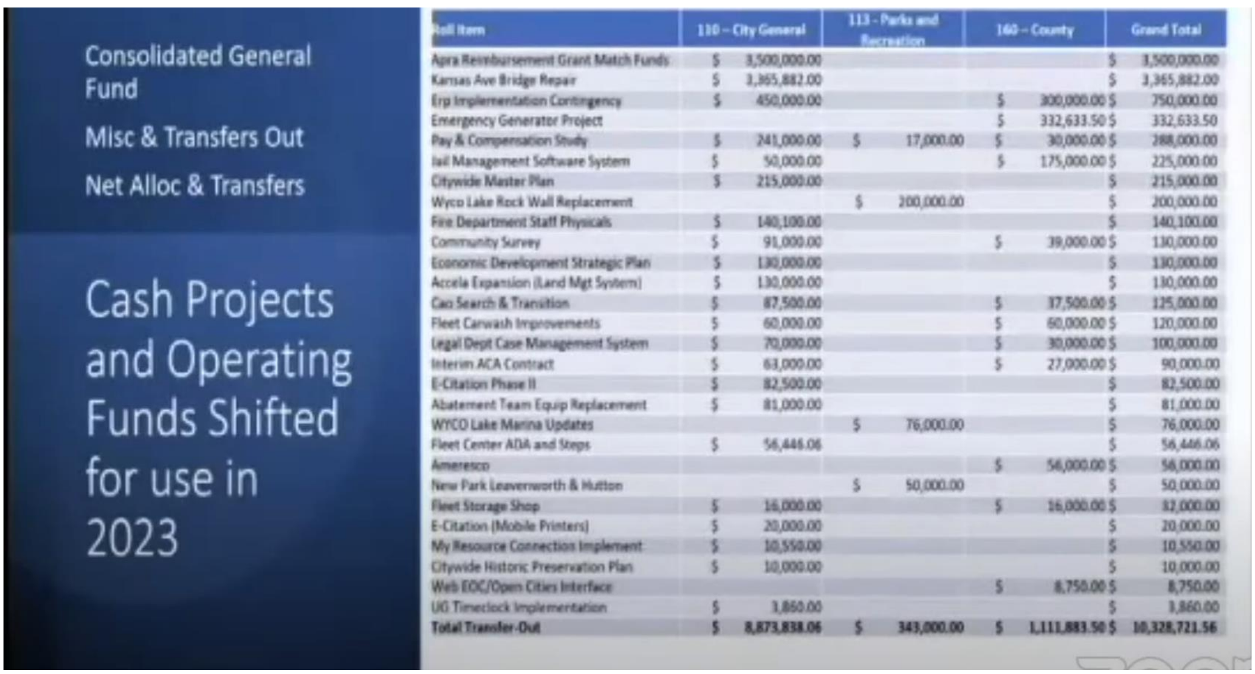
Chairman Burroughs said that takes us to our last item of the evening, which is not an action item. It's an information only item. I do know that we have Reginald Lindsey, Budget Director, and Deborah Jonscher, Interim CFO.

Debbie Jonscher, Interim CFO, said we are here to report on the Fourth Quarter Budget to Actuals for the fiscal year ending 2022. I'm going to go ahead and start with the report and talk about the revenues and then I'll turn it over to Reginald Lindsey, our Budget Director, to talk about the expenses.



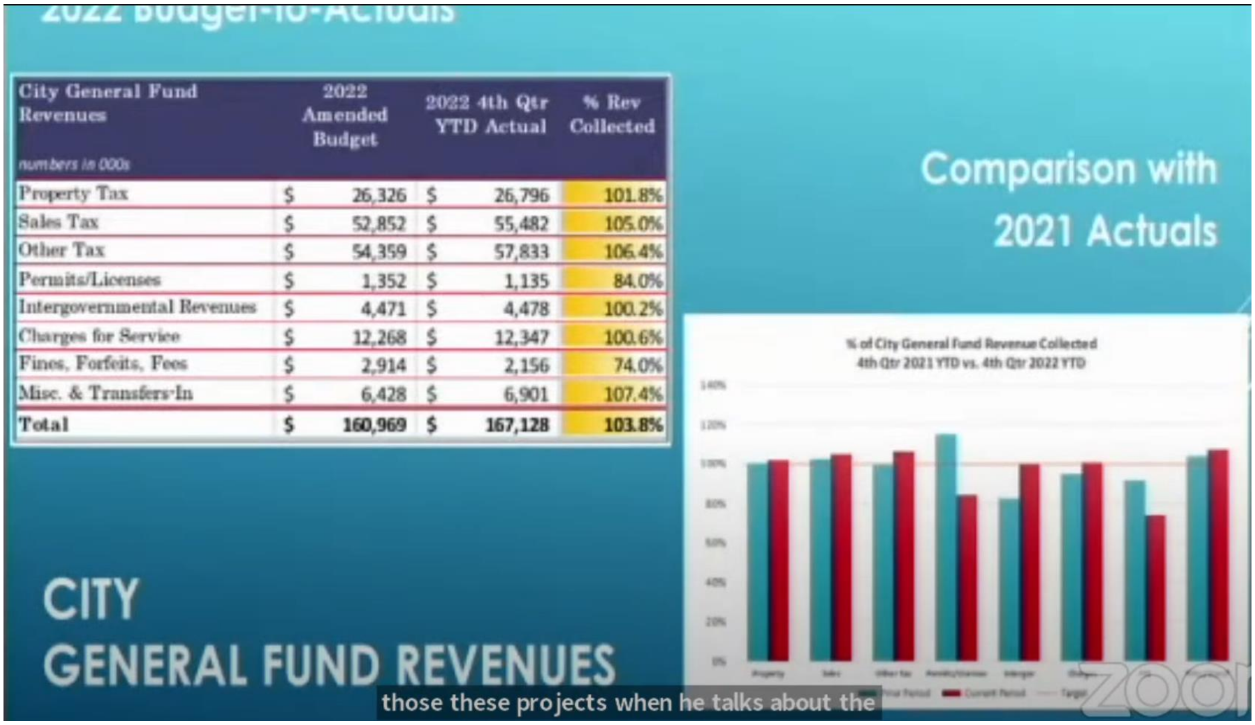
CONSOLIDATED GENERAL FUND	FY 2021			FY 2022		
		4th Qtr YTD	% of		4th Qtr YTD	% of
numbers in 000's	Budget	Actual	budget	Budget	Actual	budget
Revenues	$ 246,322	$ 245,125	99.5%	$ 242,912	$ 248,300	102.2%
Expenditures	$ 235,669	$ 226,138	96.0%	$ 253,157	$ 237,177	93.7%
Net Alloc & Transfers	$ (212)	$ (3,343)	1573.2%	$ (952)	$ (11,281)	1184.4%
Net Change	$ 10,440	$ 15,644		$ (11,198)	$ (158)	
Balance, Start of Year	$ 31,006	$ 31,006		$ 41,446	$ 41,446	
Balance Year-to-Date	$ 41,446	$ 46,649		$ 30,248	$ 41,288	

