ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, June 5, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 5, 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: Andrea Vinyard, Deputy Treasurer; Angela Lawson, Interim Chief Legal Counsel; Debbie Jonscher, Deputy Chief Financial Officer; and Monica Sparks, Deputy UG Clerk.

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

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

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above.

Chairman Burroughs said I'll ask the Clerk if there were any revisions to tonight's agenda. **Monica Sparks, Deputy UG Clerk,** said there are no revisions.

Chairman Burroughs said the next item would normally be the approval of minutes, but we have no minutes to approve this month.

With that, we do have eight items tonight for discussion. Only seven of them will be action items, one of them will be for information only. The item for information only is the first item up this evening, and we have a presentation of the First Quarter 2023 Investment Report. I'll recognize Andrea Vinyard, our Deputy Treasurer, for remarks.

COMMITTEE AGENDA

Item No. 1 – 212385…REPORT: FIRST QUARTER 2023 INVESTMENT

Synopsis: Presentation of the First Quarter 2023 Investment Report, submitted by Andrea Vinyard, Deputy Treasurer.

Andrea Vinyard, Deputy Treasurer, said I'm going over the Quarter One 2023 Cash Investment Report.

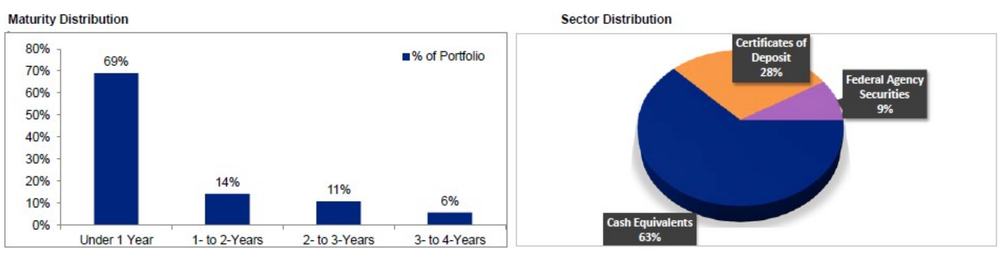
Key Metrics
- Avg Yield – 3.16%
- DTM – 274 days, down from 281 in Q4-2022

Portfolio Components
- Cash – 62%
- Invested – 38%

Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$1,496,750	$1,496,750	$1,496,750	na		✓	-	3.70%
Cash Equivalents	$197,194,250	$197,194,250	$197,194,250	62%	100%	✓	-	3.70%
Total Liquidity	$197,194,250	$197,194,250	$197,194,250	62%			-	3.70%
Certificates of Deposit	$90,000,000	$90,000,000	$90,000,000	28%	100%	✓	612	2.10%
Federal Agency Securities	$30,000,000	$27,394,000	$30,000,000	9%	50%	✓	1,065	2.82%
Total Securities	$120,000,000	$117,394,000	$120,000,000	38%			1,677	4.92%
Total Portfolio	$317,194,250	$314,588,250	$317,194,250	100%			274	3.16%

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



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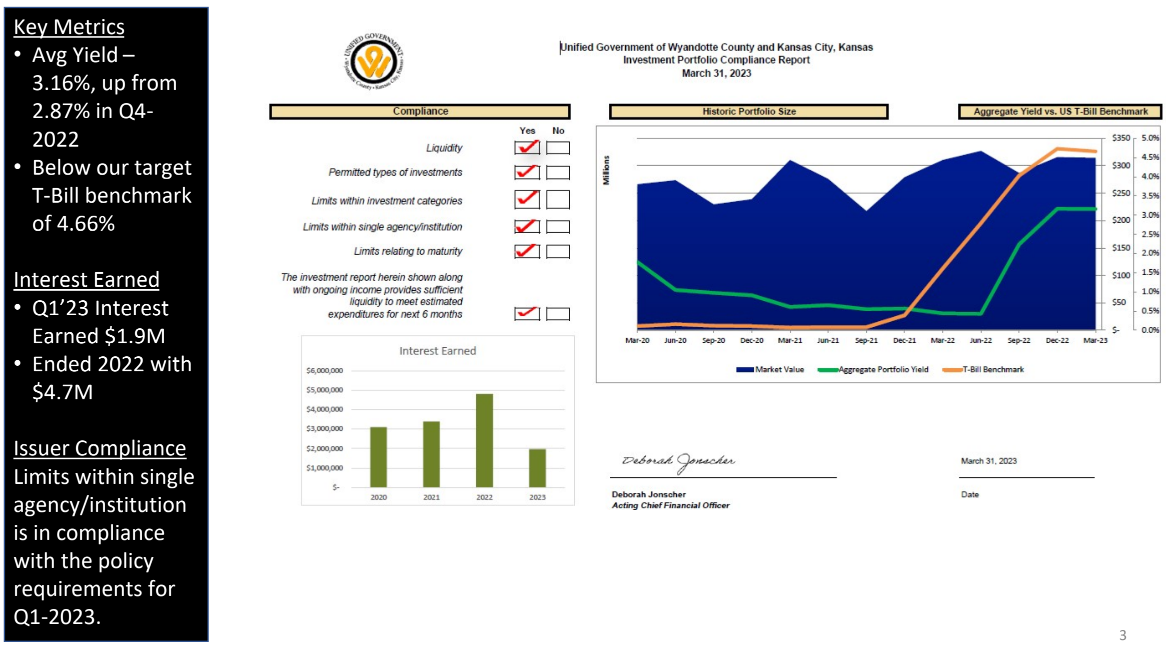
A few key metrics point out, average yield 3.16%, that's the weighted average yield for quarter one. Then the weighted distance—excuse me, days to maturity was at 274 days, which should go down a little bit from the year end from 2022. Full portfolio cost is about $317 million with cash at 62% and then we have 38% of that in investments.



A few other metrics I like to point out, as I said in a prior slide, we were at 3.16% average weighted yield, which also did go up from quarter four of 2022 which was at 2.87%. That would be better explained in future slides as we did some more investing in quarter one. We still remain under the target T-bill rate, which for quarter one will be 4.66%, which is great. I wanted to start pointing out as we go through these presentations kind of what we're earning in interest, so I added this piece of the slide. For quarter one of '23, we were at $1.9 million in interest earned. As I was here a few months ago to state that is end of '22. To put it in perspective, we were 4.7 for the whole year. There's also the context of where we are as far as certain pieces of our policy, we have our institutions all available, they're meeting minimum needs based on our policy. We're speaking with the Cash Management Committee about kind of some change to the language on some of that by requesting discussion of the Chair Burroughs, so we are going through that conversation to try to better describe these things in a way that are more understandable, but not all them need to be labeled the way that they are today. So we are working to change that language.

Types of securities in our investment portfolio?

Of the $317 M total, $90 M or 29%- CDs fully collateralized per investment policy and State Statute & $30 M or 9% US Agencies Securities.

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
March 31, 2023

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**1,496,750**	**1,496,750**	**na**	**See note 3**	✓	**0**	**3.70%**
UMB, Wyandotte Operating	191,132,250	191,132,250	61%	25%	✓	0	3.59%
UMB, Wyandotte Health	6,062,000	6,062,000	2%	25%	✓	0	0.11%
Cash Equivalents	**197,194,250**	**197,194,250**	**63%**		✓	**0**	**3.70%**
Commerce Bank	70,000,000	70,000,000	22%	25%	✓	482	1.15%
UMB Bank	20,000,000	20,000,000	6%	25%	✓	130	0.95%
Certificates of Deposit	**90,000,000**	**90,000,000**	**29%**		✓	**612**	**2.10%**
US Treasury	30,000,000	27,394,000	9%	*50% of total portfolio*	✓	0	0.00%
Federal Agency Securities	**30,000,000**	**27,394,000**	**9%**		✓	**1065**	**2.82%**
Grand Total	**317,194,250**	**314,588,250**	**100%**			**274**	**3.16%**

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Where the portfolio sits as far as standpoint, as I said, we're at $317 million. 90 of that is sitting in two different institutions, being Commerce Bank and now an additional bank, which is UMB Bank, which is going to be our Certificate of Deposit. Then we also have $30 million or 9% that is going to be the US Treasury Agency label.

What transactions occurred in Q1 2023?