We'll start out with the Consolidated General Fund. As you know, this consists of the City, County, and Parks General Funds. This first slide is just a comparison of fiscal year 2021. As you can see, revenues collected for 2022 were 102.2% of budget. Expenditures were 93.7%. Well, I guess I'll go back to the revenues, 102.2% of the budget, compared with 99.5% that was collected in 2021. On the expenditures 93.7% was collected in 2022, compared with 96% in 2021. The net allocations and transfers, that's your transfers and transfers out, those get netted together. That's why the percentages are a little—they're not a true representation because the transfers in are netted against the transfers out. But I did want to highlight in 2022 you'll notice that that number is $11.2 million. I am going to cover a little bit of what some of those transfers were on the next slide because that number was so large we wanted to kind of point out what we had going on there. I did also want to note too, on 2022 the ending balance year-to-date should be $46.4 million. I think we might need to take a look at that beginning start of year for 2022. I think that we may have had an incorrect formula there.

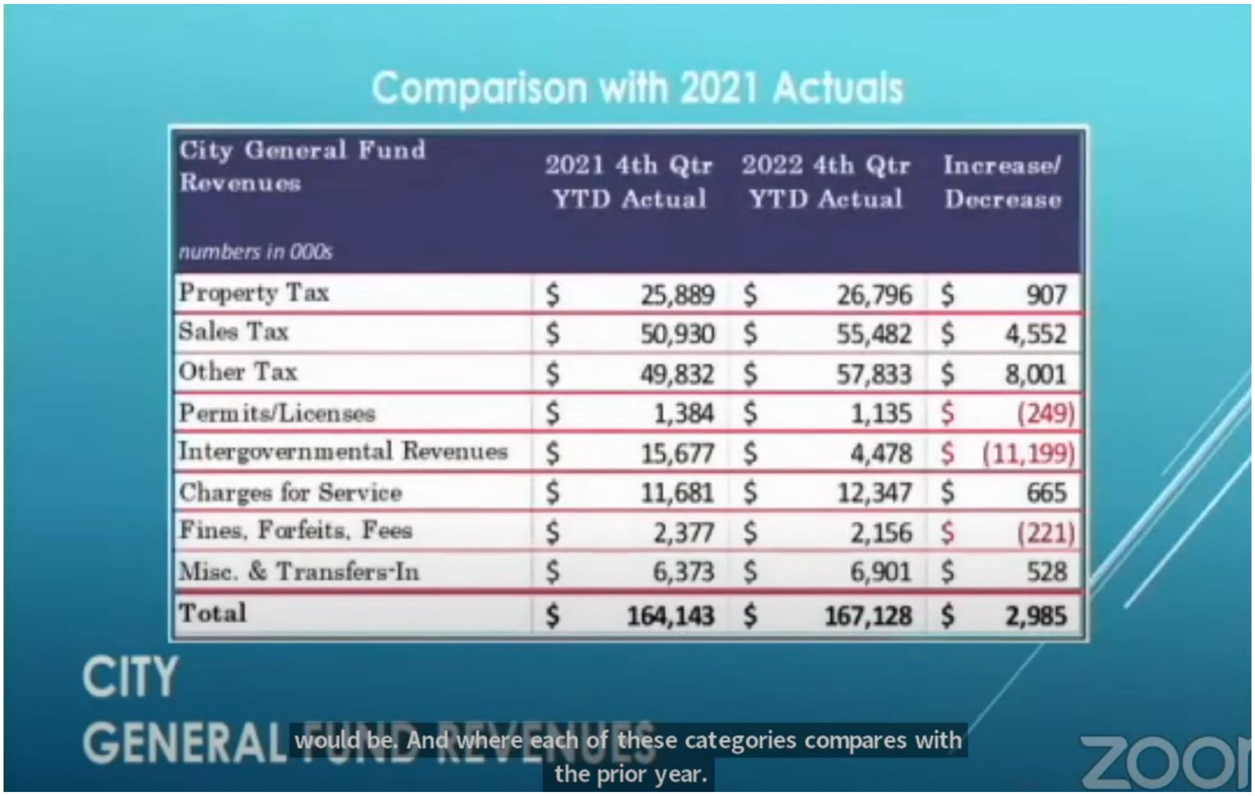


Roll Item	110 – City General	113 - Parks and Recreation	160 – County	Grand Total
Apra Reimbursement Grant Match Funds	$ 3,500,000.00			$ 3,500,000.00
Kansas Ave Bridge Repair	$ 3,365,882.00			$ 3,365,882.00
Erp Implementation Contingency	$ 450,000.00		$ 300,000.00	$ 750,000.00
Emergency Generator Project			$ 332,633.50	$ 332,633.50
Pay & Compensation Study	$ 241,000.00	$ 17,000.00	$ 30,000.00	$ 288,000.00
Jail Management Software System	$ 50,000.00		$ 175,000.00	$ 225,000.00
Citywide Master Plan	$ 215,000.00			$ 215,000.00
Wyco Lake Rock Wall Replacement		$ 200,000.00		$ 200,000.00
Fire Department Staff Physicals	$ 140,100.00			$ 140,100.00
Community Survey	$ 91,000.00		$ 39,000.00	$ 130,000.00
Economic Development Strategic Plan	$ 130,000.00			$ 130,000.00
Accela Expansion (Land Mgt System)	$ 130,000.00			$ 130,000.00
Cao Search & Transition	$ 87,500.00		$ 37,500.00	$ 125,000.00
Fleet Carwash Improvements	$ 60,000.00		$ 60,000.00	$ 120,000.00
Legal Dept Case Management System	$ 70,000.00		$ 30,000.00	$ 100,000.00
Interim ACA Contract	$ 63,000.00		$ 27,000.00	$ 90,000.00
E-Citation Phase II	$ 82,500.00			$ 82,500.00
Abatement Team Equip Replacement	$ 81,000.00			$ 81,000.00
WYCO Lake Marina Updates		$ 76,000.00		$ 76,000.00
Fleet Center ADA and Steps	$ 56,446.06			$ 56,446.06
Ameresco			$ 56,000.00	$ 56,000.00
New Park Leavenworth & Hutton		$ 50,000.00		$ 50,000.00
Fleet Storage Shop	$ 16,000.00		$ 16,000.00	$ 32,000.00
E-Citation (Mobile Printers)	$ 20,000.00			$ 20,000.00
My Resource Connection Implement	$ 10,550.00			$ 10,550.00