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
1st Quarter 2032 - January 1, 2023 - March 31, 2023

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UMB, Wyandotte Operating	3.700%	3/31/2023	84,477,250	84,477,250
Thru Q1	NA	UMB, Wyandotte Health Reserve	3.700%	3/31/2023	2,047,000	2,047,000
Cash Equivalents					**86,524,250**	**86,524,250**
Purchases					-	-
3/22/2023	24350711020	UMB Bank	4.600%	3/22/2024	5,000,000	5,000,000
3/22/2023	24350981020	UMB Bank	4.350%	9/22/2024	5,000,000	5,000,000
3/22/2023	24351011020	UMB Bank	4.110%	3/22/2025	5,000,000	5,000,000
3/22/2023	24351281020	UMB Bank	4.110%	3/22/2025	5,000,000	5,000,000
Calls/Maturities					**20,000,000**	**20,000,000**
Total					**106,524,250**	**106,524,250**

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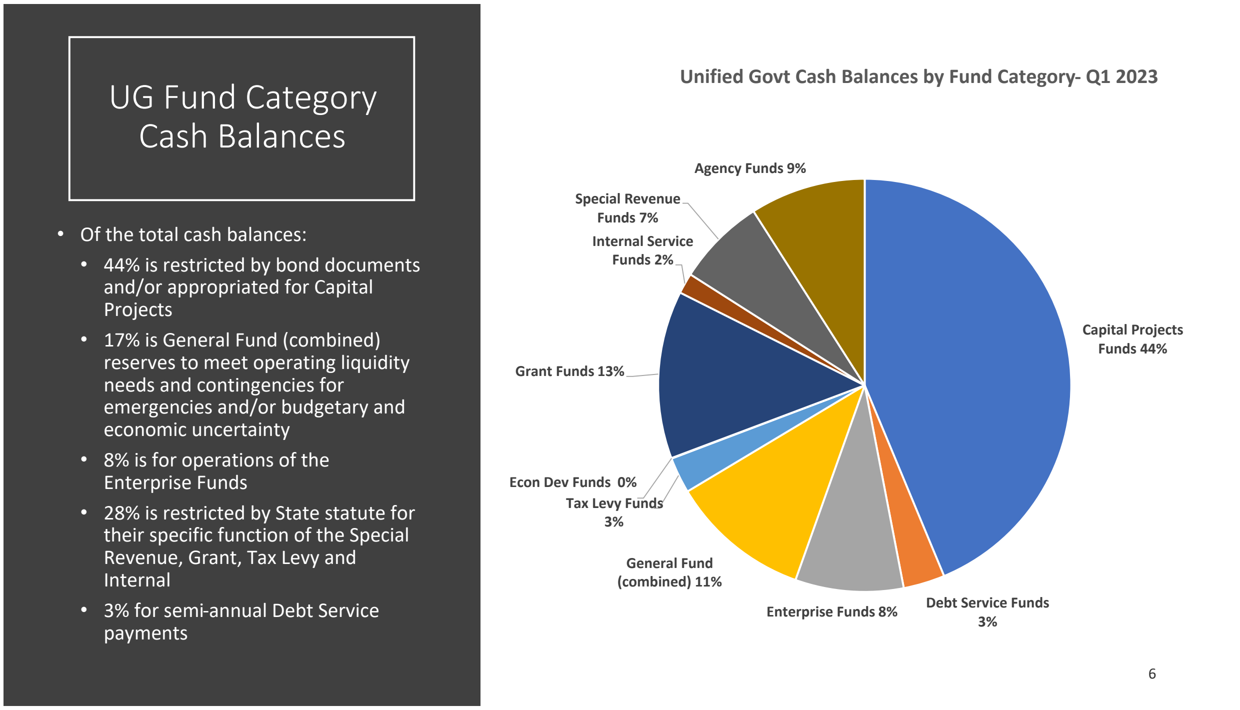
Then as I stated in quarter one, we did go out for bid finalizing four blocks at $5 million a piece. A 12-month, an 18-month, and two 24-month investments all won by UMB Bank, totaling for $20 million. So that did increase our portfolio and diversified it quite a bit both by institution and also by maturity.



At the end, we like to go over where are fund cash balances are. I will state upfront, I was a little ahead of myself this morning when I printed this before saving it. There are two changes to it, my apologies. The math on the left does not equal the math on the right. The 17% General fund is actually supposed to be 11%, my apologies. Then where it says 28% is restricted by state statute actually is 34%. So that would be 100% matching the information on the right to the left to the right where I typed wrong. In general, our bond documents Capital Projects are at 44% and then to be corrected it's 11% sitting in our General Fund at 8% of our cash in the Enterprise Fund. Then to be corrected, it's 34% holding for funds like the revenues, grants, tax levies, and internal funds. Then we have 3% in our Debt Service Payment Fund. That's what I have for this evening.

Chairman Burroughs said committee any questions? Andrea, I have one question, I want to make sure I followed the change here. Did you say the 17% is the General Fund combined reserves? **Ms. Vinyard** said correct. **Chairman Burroughs** said it should be 11%? **Ms. Vinyard** said yes, sir.

Chairman Burroughs said aren't we supposed to have 17% in there? **Ms. Vinyard** said I will say this is going to be the first time we've done this with the new Workday reporting and it's not solidified 100%. We're still working on a quarterly change from the carryover from Cayenta to Workday so we wanted to get you some preliminary numbers to at least report on with the understanding that next quarter we're going to have everything tied completely and get you the proper numbers.

Debbie Jonscher, Interim CFO, said I just want to note, I think this is 11% of the entire cash balance. But the 17% that we look at on the General Funds is 17% reserve of the General Fund expenses, so that fund balance, but this is actually 11% of the entire cash balance of all funds, not just the certified funds. **Chairman Burroughs** said is there an industry standard on that? Do you know what a reserve should be? I know you say it's 11% by state, Andrea, is that what I heard you state or was it 34% restricted by state statute? **Ms. Jonscher** said I think all she was just noting here was that the graph numbers, percentages, didn't match up with what she had totaled over on the side. **Ms. Vinyard** said I just carried the numbers from the prior quarter and didn't save my changes accidentally.

Chairman Burroughs said any other questions, comments, committee? Nice report. I like to see the interest rates climbing on our investments, it's nice to see that. I'll ask the Clerk, are there any comments from the public? **Ms. Sparks** said no comments received. **Chairman Burroughs** said I'll recognize the members of the public who wish to address the committee, I'll see if there are any hands raised in which to speak? **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 came forward. With that, committee, that is Item One. That was for information only.

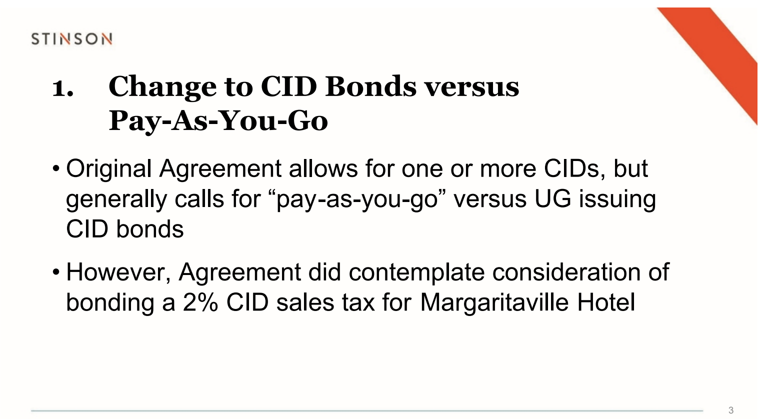
Action: For information only.