Citywide Historic Preservation Plan	$ 10,000.00			$ 10,000.00
Web EOC/Open Cities Interface			$ 8,750.00	$ 8,750.00
UG Timeclock Implementation	$ 3,860.00			$ 3,860.00
Total Transfer-Out	**$ 8,873,838.06**	**$ 343,000.00**	**$ 1,111,883.50**	**$ 10,328,721.56**

Going on to the next slide, this is the capital projects and operating transfers that were done in 2022. I want to note, I won't go over each individual project, I'll just note that each of these projects were budgeted in 2022. Most of these projects were in some form of progression and so to continue they may not have had funding in 2023. So, to continue that project moving forward, we've transferred those funds to a capital project. The total was $10.3 million. I did want to just point out, the first two items on the list are the ARPA funds, the Revenue Replacement Funds, which is the majority of this money, it's about $7 million. $3.5 million was set aside for the grant match on ARPA. Then the other $3.3 million was the Kansas Avenue Bridge Repair. Since we had those funds had been allocated, we wanted to ensure that we had those funds moving forward so they were moved along with some of the other projects. Reginald Lindsay is also going to cover some of these projects when he talks about the expenditures.

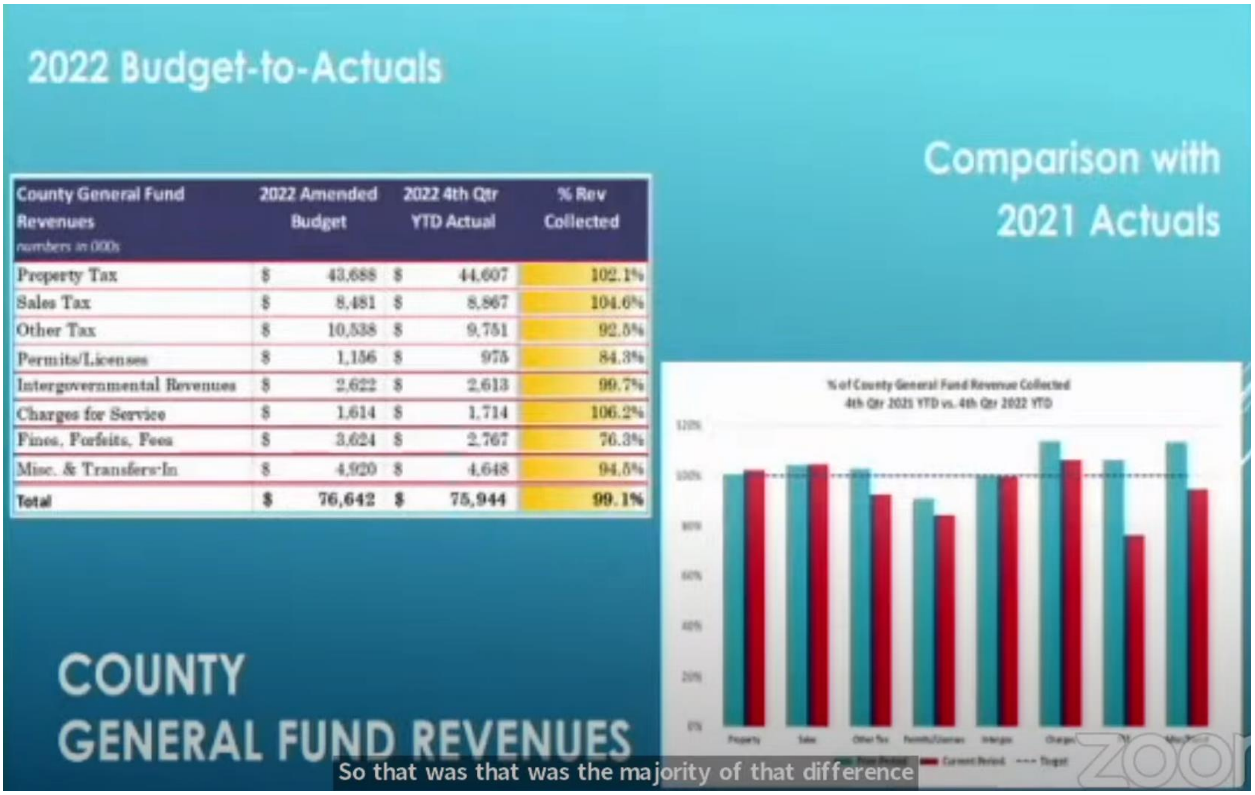


Moving on to the next slide, we'll talk about the City General Fund. They'll just note that the revenue percent collected was 103.8%. The budget number was $160.9 million and we collected $167.1 million. A couple of things to note, Property Tax was at 101.8%. So that would indicate—that when we set the budget we build in a delinquency factor. So that would indicate—because that number does not include any delinquent collections. So that would indicate that we collected maybe a little bit more than what we anticipated. Sales Tax is at 105%. I did just want to note there that for the current year it was about $2.6 million over budget. Total sales tax was about $4.5 million over the prior year, so we did have an increase in sales tax there. Other taxes, which include the PILOT, motor vehicle, and other franchise taxes, as well as the casino revenues 106.4%. Then we've got Intergovernmental Revenues at 100%, Charges for Service at 100%. Permits and Licenses were down, there only about 84%, I think that was about $250,000. Then on the Fines and Forfeitures, we were also down there. I believe that the amount of the largest amount there was the Municipal Court revenues, which are down about $350,000. The next graph down there is just a comparison, also showing the—we compare where the 100% line would be and where each of these categories compares with the prior year. This graph kind of just goes along with the percentages that were on the other graph.