Item No. 2 – 212433…APPROVAL: FIRST AMENDMENT TO ASSIGNMENT, ASSUMPTION, AND AMENDED AND RESTATED AGREEMENT (HOMEFILED CID)

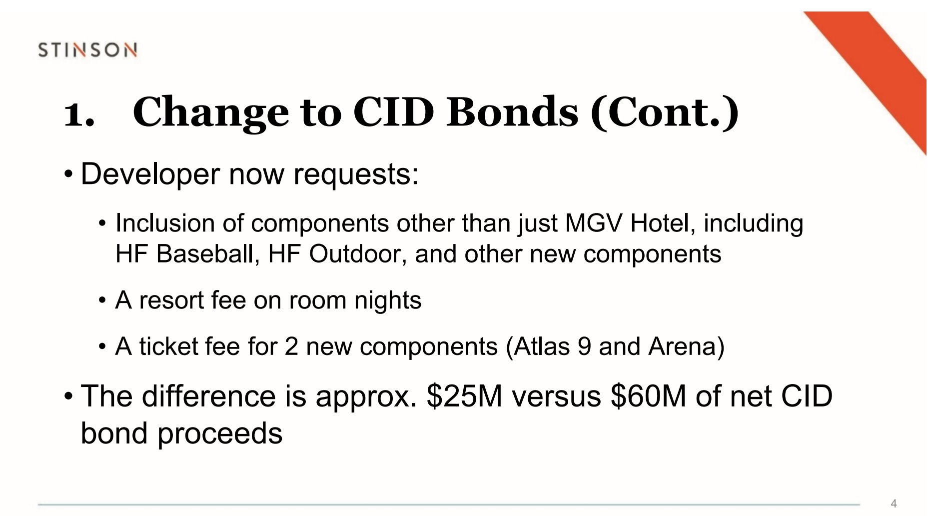
Synopsis: Approval of First Amendment to Assignment, Assumption, and Amended and Restated Agreement (Homefield CID), submitted by Patrick Waters, Acting Chief Legal Counsel.

Angela Lawson, Interim Chief Counsel, said I will pass this in its entirety to outside counsel, Todd LaSala.

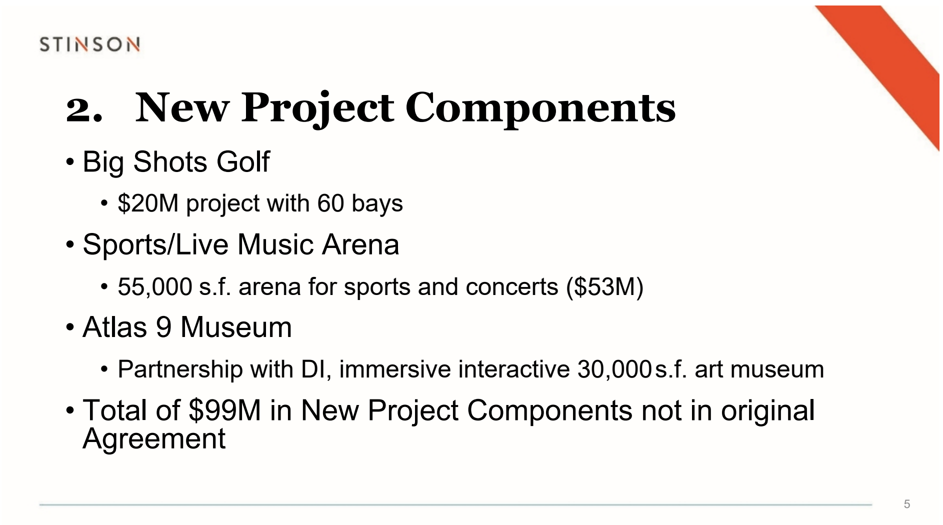
Todd LaSala, Outside Counsel, said we have been through this project once before. I will give you a very, very brief overview of what we did before and then we're going to go address specifically the questions from the Mayor's memo in some detail. Again, from a very high level, this amendment only does four things. Changes Pay-As-You-Go CID to a Bonded CID, it articulates new component projects that are coming in, there's changes to the Homefield Baseball component, and changes to the Industrial Revenue Bond structure.



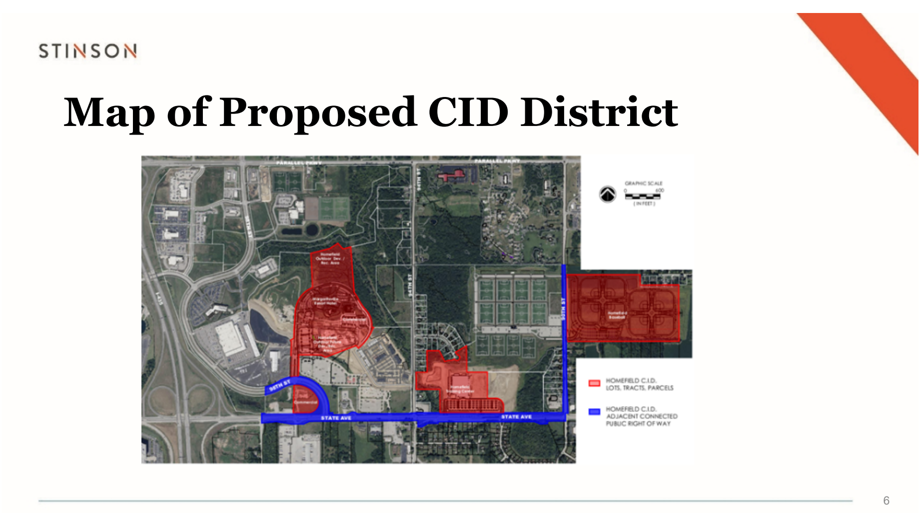
Again, the original agreement was more pay-as-you-go, really articulating the Margaritaville Hotel as the lone exception.



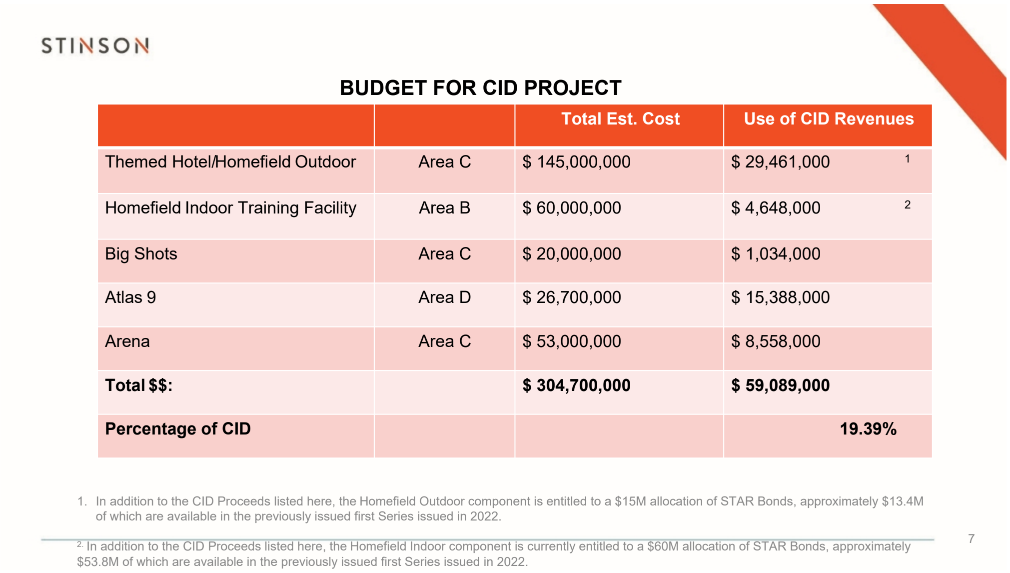
This is a larger CID that would include multiple components including resort fees on room nights for the hotels and a ticket fee for the two new components, Atlas Nine and the arena that we'll talk about.



Again, these are the new project components, Big Shots Golf $20 million project with 60 bays. Live music and multi-sport arena, 55,000 square feet, and it's $53 million project. Then the Atlas 9 Museum, which has been compared to the Meow Wolf concept. This is a partnership with Dimensional Innovations here, a great Kansas City company and our developer, it’s a 30,000 foot art museum. That's a total of $99 million of new component projects that would be included in this first amendment, if you were to approve.



That shows the CID District as contemplated.