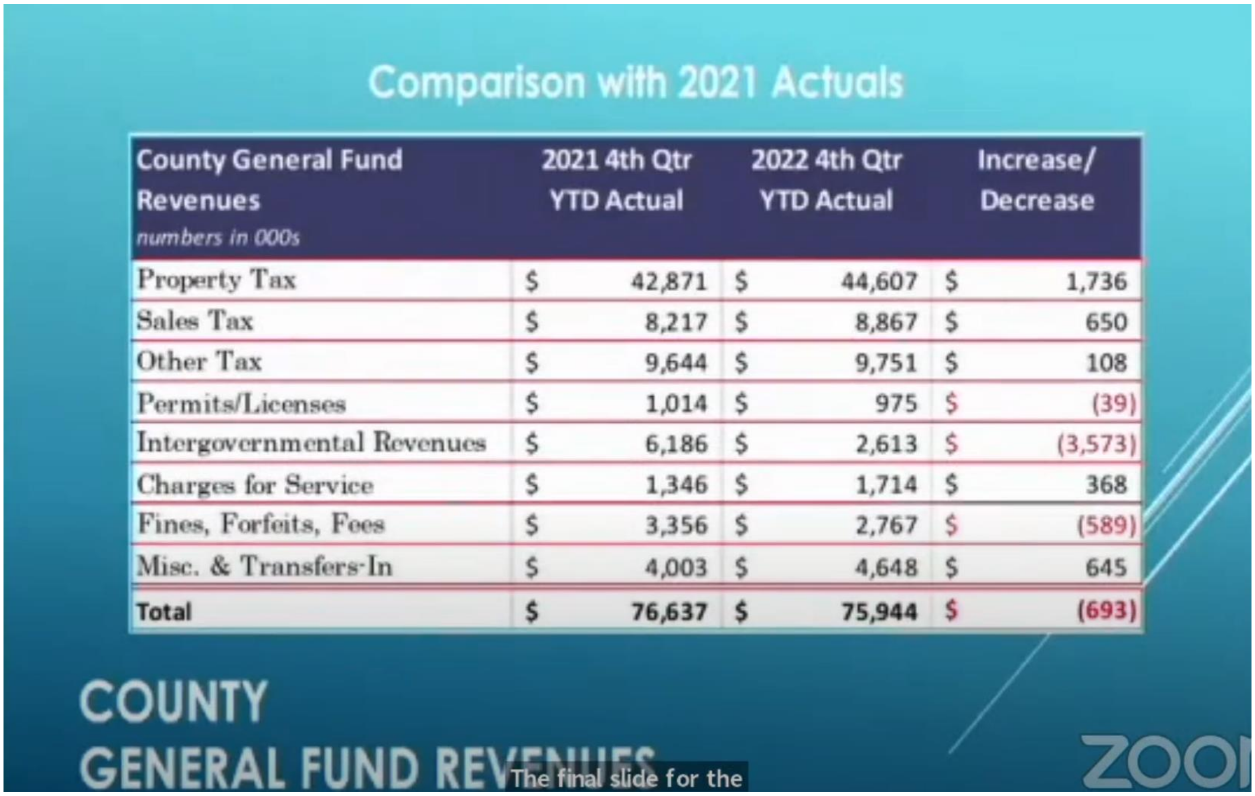


City General Fund Revenues *numbers in 000s*	2021 4th Qtr YTD Actual	2022 4th Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 25,889	$ 26,796	$ 907
Sales Tax	$ 50,930	$ 55,482	$ 4,552
Other Tax	$ 49,832	$ 57,833	$ 8,001
Permits/Licenses	$ 1,384	$ 1,135	$ (249)
Intergovernmental Revenues	$ 15,677	$ 4,478	$ (11,199)
Charges for Service	$ 11,681	$ 12,347	$ 665
Fines, Forfeits, Fees	$ 2,377	$ 2,156	$ (221)
Misc. & Transfers-In	$ 6,373	$ 6,901	$ 528
Total	**$ 164,143**	**$ 167,128**	**$ 2,985**

This next one, last slide on the City General Fund, just kind of showing the same information. This is fourth quarter 2022 year-to-date actual compared with 2021 and just showing the increases or decreases total overall. In 2021, we had $164.1 million, in 2022 $167.1 million for a total of $2.9 million. Probably the largest difference there is the Intergovernmental Revenues. As you can see ARPA funds are in this category in 2021. We had revenue replacement dollars of about $12.9 to the City General Fund, and in 2022, it was only $3.6 million, so that was the majority of that difference.