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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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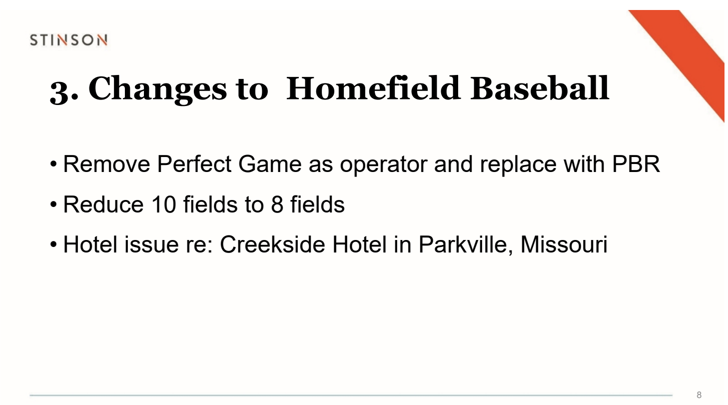
There is the budget for the CID, including use of $60 million of CID bond revenue if we're able to achieve that in the marketplace.



The changes to Baseball that we talked about last time, essentially we're going from ten ballfields down to eight and we are changing our operator from Perfect Game to PBR. There was one issue we highlighted about a hotel in Parkville. It's a little bit of a limitation on the promotion of room nights, but that is articulated in the amendment as well.

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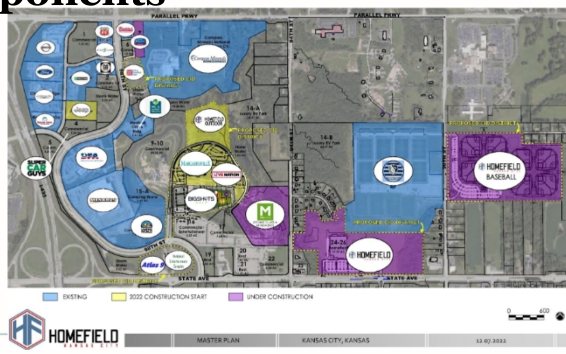
Map of Baseball/Other Project Components



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4. IRB Financing

- Our Agreement Contemplates Certainty IRBs in your discretion
- Reduction for baseball (20%)
- New Agreement re: MGV Hotel
  - $800,000 PILOT, increasing annually up to $876,589 (1%) increases)

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Then IRB financing changes here. Really it's about—we had previously agreed to IRB financing for Baseball, because we're reducing by two fields were doing a commensurate 20% reduction. Part of this that's new is the agreement about Margaritaville Hotel and Homefield Outdoor, these are agreed upon PILOT payments that I will show you specifically.

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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 either Homefield Building or Homefield Baseball [See Section 4.12(b)()].

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Nothing has changed here about the Homefield building whatsoever. This was previously agreed to last year and is not changing. The Homefield Baseball numbers that you see there, that's a PILOT payment, those are 20% less than the numbers that we agreed to last summer. Then the PILOT payments for the Outdoor and themed hotel are really the only brand-new component of the PILOT. Again, just to stop, pause, and say this, I'll hit this again when we get to the memo. The way these industrial revenue bonds work is they're not—it's not 100% tax abatement, okay? As a technical matter, doing industrial revenue bonds does remove the property from tax rolls, but what we do is use the Payment In Lieu Of Tax, the PILOT, to right size either an abatement or in this case what we're really after are certainty IRBs where theoretically we're after 100% PILOTs to articulate and be identical to what we think the property taxes should be, but what it does is provide certainty to the developer for the 10-year life of these fairly unique assets. We'll touch on this some more, but I want to pause here for a minute.

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Conclusions from Cost/Benefit Analysis

Margaritaville

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	1.61	6%
Wyandotte County	2.82	18%
Kansas City USD 500	14.80	138%
KC Community College	11.59	106%
State of Kansas	1.94	9%

Homefield Baseball

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	8.54	75%
Wyandotte County	4.16	32%
Kansas City USD 500	11.03	100%
KC Community College	5.21	42%
State of Kansas	2.82	18%

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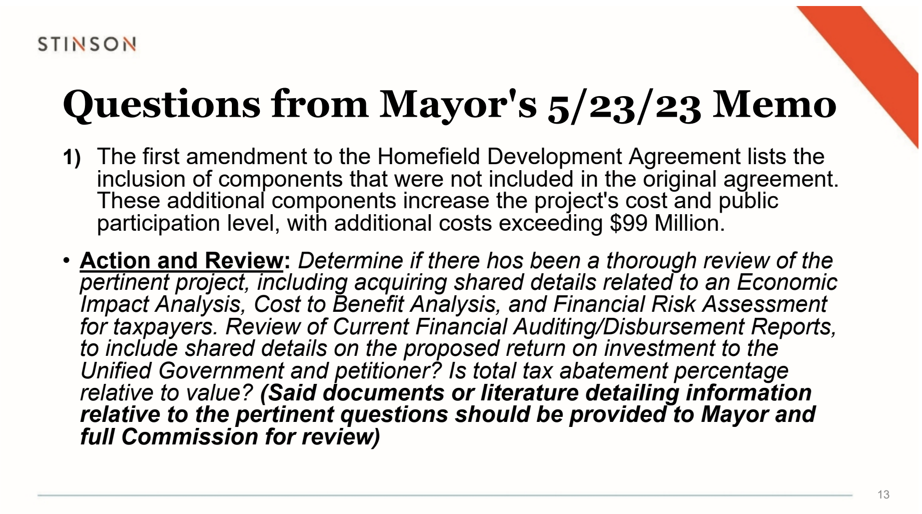
Also, this slide was not in the presentation you saw last time. We talked very briefly about the cost-benefit analysis that unfortunately landed, really, just before the last committee meeting. What these show you are the cost to benefit ratio for the various taxing jurisdictions and the average return on investment for the city, the county, the school districts, and the community college. So we generally look at these thinking 1.3 cost benefit ratio is pretty good. Every single number on here is higher than that and, in some cases, well above. So this you could look at and decide is a very healthy cost benefit ratio for the industrial revenue bonds.



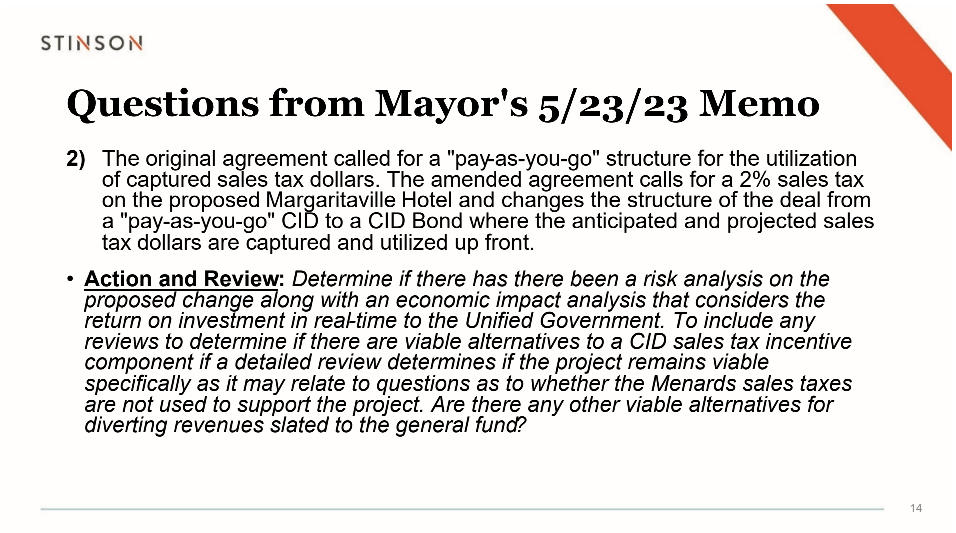
Without further ado, I really do want to take each question in the Mayor's memo and put it up here on the screen and talk through these things in some length. The first of these is about the Homefield Development Agreement. It says it lists the inclusion of components that were not included in the original agreement and these additional components increase the project cost and public participation level with additional costs exceeding $99 million. Again, the $99 million cost is really capital investment for those new projects. His action and review item is to determine if there's been a thorough enough review of the pertinent project including any details from economic impact analysis, cost to benefit, risk assessment to taxpayers, look at current auditing/disbursement reports include details on the proposed return on investment to the Unified Government and petitioner. Is the total tax abatement percentage relative to value?

Here's what I would say about this, if we're talking about—if this question is about the Homefield components we previously agreed to, then the answer to that question is really right here. This is the CBA for all of those components including Margaritaville and it really articulates those percentages and these numbers. The answer to this question is, yes, there has been analysis about it, and yes, it is positive. There's also a CBA on the other components. So if we're talking about what was already there, that has been analyzed and you have some hard data from a third-party consultant about those things.