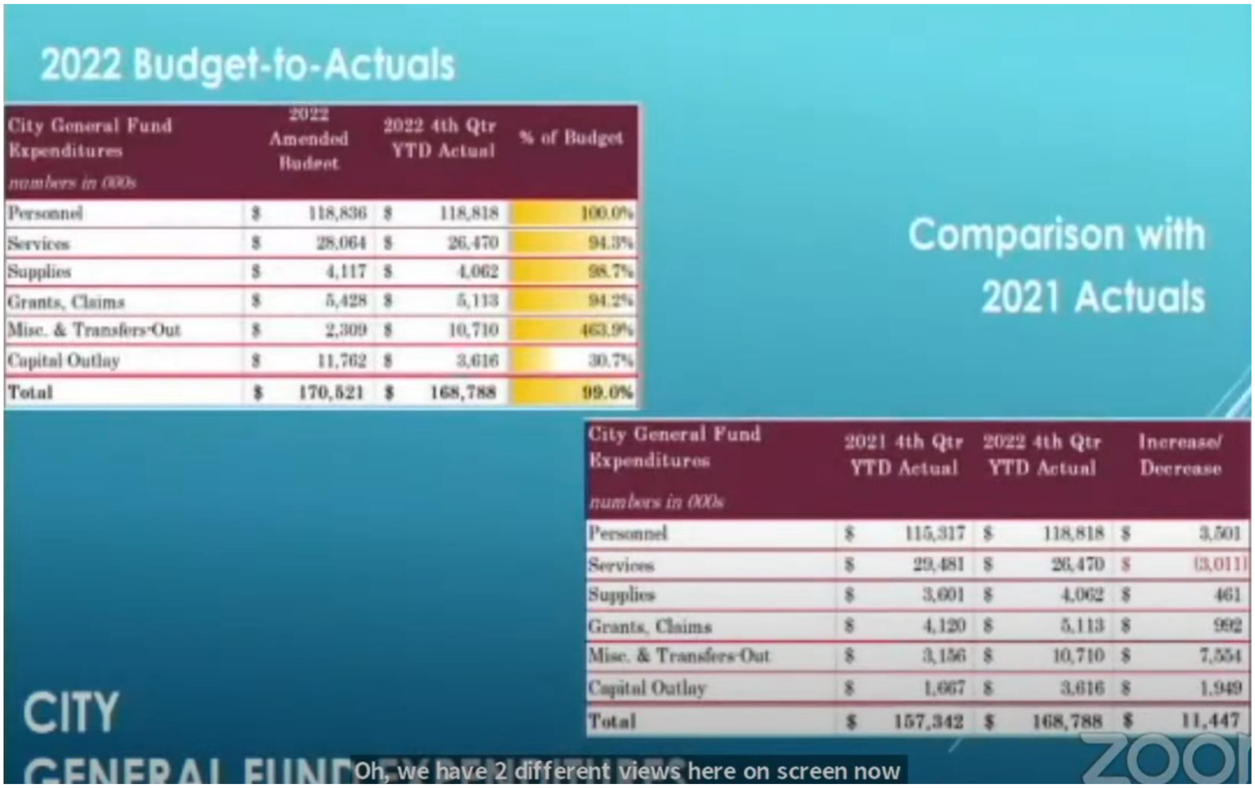


Next, we'll go on to the County General Fund. For the County General Fund we collected a total of 99.1% of the revenues that were budgeted. We budgeted $76.6 million and we collected $75.9 million. Property Tax, again, was 102.1%. Sales Tax at 104.6%. We'll just note that Sales Tax was $400,000 over budget for the current year and about $650,000 over the prior year actual. Then Charges for Service 106%. Fines and Forfeits are only at 76%. I did notice that some of the fees for the tech funds were down, so I think that's accounting for some of that. Then in Miscellaneous and Transfers has interest revenue, interest on delinquent tax, as well as some other fees. The interest revenue was up about $600,000 for that. So just the same graph over here on the side, just kind of shows where, if we collected 100% of budget, where those lines would be, they kind of coordinate with the percentages in the other graph.



County General Fund Revenues *numbers in 000s*	2021 4th Qtr YTD Actual		2022 4th Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	42,871	$	44,607	$	1,736
Sales Tax	$	8,217	$	8,867	$	650
Other Tax	$	9,644	$	9,751	$	108
Permits/Licenses	$	1,014	$	975	$	(39)
Intergovernmental Revenues	$	6,186	$	2,613	$	(3,573)
Charges for Service	$	1,346	$	1,714	$	368
Fines, Forfeits, Fees	$	3,356	$	2,767	$	(589)
Misc. & Transfers-In	$	4,003	$	4,648	$	645
Total	**$**	**76,637**	**$**	**75,944**	**$**	**(693)**

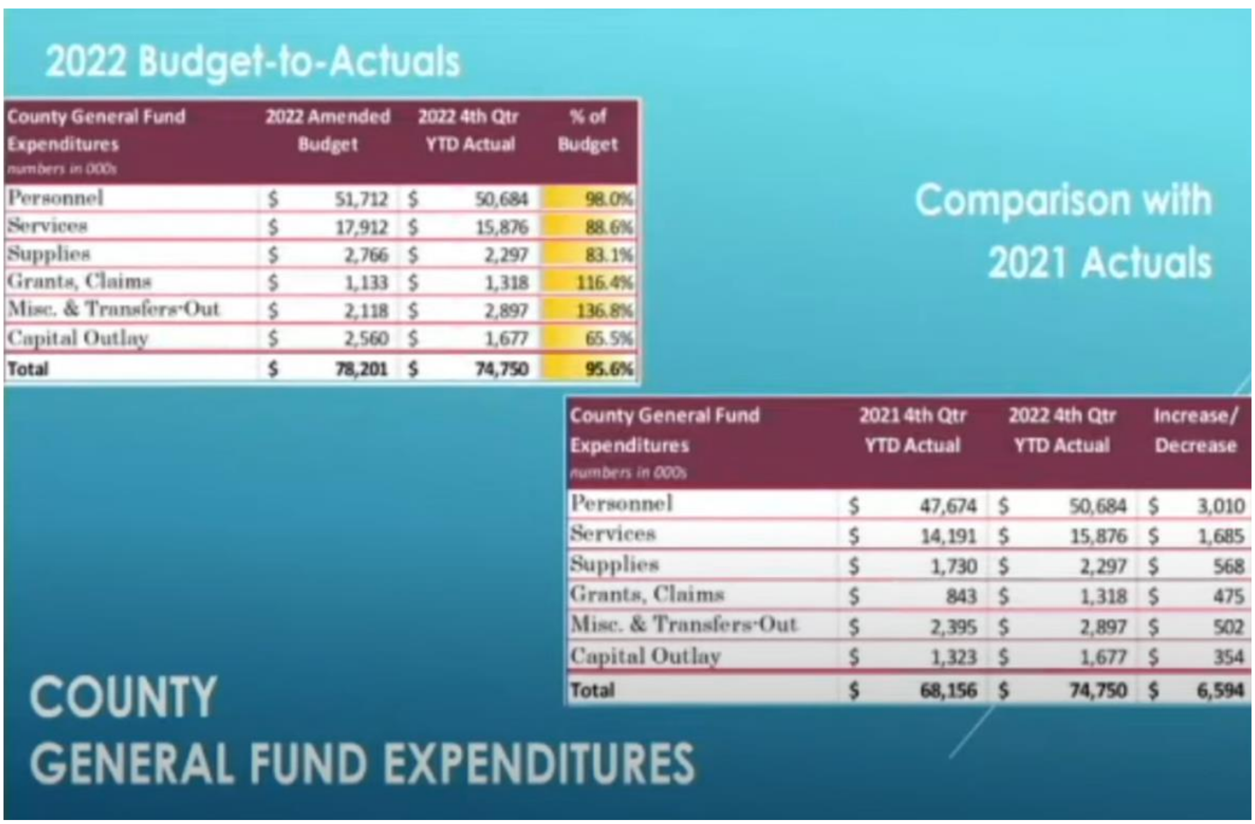
The final slide for the County General Fund giving all the information comparing with 2021 Fourth Quarter Year to Date Actuals. As I said, Property Tax was about $1.7 million over compared with 2021. Probably the biggest difference was the Intergovernmental, which again is the ARPA revenues. For 2021 in the County General Fund, there were $6.1 million in revenue replacement funds and in 2022 there were only $2.6 million. That's the biggest difference there. We were actually down about $693,000 in revenue compared with 2021. That concludes the revenue, so I'll turn this over to Reginald Lindsey, our Budget Director, to talk about expenditures.



City General Fund Expenditures *numbers in 000s*	2022 Amended Budget	2022 4th Qtr YTD Actual	% of Budget
Personnel	$ 118,836	$ 118,818	100.0%
Services	$ 28,064	$ 26,470	94.3%
Supplies	$ 4,117	$ 4,062	98.7%
Grants, Claims	$ 5,428	$ 5,113	94.2%
Misc. & Transfers-Out	$ 2,309	$ 10,710	463.9%
Capital Outlay	$ 11,762	$ 3,616	30.7%
Total	$ 170,521	$ 168,788	99.0%

City General Fund Expenditures *numbers in 000s*	2021 4th Qtr YTD Actual	2022 4th Qtr YTD Actual	Increase/ Decrease
Personnel	$ 115,317	$ 118,818	$ 3,501
Services	$ 29,481	$ 26,470	$ (3,011)
Supplies	$ 3,601	$ 4,062	$ 461
Grants, Claims	$ 4,120	$ 5,113	$ 992
Misc. & Transfers-Out	$ 3,156	$ 10,710	$ 7,554
Capital Outlay	$ 1,667	$ 3,616	$ 1,949
Total	$ 157,342	$ 168,788	$ 11,447

Reginald Lindsey, Budget Director, said we have two different views here on the screen now. We have Budget-to-Actuals for 2022 at the top of the screen and at the bottom of the screen we're comparing the budget expenditures for 2021 to 2022. I'll start off with the top chart where we have six categories that were compared for expenditures. We can see we spent 99% of the budget for 2022. Our six categories are Personnel Services, Supplies, Grants, Claims, Miscellaneous Transfers Out, and Capital Outlay. Some of the bigger departments within the City General Fund are, obviously, Police and Fire, but also we have Public Works and then we also have transit and NRC that kind of round out the top five in the City General Fund. As we look at Personnel, we can see we were spot on as far as we spent 100% of that budget, which includes salaries, our payouts, our overtime, and pension costs. Then in Services, we were about 94%. Just to kind of give you an example of some of the contracts paid from services, Transit contracts are paid from there. Also, our Trash contract is paid from there. 2022 will be the last year that their Trash contract is paid from there. We started an Enterprise Fund for it in 2023. Also, we have software maintenance that is paid from there about $2.2 million. Then we come down to Grants and Claims. We can see we're about 94% of our expenditures and that's where we had some legal claims paid from. Also, the next category Miscellaneous Transfers Out. This is an item that Debbie covered a little earlier where we were transferring projects and some calls from 2022s budget to 2023s budget. The amount in City General Fund was about $8.8 million or about 25 items that were moved. Some of this was related to when we had the cyber incident at the early part of 2022. Then also some are projects. Some vendors are being selective in accepting projects. We weren't able to get some of our projects priced out, so we have to move them to the next year. As we compare 2021 Actuals to 2022 Actuals for the fourth quarter, we can see that Personnel is up about 3% from the prior year. Then Services are down about 10%, which is about $3 million. One of the numbers that we had there last year that we don't have there this year is we have $4.7 million in ARPA money for the Health Department that was in 2021, that was not in 2022. Supplies were up 13%, Grants and Claims were up 24%, and then Miscellaneous Transfers were up 239%. That's the number I talked about when we transferred the $8.8 million dollars. There are two big projects here that Debbie talked about earlier. One is the ARPA funding for grant matches, then also Central Avenue or Kansas Avenue Bridge, the repair on it that is there also, which makes up $7 million.



County General Fund Expenditures numbers in 000s		2022 Amended Budget		2022 4th Qtr YTD Actual	% of Budget
Personnel	$	51,712	$	50,684	98.0%
Services	$	17,912	$	15,876	88.6%
Supplies	$	2,766	$	2,297	83.1%
Grants, Claims	$	1,133	$	1,318	116.4%
Misc. & Transfers-Out	$	2,118	$	2,897	136.8%
Capital Outlay	$	2,560	$	1,677	65.5%
Total	**$**	**78,201**	**$**	**74,750**	**95.6%**

County General Fund Expenditures numbers in 000s		2021 4th Qtr YTD Actual		2022 4th Qtr YTD Actual		Increase/ Decrease
Personnel	$	47,674	$	50,684	$	3,010
Services	$	14,191	$	15,876	$	1,685
Supplies	$	1,730	$	2,297	$	568
Grants, Claims	$	843	$	1,318	$	475
Misc. & Transfers-Out	$	2,395	$	2,897	$	502
Capital Outlay	$	1,323	$	1,677	$	354
Total	**$**	**68,156**	**$**	**74,750**	**$**	**6,594**