If by contrast, we're talking about the new components, the $99 million, that is Atlas 9, Live Nation Arena, and those other components, well, there has not been a cost-benefit analysis run about those things. However, what I will tell you about them is that for each of those, right now we're only considering Community Improvement District, CID. CID by its nature is additive, it is not an abatement of any tax that you already have. It is not a pledge, as is the case with TIF or some other things. It's not a pledge of revenue you otherwise get if the project comes and you don't give the incentive, it is purely an addition. It's an additional sales tax and it's an additional special assessment. So what is the cost of that? Well, zero, right? It's not anything new. If you ran a cost-benefit analysis, that would be the cost as compared to the jobs, and the capital investment, and so forth. Now, I'm not saying it'll be zero costs, right, there would be a bunch of new jobs. You have additional Police, Fire, and students in schools. That's clearly true. If you ran a detailed cost-benefit analysis when you're only talking about CID, it'll come back overwhelmingly positive.

The only thing I'll say about this, and I'll ask Mr. Petersen and Mr. Napper if there's anything they want to contribute, there's an additional benefit to the UG that wouldn't show up in cost-benefit analysis, and that is that these new projects are going to come and sit in project areas for our STAR bonds, and the bonds weren't issued with these projects contemplated. So they will contribute to those existing bonds, make those bonds more secure, more successful, and we sincerely hope pay out faster. I'll pause there and ask Mr. Petersen if he has anything he wants to add.

Curt Petersen, Polsinelli, said alright, I'll say just, really Todd, is I get fired up because I know the reality, you know the reality, what I call the ripple effects. So just on that last point, you put these huge users in with all their visitation and out-of-state and tourism, and you feed all the restaurants and the hotels in the area, I think that's huge. By the way, a lot of times cost-benefit analyses don't even—cause it's a ripple, they have to stop somewhere, and they don't even take into account, so I just—I'm putting a point on that matter.



Mr. LaSala said the next one really talked about changing from pay-as-you-go to a bonded structure. His action review item is to determine if there's been risk analysis on the proposed change with an economic, impact analysis that covers return on investment real-time to the UG, include any reviews or whether they're viable alternatives to a CID sales tax incentive component. If a detailed review determines if the project remains viable specifically as it may relate to questions on whether the Menards' sales taxes are not used to support the project, are there other viable alternatives for diverting revenues slated to the General Fund.

A couple of things here. One, the committee will remember, we did have a pretty robust discussion about the risks related to this. Commissioner Townsend, I specifically remember you asking probing questions about this. We did speak to those risks, they're reputational, we talked about risks related to bond ratings, we talked about the money going out the door versus pay-as-you-go where you're managing it over time. So we did have that discussion in some detail. We also said that, and I'll just reiterate, if you go forward and decide to go bonded CID versus pay-as-you-go, we have a lot of structuring to do and there are things we can do, and will do, and intend to do in the way we structure those bonds to mitigate the risks that we're talking about.

The final thing I'll say about this is when it comes to the Menards' revenue, I'm not sure that that's a huge factor in what we're doing right now. The Menards' revenue would not be included in the CID. The CID is not drawn to include Menards. Those revenues, we did pledge—the sales taxes from Menards were previously pledged to STAR bonds that were issued last year. In fairness, there's just no way to get that pledge back. Bondholders bought those bonds reliance on those Menards' revenues. They are spoken for. I'm not sure it has an impact on what we're doing tonight, but I did want to speak to that and make sure that it's clear that those revenues are fully pledged already.

Other viable alternatives to diverting sales from General Fund, again, these are really not General Fund revenues, they're additive additional. I think really the alternative before you tonight is bonded or pay-as-you-go, it's a little bit binary in that way.

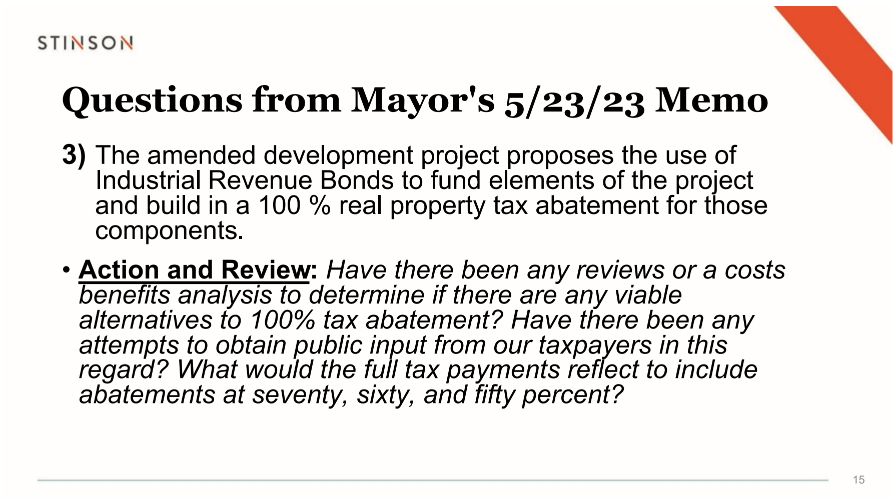
Mr. Petersen, Mr. Napper, any questions?

Chairman Burroughs said I have one if they do not on the 2% CIDs for Margaritaville, I mean I hear Margaritaville yet in the presentation, I think I talked to Richard about this, we keep hearing themed hotel, Homefield themed hotel, and not Margaritaville. We get different documents, part of it mentions Margaritaville, part of it mentions Homefield themed hotel. I just want to make sure that the public is not confused that it is a Margaritaville Hotel and that the cost of that hotel is the $150 million, I believe, that's been proposed, I'm trying to go back and review this, but am I accurate in that statement. **Mr. Napper** said 100%.

Chairman Burroughs said the only other question I would have is, this something that I don't ever recall us ever doing, issuing CIDs in advance for property tax or sales tax to be used for a development by a developer. **Mr. LaSala** said we have done it before. **Chairman Burroughs** said can you tell me which project, Todd? **Mr. LaSala** said yes, there's a shopping center—I know we have done this—well we did this at Legends on the West Lawn project, and I know there were CID revenues that we bonded there. There's also a shopping center project that is escaping me right now that we did with Red Development where we did issue bonds. I can think of at least two examples where we have done this before. You're right, Commissioner. It is not our standard we don't do it a lot, but we have.

Chairman Burroughs said do we know how much money we're talking about on that CID? Is there a number associated to it for our information? **Mr. LaSala** said yeah, if it all goes the way the developer hopes, we're talking about $59 million, almost $60 million. **Chairman Burroughs** said on that 2% CID? **Mr. LaSala** said it's multiple components. In fact, I can break it down for you. The CID, the 2%, the sales tax component would yield about $25.7 million. That's the 2% sales tax portion of this. The other $33.3 million would really come from the resort fee charged at the Margaritaville Hotel and the ticket fee that would be charged at the arena and Atlas

9. **Chairman Burroughs** said we have three moving targets that the bond buyers, basically on the CIDs, will have to be—really, five. Sales tax, resort fee, the ticket fee for the arena, the museum, and baseball component. Is that part of it? **Mr. LaSala** said baseball is included. It would just be sales, I think this is correct, just sales tax on sales within the baseball part of the project. **Chairman Burroughs** said just to be accurate, we're not getting any more Menards' sales tax to any new incentive STAR bond projects? **Mr. LaSala** said no, we are not.



Mr. LaSala said okay, number three, the amended project proposes the use of IRBs to fund elements of the project and build in a 100% real property tax abatement for those components. Have there been any reviews or a cost-benefit analysis to determine that if there are viable alternatives to a 100% tax abatement? Has there been any attempt to obtain public input? What would the full tax payments reflect to include abatements at 70, 60, and 50%? This is probably my fault, maybe the way that I've described this either in executive summaries or here at this meeting, but I think the premise here is just a little off. As a technical matter, the way the vehicle works is that you use industrial revenue bonds to take the property all the way off the rolls. Is the property tax 100% abated from that perspective? On a technical matter, yes, but what we always do with these is we come back in with a Payment-In-Lieu-Of-Tax, a PILOT, to right-size the abatement. In a world where the UG is trying to give a 50% abatement, well, yes the property comes all the way off the rolls, but the way you yield a 50% abatement is you have the developer pay a 50% PILOT. Similarly, if you were trying to give 25% abatement. Yes, you take it all the way off the rolls, but then you have the developer pay a 75% PILOT and that yields your 25%. So, to be very clear, this is not 100% tax abatement we're after here. In fact, to the contrary, we're really trying to have PILOTs that represent 100% of the property tax that we anticipate. We're just agreeing in advance what that number should be. It is a pre-agreed to Certainty Industrial Revenue Bond where we are agreeing—these components are all unusual and so the developer really has a strong desire to have certainty about what those property taxes look like for ten years. It is not intended to be an abatement at all, but rather an agreement about what property taxes look like on these three components for the next ten years. Guys, I'll pause there and let you chime in.

Chairman Burroughs said well, the only comment I would make, in most STAR bond projects that I've worked on, there are not property tax breaks along the brick and mortar is taxed at going rate for the community because they're foregoing the sales tax for the infrastructure investment, as is the state. I want to go back, if I remember from the last meeting there was a 20% reduction because we took two fields off of the development and there was 20% reduction in the Homefield PILOT schedule if I remember. **Mr. LaSala** said that's right, for baseball, that's exactly right. **Chairman Burroughs** said and that's for the base—okay. We're on the hotel, I apologize. I'll wait until—**Mr. LaSala** said it's all there, Commissioner. You have the hotel in the far column, the column in the middle is the revised baseball numbers which are smaller now than they were. **Chairman Burroughs** said so even though it's going to cost us more to build the stadiums we've reduced the PILOT by 20%? I mean is that what I'm to understand? **Mr. LaSala** said no, I think that what's going on here is we're building two less baseball fields than we started with and so we reduced the PILOT to right size it to eight fields instead of ten. **Chairman Burroughs** said that's the simplistic way, okay. Eight fields are going to cost me the same amount of money as ten. Why would I want to lower the PILOT—**Mr. LaSala** said you're asking is the overall cost of constructing those fields in the first place, is it the same? I'd have to defer to Mr. Napper. **Mr. Napper** said it is not. The cost is less for the eight fields than it would be for the ten. **Chairman Burroughs** said is it a 20% reduction? Is it a fair, straight across the board reduction? **Mr. Napper** said extremely close. Whether you have eight or you have ten, you do have some cost buried such as the concession stands and things like that, but I can't tell you if it's an exact 20%, but again, eight fields cost significantly less than ten fields.

Chairman Burroughs said sure. Well, and I remember the presentation that you're going from eight to ten, we were going to do a 20% reduction, is after we left with some discussion, if the eight fields are still going to cost as much as ten why would we lower and take a 20% cut in the PILOT when we're already giving quote, a property tax break in a STAR bonds district, which it’s really a novel idea, but well—**Mr. LaSala** said and we've never done it that way. **Chairman Burroughs** said that's it, we've never done it. **Mr. LaSala** said we have never done it. Like we have never, as long as I've been around these—which is a long time now. It's really been a policy issue for the UG that you're not abating the property taxes. It's the only thing you keep, right? Well, you have to give away sales taxes to do STAR bonds. Your policy direction to us has always been that we are not giving away tax abatements in STAR bond districts. What we have done in other places is agreed upfront about specific—we have specifically agreed to PILOT schedules where we approximate what we think the value should be for 10 years and give them certainty. We have done that from Milhaus in this district and other things, we have done that. But we have never given a 50% tax abatement or a 70% or a 25%. We've never done that in any of the STAR bond districts ever, and that's not what this is either.

Chairman Burroughs said I think there's a perception out there because in the Business Journal World they talked about 100% property tax abatement and I think that's really stirred up the community when we're talking about a STAR bonds project with great tax incentives. Then, it's been quoted that we’re giving away 100% tax abatement to the project. I'm asking these questions because I've been asked to ask these questions by members of the public and those interested in this development. I do hope that as we go along we have some clarity, some transparency here that, hopefully, will clarify some of the misinformation, if it's misinformation, but that we have a full understanding of the incentives that we're giving as a Unified Government to this project to ensure its very viability and success as we move forward.

Mr. Petersen said one other quick point because you made two points and I know we spent a lot of time on the one point. The other is that reduction and focusing on 20% and veering off into only talking about cost, which is I think, adequately answered, but I wanted to throw out there that when we talk about appraised values, at the end of the day the County Appraisers job is to appraise an arm's length fair market value, right. With commercial property, you can ask anybody that owns commercial property, it's all about net operating income, how much can they get in and operating that property and I can assure you, we could go into great detail, I don't think you'll probably want me to right now, but when you go from ten fields to eight fields, kind of rhetorical question, but how much do you think reduction from ten to eight is in terms of what we can generate in terms of income from those fields when it comes to leasing those fields out to our operator and the answer is about 20%. So that's really the big driver. The cost is relevant and it's real, but I wanted to put that on the record since you brought that topic up.

Chairman Burroughs said I can appreciate that. I just wanted to make sure when we talked about 20%, that we're going to 20% across the board. But if the project is still this much, why are we reducing our opportunity at 20% more taxes or PILOT if the cost is still the same? I just wanted to ensure that the public understood that that's not the case, if presented as you stated. **Mr. LaSala** said those are all really fair points I think.

Commissioner Townsend could you go back counselor to that—the PILOT, what year is year one? When will these numbers actually begin to come into the coffers of the Unified Government? As I hear the discussion about tax abatement versus PILOT, the taxes, as counselors just said, are supposed to be based on appraised value. So while these are being paid, these amounts according to these schedules, the buildings aren't even complete, correct? What is year one? What year will this begin? **Mr. LaSala** said year one will always be the year after these facilities open. We'll issue these bonds in the year that each of these components open. Your first year will be the tax year after they open. **Commissioner Townsend** said assuming this goes forward as proposed, what year would that be? What are we in '23 now? What are we talking about?

Mr. Petersen said I can speak to that one, Todd, because actually Mr. Wempe, UG's Bond Counsel, who's behind us here actually had correspondence from our office today about targeting. We would get ready, targeting that we would close the bonds in the autumn of this year. So that year one, to answer your question, would be 2024. Now, we always have to watch exactly kind of what Todd is saying on timing, but that should be our operating assumption right now. The latest it would ever be is doing that same thing in 2024 with 2025 the being year one, but you should assume and it's highly probable that year one will become 2024. **Commissioner Townsend** said and that's across the board for each of those projects? **Mr. Petersen** said that is actually only for Homefield building and Homefield Baseball and then because of the construction lag, I think you're tracking that the, I shouldn't call it themed hotel, you don't like that one, Margaritaville 100%. Margaritaville and Homefield Outdoor would lag that. So no, it would not be on the same timetable, but that's by design. That's how it always was.

Commissioner Townsend said so with Homefield Outdoor themed hotel Margaritaville, let's just get it all, what are we looking at as year one, as a rough estimate for that? **Mr. Petersen** said most likely—I'm giving you the most likely. Most likely year one would be 2026. We would close the bonds in 2025. **Commissioner Townsend** said in '25. **Mr. Petersen** said we would close the bonds in '25, which by law that makes the first year of predictable taxes, meaning year one is 2026. **Mr. Napper** said Margaritaville will not be open until 2025. **Mr. Petersen** said we're going to kind of go with Todd's explanation, which is if we finish in '25, we close the bonds when we finish, and then we have our year one becomes 2026 by law, that's the way the statute works.

Commissioner Townsend said and into UG coffers, which are those years. **Mr. Napper** said it all goes into the UG coffers, right—**Commissioner Townsend** said what year then? We're closing the bonds, what are you saying? **Mr. Petersen** said year one 2026, would mean half would be owed by December 20th of 2026, so depending on how fast it trickles down into the account, it'd be at the end of '26.