The next slide comparing the County General Fund. The top chart compares the actuals for 2022 to the budget and the bottom chart compares 2021s budget to 2022s budget and its actual expenditures. We can see with the 2022 Actuals, we spent almost 96% of the budget. Some of the larger departments within the County General Fund includes Sheriff, Dispatch Services, our District Attorney, and also Finance. Again, looking at Personnel, we see we spent 98% of the budget. The bigger items there being spent out there were salaries, pensions, payouts, benefits, and overtime. Services that we have over in the County General Fund, the larger ones consist of items that are paid for Sheriff's Department including inmate costs, jail costs, jail insurance for inmates. Then also we had Supplies. Supplies consist of utilities, fuel, and parts and maintenance. We spent about 83% of their budget. Grants and Claims, we did spend about 16% more in that budget, going over the budget. Then Miscellaneous Transfers Out, we did transfer about $1.1 million of projects and budget items from 2022 to 2023. That's, again, related to just projects that we needed to move that we were in the middle of, kind of related to getting a late start on because of the cyber incident and also just contractors being a choice in with what they accept to work on these days. Then looking at the County General Fund, how we compare it to 2021 into 2022. We can see on Personnel our spending was up 16%, Services were up 12%, Supplies, we're now spending 33% more than we did last year. Our Miscellaneous Transfers Out, we spent 21% more and that's again because of $1.1 million that we transferred from 2022 to 2023. Capital was up 27%.

	REVENUES *numbers in 000's*			EXPENDITURES *numbers in 000's*		
Tax Levy Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2022 Amended Budget	2022 YTD Actual	% of Budget
City General Fund	$ 160,969	$ 167,128	103.8%	$ 170,521	$ 168,788	99.0%
City Bond & Interest	$ 38,575	$ 38,564	100.0%	$ 39,775	$ 38,748	97.4%
County General Fund	$ 76,692	$ 75,993	99.1%	$ 78,201	$ 74,750	95.6%
Cons. Parks General Fund	$ 7,507	$ 7,436	99.1%	$ 7,644	$ 7,175	93.9%
County Bond & Interest	$ 5,714	$ 5,756	100.7%	$ 6,107	$ 5,801	95.0%
Aging	$ 2,058	$ 2,034	98.8%	$ 2,069	$ 1,503	72.6%
Developmental Disabilities	$ 656	$ 640	97.5%	$ 589	$ 487	82.7%
Elections	$ 1,543	$ 1,515	98.2%	$ 1,646	$ 1,440	87.4%
Health	$ 3,852	$ 3,790	98.4%	$ 4,451	$ 4,130	92.8%
Mental Health	$ 708	$ 705	99.6%	$ 718	$ 708	98.6%
Total UG Tax Levy Funds	**$ 298,272**	**$ 303,559**	**101.8%**	**$ 311,722**	**$ 303,531**	**97.4%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

This current slide is a view of our 10 Tax Levy Funds, which includes the City General Fund and the County General Fund that I did go over, but it includes our other Tax Levy Funds. What we have on the left side of the page, we have Revenues. Then on the right side of the page, we have Expenditures. Rule of thumb at this point in time of the year where we've ended the year what we're looking for is revenues to be at around 100%. So we see most of our revenues are at around 100% or above 100%. We can see all the Tax Levy Funds together brought in almost 102% of their revenues. As we look over at the expenditures, we can see that we've got about 97% of the money that was spent. What we look for to have here, we don't want any funds having more than 100% spent. We definitely met that goal. We had a few funds that did not spend all their money. Some of those are Aging and Developmental Disabilities. Most of the money left there had to do with having vacancies in personnel items that were not spent. Then also those funds, they do have reserves and the reserves did not need to be spent.

Other Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2022 Amended Budget	2022 YTD Actual	% of Budget
Alcohol	$ 575	$ 647	112.4%	$ 967	$ 681	70.5%
Clerk Technology	$ 60	$ 48	80.7%	$ 83	$ 52	62.6%
Court Trustee	$ 450	$ 378	84.1%	$ 694	$ 498	71.7%
Dedicated Sales Tax	$ 12,170	$ 13,731	112.8%	$ 16,314	$ 15,439	94.6%
Emergency Medical Services	$ 12,420	$ 13,482	108.6%	$ 14,194	$ 14,187	99.9%
Environmental Trust	$ 1,242	$ 1,197	96.3%	$ 1,255	$ 718	57.2%
Jail Commissary	$ 60	$ 169	281.4%	$ 100	$ 27	27.0%
Parks & Recreation	$ 698	$ 769	110.2%	$ 848	$ 693	81.7%
Public Levee	$ 342	$ 340	99.6%	$ 428	$ 370	86.3%
Register of Deeds Technology	$ 250	$ 194	77.4%	$ 160	$ 125	78.0%
Sewer System	$ 49,615	$ 49,282	99.3%	$ 48,565	$ 41,392	85.2%
Special Assets	$ -	$ -		$ 850	$ 155	18.2%
Stadium	$ 372	$ 407	109.4%	$ 884	$ 410	46.4%
Stormwater	$ 5,469	$ 5,477	100.2%	$ 5,842	$ 5,336	91.3%
Street & Highway	$ 8,274	$ 7,629	92.2%	$ 8,799	$ 6,932	78.8%
Sunflower Hills Golf Course	$ 1,195	$ 1,105	92.4%	$ 1,180	$ 1,037	88.0%
Travel & Tourism	$ 3,764	$ 4,181	111.1%	$ 5,295	$ 3,440	65.0%
Treasury Technology	$ 60	$ 48	80.7%	$ 96	$ 33	34.6%
Wyandotte County 911	$ 961	$ 971	101.0%	$ 864	$ 802	92.8%
Total Other Funds	**$ 97,976**	**$ 100,057**	**102.1%**	**$ 107,416**	**$ 92,326**	**86.0%**

ALL OTHER & TOTAL UG FUNDS

Here's a view of our Other Funds outside our Tax Levy Fund. These include our Special Sales Tax Funds and our Enterprise Funds. On the left side of the page, we do have the revenues. On the right side of the page, we do have expenditures on the revenue side. A rule of thumb is that we definitely want to collect around 90% of the revenue—or 100% of the revenue. We can see where we do have some funds that did not collect 100% of the revenue. We have the Clerk Technology fund, Court Trustees, and Treasury Technology fund that did not collect 100% of their budget. We're a little below and as we get over into expenditures, we did have some funds. The rule of thumb here is we want to spend 100% of the budget or at least try to and we do have some funds where we did not spend 100% of the budget. Some of those starting out was the Alcohol fund, Clerk Technology fund, Court Trustee, Special Asset fund, and Travel and Tourism fund, we do not spend all the money there. That is the presentation that Debbie and I had. Are there any questions?

Chairman Burroughs said committee, questions? Seeing none, Reggie, I do have a question. On this chart that you show here we're 16% below our expenses of what was versus our revenue stream, correct? **Mr. Lindsey** said that is what we set aside in the budget for those. We came 16% below the budget, not the revenue stream, but 16% below the expenditure budget.

Chairman Burroughs said next question, I'm glad to see that these—I want to go back a page or two, it looks like the funds are evened out after we went through and readjusted the mill levies a couple of years back on the individual, I think it's 9 or 11 funds that we had. Right there, those funds have pretty much leveled out compared to what they've been in the past because they've had a tremendous amount—they've jumped around over the years. But, it looks like overall the revenue projections exceeded all projections in most cases. You guys, if somebody has controlled the expenditures well, but the ARPA funding kind of skews this, we're going to get away from that soon and I think it'll paint a more solid picture for us because when you exclude and include the ARPA funding in here, it kind of skews the bottom numbers. **Ms. Jonscher** said right, we had the ARPA revenue replacement in 2021 and 2022. There is nothing budgeted for revenue replacement in 2023, so we shouldn't see that going forward. **Chairman Burroughs** said great. Thank you. I sincerely appreciate it. Committee, any other questions?

Mr. Howze said Mr. Chairman, if I might just join in on that too. There were some other one-time bumps on the revenue side that might be worth bringing to the committee's attention. The KC Current played their season in the Sporting KC stadium this past year, that increased to—**Mr. Lindsey** said $1.2 million dollars. **Mr. Howze** said so when they show up in their new stadium on the riverfront, that $1.2 million isn't going to go away. So there are a couple of those that are transitory in a sense that as we think about what our future revenue picture looks like, that we should just kind of keep those in mind. I don't know if there's some others.

Mr. Lindsey said in the City General Fund, it was about $7 million dollars more in revenue that came in. Some of that revenue did include around possibly $4 million in ARPA. So there's just some of them that would not be in the budget next year. Then also sales tax was up $3 million, PILOT revenue was up about $1.5 million, and those are some things that we could look at. Because, I mean, there's a possibility that those will roll into our next budget. The property taxes, as Debbie said, were up $400,000. Revenues were $7 million above, but we do have some expenses that won't show up, as Alan said, in the next budget or revenues that would not show up in the next budget.

Chairman Burroughs said the stadium parking was one that we were having to supplement. I believe that contract has been remedied and we are now—being the stadium parking situation, we were having to supplement that, if I remember correctly, because it wasn't performing the way it should. So I'm sure that revenue, when it talks about the revisional revenue coming in, that's because of its cost avoidance, if I remember correctly. Alan, you might go back and look at that. I think that's an accurate statement. **Ms. Jonscher** said we did increase the ticket tax for the stadium out there and that was to cover the debt that we issued on the parking. I think we're kind of reviewing that every year, but I think in addition to that we did collect the additional funds for the women's soccer games that were played out at Sporting.

Chairman Burroughs said well, that helps us retire that debt. But I know that's not an expense we're having to spend moving forward, that's that cost avoidance I was talking about. The next one I wanted to talk about was the—sorry, Debbie. I was listening to you and it just left me. The emergency response for the—I want to call it—I had it marked here, bear with me just one second. I'll find it and then I'll come back and talk to you all about it specifically. But I know that we were supplementing that program for about a million dollars a year. **Mr. Lindsey** said are you talking about our EMS fund? **Chairman Burroughs** said yes, thank you. That's exactly what it was. And I don't know what action we're going to take on that, committee, but we may need to be mindful that foregoing fees and penalties during a COVID time impacts our revenue stream. However, it helps our constituents, but moving forward be mindful that anytime we forgive a fee or revenue stream, we're actually cutting our budget. We're appropriating dollars through a different process. With that, any other questions? Any other comments?

Mr. Haley said thank you for the review. This is most interesting to see how it breaks out. You referenced there's going to be a shift for the trash collection, you know, that's one of the line items that the BPU collects. And what is that again? You're saying that there'll be another—**Mr. Lindsey** said we started what we call an Enterprise Fund for it. It used to be paid out of our City General Fund. We created an Enterprise Fund for it. So that cost will be moved, so about $9 million won't show up in our City General Fund anymore on the revenue side and on the expenditure side, it will be moved to this new Enterprise Fund we have. **Mr. Haley** said the collection will be the same as something that's billed throughout utility bills.

Ms. Jonscher said right, we'll still be collecting the fee and paying the paying the vendor, but we've simply just moved it out of the General Fund and put it into a separate Enterprise Fund by itself so that we can track all of the expenses related to the revenues that we're collecting. **Mr. Haley** said they'll still be the same line item amount though, roughly? There won't be any decrease in the amount billed perhaps. It's still going to be roughly the same? **Ms. Jonscher** said you mean for the next year, for the coming year? No, well, we're still reviewing that. We would probably—as we get into the budget will determine if there has to be any increase there. **Mr. Haley** said let me ask, there was an article recently just on that line. This isn't it totally, they were talking about the recycling and exactly where that went. I didn't know if we recoup or we recoup what will be for that fund through recycling that comes back in. You may not have that information available. But I'm just kind of—**Ms. Jonscher** said the contract with Waste Management includes both trash collection and recycling, so, it's billed as one amount together. It's all part of the same contract. **Mr. Haley** said alright. Thank you. **Mr. Lindsey** said for information purposes, the Enterprise Fund that we started and all our Enterprise Funds that I deal with, they're self-supporting, the revenues that come in and take care of the expenditures also.

Chairman Burroughs said Debbie, Reggie, thank you so very much. It was important that we have that fourth quarter. It was getting a little late to forego until next month and we made the decision to go ahead and have it this evening. Thank you for your patience with us this evening. This was not an actionable item. It was for information only.

Action: **For information only.**

Public Agenda

No items of business.

Adjourn

Chairman Burroughs said that takes us to the end of our agenda. The next motion I would like to have the committee make is a motion to adjourn so that we can go into our next meeting.

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

The meeting was adjourned at 8:02 p.m.

RM