Chairman Burroughs said I believe if my math serves me correctly, I think we're looking at about $10,788,341 totaled over the 10-year period that we'll take in in revenue. That's roughly right around a million a year once all these three components are built. Todd, before we move on to the next question, what happens if one of these developments does not come to fruition? Hypothetically, Margaritaville. I know as we looked through the contract, we talked about the arena as well as the music facility, which is the arena, the museum, and the golf, what happens if one of those three items pull out? I know that are not part of the CID at this time, but I know the contract also says you may be coming back on that. Can you help us, where does this play in if one of these items doesn't move forward?

Mr. LaSala said yeah, they'd be in default. We would have—our development agreement will require those components to be delivered and on a schedule and if they don't, they're in default. Now for places where we've issued bonds, you can't get the bond money back, but we won't do anything further. These guys have a lot at stake in future phases for STAR bonds and CID bonds, there's a lot in the future that they want that they would lose the opportunity. Frankly, if we're in default, and we're no longer happy with this PILOT schedule, we can unravel this too. So they'd be in default and we would start exercising remedies. **Chairman Burroughs** said do we have the opportunity—they're requesting an amendment to the contract. **Mr. LaSala** said yes. **Chairman**

Burroughs said do we have an opportunity, moving forward, to amend the contract as the UG? **Mr. LaSala** said with their consent and agreement, any amendment to the contract both parties have to agree to. **Chairman Burroughs** said just making that public so that the people are hearing this. I appreciate that. Any other questions?

David Haley, BPU Board Member, said I guess some of the questions that you've covered, certainly far more astutely than I. This is not in my realm, whatsoever, but there are some people who are very concerned about the shift who reached out to me and asked me to be, as always, someone who asked the questions. Is there someplace where the original— what the original request was by Homefield? What was the original—wondering what the original was in this chart and then what the second update was. I'm trying to get an idea of where our current total is on the project and where it came from, what it started from. Would that be reflected in any of your slides or any of the presentations? **Mr. LaSala** said are you asking about the original deal on CID or the original deal on these industrial revenue bond PILOTs? **Mr. Haley** said on either or both. What I'm trying to find or what I want to weigh in is, what the variance has been from where we began with Tom. I was involved way back with Schlitterbahn, when Schlitterbahn just went in with the STAR bonds and how that was very interesting, and so I'm just wondering if there was, on either one or both.

Mr. LaSala said so for CID, the original deal really talked about pay-as-you-go CID. It always contemplated that we'd be likely to have Community Improvement Districts out here, one or more of them. The development agreement expressed a preference for pay-as-you-go versus bonding. The one exception to that was the developer always from the beginning said we think we're going to need CID for the hotel, always. At the time, they were talking about a 2% CID for the hotel. That's the same. What's different is that in addition to the 2% for the hotel, they also want to add a resort fee that wasn't contemplated before. It's also for the hotel, but it was the resort fee component, \$30 a night, that special assessment is new. The other things that were not contemplated were, including in the CID, Homefield Baseball, Homefield Outdoor, and these other new components. The other new components weren't contemplated at all, right, so Big Shots, nobody was thinking about Big Shots at the time, but those are now included in the 2% sales tax CID. So the difference between Margaritaville—or the original CID as contemplated versus what's on the board now is the difference between \$25 million and approximately \$60 million.

Mr. Petersen said if I can put a cherry on top, you gave the whole picture, but then we ended by focusing on one part of it, which was the question of the numbers, but I want to say along with that, while we anticipated a 2% for the hotel—and I will say for Margaritaville it also said, more or less, and don't be surprised if we come and ask for bonds for the Margaritaville. This was always—it's a tough, tough asset to finance. What I wanted to end with was when we came back with the expanding the CID, we came back with over $100 million of additional projects. It wasn't just, hey now we want to expand the CID, it's, what do you guys think about expanding the CID, but also adding a Big Shots, which is owned by Club Corp, massive, multibillion dollar, private equity that all across the country they wanted these. We're one of only, what, three or four, Richard, that're going to get it. We beat out dozens of other cities across the country. So we nab that, we nab the arena, it's the only deal with Live Nation. Then, the Atlas 9, this cutting edge sort of experiential hotel—not hotel, museum. I just wanted to say it's true that we came back and said let's rethink and expand the CID, but we also said, but let's not do in a vacuum, let's talk about these huge expansions for making investment in the county. I just wanted to make that clear.

Mr. Haley said certainly I appreciate that, and I appreciate the explanation that you shared earlier, these are all drivers that—their destination driven, that this is where the revenue comes from, from those who are coming to that and disaffect anyone who's not actually coming to pay the additional room tax, a resort fee, or to pay those. They are by those who opt to do that. The concerns that I have been expressed is what the current total is that has us or that leaves those who are supplementing or going without—usually it's probably going to be that go without the property tax where that is. But where is the—with the current total on the project, how much of that, I think, takes revenue from the tax base or is supplemented by the tax base? These are the concerns for those that have called and ask what is the current project total? What they're really asking is, what can be the anticipated cost, I guess, or the drivers from those that are taxpayer supported?

Mr. Petersen said Todd, if I can jump in, just one metric because there's a lot of ways it's like a diamond, there's a lot of facets here. Here's one that sticks in my mind, piggybacking off what Mr. LaSala said earlier about the CID fees and the CID sales tax are additive, right, they don't cost—they otherwise aren't coming to the UG, they're just additive, put on just these components of the project. By comparison, this was a number I threw out at the last EDF, y'all were there so this is going to be repetitive, but at the same time I think it's really important because like you're saying, constituents want to know where's the bang for the buck, so this additive CID fees, sales tax, and the bonds that would go along with it, we're talking about just for—and this is I've shared this with—I've shared this math, this is an approximation but close, just by taking—we're talking property taxes now, what gets back to the taxpayers. Homefield Baseball, we had the slide up there that had the three columns that Mr. Burroughs was focusing on, Homefield Baseball, Homefield training facility, Homefield Outdoor Margaritaville, all which will be known, this is not an estimate, we know what those amounts will be. Then you add in, this is the nerdy part, but it's real money, 8 mils, that's not captured there that still has to be paid on top of all that. That's another about 5% or something like that. Then I'm going to add one more thing in, which is Big Shots. We don't know exactly what Big Shots will go on the books for, but there's also not a predictable PILOT, it's going to be what the Appraiser's Office puts it on the books for. We went and looked at Johnson County at Top Golf and borrowed that. You put all that together. When all that's open, we're talking approximately $1.5 million annually of property tax. I'm not counting all the stuff that Homefields already brought, I'm not counting the arena, I'm not counting the museum, I'm not counting all the other things that are coming down the pike they'll be built out there, just those alone, about a million and a half dollars a year against a CID sales tax and fee that doesn't affect the UG residents in terms of the coffers here at the UG. It's an opinion, but pretty good value proposition I think for taxpayers.

Mr. Napper said I'd like to make one point, you were asking about where we were and where we are, at one point I think needs to be clarified or brought back to attention. The current development agreement budget has the Margaritaville Hotel at a cost of $85 million. I will be lucky if we build that for $150 million. The amount of private investment that the ownership group continues to put into this project, and I landed from New York at one o'clock in the morning, this morning, from dinner with our lender and the investment we continue to pour into this project, very exposed, is substantial. So again, when you look, at your question was where are we today, what are we asking for, I think these gentlemen have explained that, but I do want to point out that where we were was an $85 million hotel. Inflation and time has taken its toll on us and that, again, if I can pull it off at $150 million, I feel very lucky. So we are making substantial private assessments in this project.

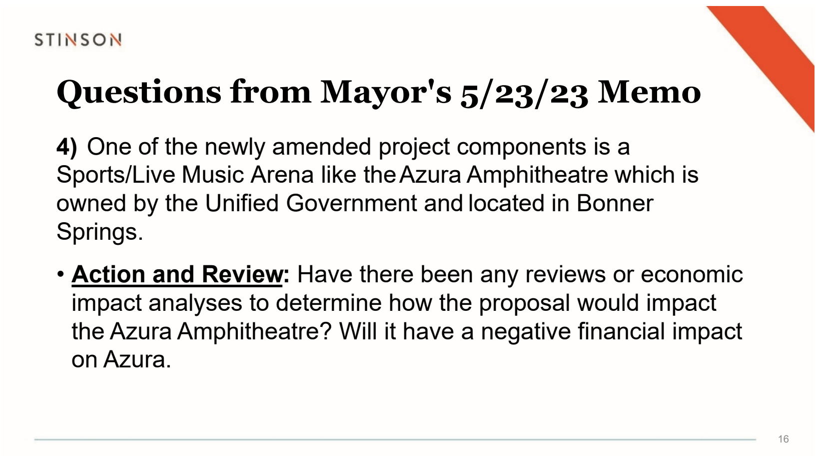
Mr. LaSala said the only other thing that we didn't hit that I'll touch for you as well, all that was CID. When it comes to industrial revenue bonds, everything in that Homefield building column, I have the old agreements in front of me here. That column that starts with $241,000 in year one for the Homefield building and ends at 263, it's identical to the agreement from last year. So, zero change there, exactly the same. Homefield Baseball, the number in last year's agreement, what would be the change, in year one, it was $106,703, so about $20,000 less. Again, 20% less in each of these columns. The number in the last year of Homefield Baseball in the original agreement was $116,699. So, it's the 20% reduction throughout that column. Then the only other piece, Homefield, that's on this sheet for IRBs, Margaritaville Hotel and Outdoor, we didn't have an agreement on that when the original agreement was done. It was contemplated, but it wasn't here. This piece of it is new and you're seeing it for the first time, but that really articulates what the changes are from where we were to where we are now on the schedule. I hope that helps.

Mr. Haley said it does a bit and I appreciate throwing this up as a review. Wasn't there something about a museum at one point? Wasn't there some museum in this, I haven't seen that listed. Was that something—**Mr. LaSala** said are you talking about Atlas 9, the new project that they're bringing, the Dimensional Innovations, Atlas 9 Museum? **Mr. Haley** said there was some sort of museum. I don't know, I thought that there was some kind of museum piece that was in it. So at any rate, I do probably have another question, but I have to formulate it. Thank you so much at this point.

Chairman Burroughs said Mr. Napper, how many rooms will the Margaritaville have? **Mr. Napper** said 229. It could be demised into additional rooms, but because of the suite count that Margaritaville would like to have, we're at 229. **Chairman Burroughs** said we're talking $3,500 a door basically, for the PILOT, if my math serves me correctly. **Mr. LaSala** said I think that's close, right? I think you're right. **Chairman Burroughs** said I'm just kind of trying to see if that was in line with what the other PILOTs have been for developments that have gone in for a PILOT. Just want to ensure that we're trying to be as uniform as we can. I mean, I'm pleased to see we have developers here that I know there's going to be some listening too. As they come forward, I just want to ensure that our policies and procedures are uniform as we move down the line. So, committee, are there any other questions for item number three or question number three? Is that was that number three, Todd? **Mr. LaSala** said it was number three, we have two more to go.

Chairman Burroughs said well, you asked about the music arena. STAR bonds talks about competition, creating competition by, I know we can't relocate one business into a STAR bonds district that's not in a STAR bonds district within a certain amount of miles. So we have a proposed music venue that's going to go in, we have a proposed music venue called the Azura Theater.

Mr. LaSala said yeah, that exactly fits perfectly into question number four from the Mayor's memo.



One of the newly amended project components is a sports live music arena, like the Azura Amphitheater, which is owned by the Unified Government and located in Bonner Springs. Have there been any reviews or economic impact analysis to determine how the proposal would impact Azura? Will it have a negative financial impact on Azura?

I'll say two quick things and then turn this over to the developer, well, three. One, there has not yet been any economic impact analysis or feasibility analysis regarding competition with Azura. There are three interesting and I think important distinguishing factors between this and Azura. One is that, Azura is an outdoor venue, whereas this arena is contemplated to be an indoor venue. Secondly, Azura's capacity is over 18,000 people. Now there are seats, but there's also the hill and so their advertised capacity is over 18,000 people, this arena is capacity is about 3,500 people. They're pretty different sizes. Then the only other thing I'll say here is that Live Nation is a big promoter within this industry. They like AEG and some others have relationships with artists that are going to go out on tour of the United States in any given concert season. There's information that's publicly available about those relationships. There are a lot of them for a company like Live Nation and those artists are typically going to play Live Nation's venues when they come to a market. If Live Nation does not wind up in Wyandotte County and goes to another area, those artists that have that connection with Live Nations are not going to appear here at Azura, they're going to appear at wherever the Live Nation's arena is. When it comes to the question about economic impact analysis, I do appreciate that question. The truth is we have to do some economic study when we go issue these bonds about revenues, what will the impact be, and so forth. That sort of feasibility analysis and revenue projections here will be available in the bonding process, we just haven't done anything like that yet.

Mr. Petersen said Chairman, I also don't want to downplay that this is a sports venue too. This is a very real part of it. Sometimes we get tied into talking about Live Nation and the amazing content that they'll bring that otherwise just skips, frankly, our area because they control the access that Todd was talking about. But we have great plans for the ability to use this venue for multiple different types of sports and it's great that Homefield is the developer because how perfect given the sports content that they have, that they can bring. Even e-gaming, which some people turn their nose up at and you can turn, it's a subjective thing. But it is a multi, multibillion dollar global industry. The esports are also another area that we're looking at really having be a part of this facility. Frankly, I don't think I'm going out on a limb in terms of conversations with an operator. The operators are coming with an arena to the Kansas City area, I just hope it's in Wyandotte County. I mean, when you see us get all excited and start waving our arms around about the arena, we see that it's coming and we really, really want the economic activity, and back to those ripple effects that it would have here in this part of the state's best tourist destination. So that's why we get really excited about it.

Chairman Burroughs said I appreciate that. It's something we should be concerned about if we're going to impact another business already in our community by giving tax dollars to a private enterprise versus a facility that we have ownership in also. We have Memorial Hall here also, which is an indoor music venue. It's got a great history, it's not utilized like it used to be years ago. It's gotten a little outdated, I guess I should say, but if I remember in the previous presentation, this arena design can be both indoor and outdoor. I think you talked to possibly two stages. **Mr. Napper** said at one point, they have looked at having the back of the building open up to the Margaritaville pool, it no longer does that. It's a 100% indoor arena. **Chairman Burroughs** said Wow. Okay, I thought that was—alright. Well, thank you for that. Committee, any other questions? Okay, please continue.

STINSON

Questions from Mayor's 5/23/23 Memo

5) The amended development project proposes a Big Shots Golf component with 60 bays.

- **Action and Review**: *Has there been a review of the Big Shots Golf development or any other similar developments in the Kansas City Metro to determine sustainability and outcomes? What would make this operation operate profitably and competitively with other Big Shots and Top Golf operations located within the region? Has there been a market study analysis to examine risk and viability?*

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Mr. LaSala said we have one more. The Amended Development Agreement project proposes a Big Shots Golf with 60 bays. Has there been review of the Big Shots Golf development or other similar developments in the metro to determine sustainability and outcomes? What would make this operation operate profitably and competitively with other Big Shots and Top Golf operations located in the region? Has there been a market study analysis to determine risk and viability?

This is another one where we have not done our revenue study yet. If the committee and ultimately the Commission vote to go down a bonding path, we are required to go commission a third-party study that would study revenue and competition in the market. Anecdotally, what I can tell you is we have done a bunch of diligence about Big Shots and similar concepts. What Mr. Petersen said earlier is right, there are four new Big Shots Golf operations that are slated to open in 2024. We are one of only four. The others are in Dallas, Panama City Beach, and Pooler, Georgia. The nearest one to Kansas City is in Springfield, Missouri. We've looked at Top Golf, which is probably the best in class in this industry at the moment. They have a lot more stores than Big Shots currently. The average Top Golf does about $17 million in sales revenue annually. We've looked at other competitors, not so much in our marketplace, but out there. They do numbers that are similar, not quite as good as Top Golf. This one is projected to do better than $10 million in revenue here in Kansas City, Kansas. So, we have been doing some diligence about it, but what I would tell you is there would be much deeper third-party professional analysis about revenue and the impacts it would have as it relates to Top Golf and other similar golf entertainment concepts in our market. Gentlemen?

Mr. Napper said if I could, I think we hit on this when we were last in front of you three weeks ago. Big Shots is on by Club Corp, the largest owner of golf courses in the country. They also own the Nicklaus Golf Club in Overland Park and they own the National Golf Club in Parkville. Club Corp, in turn, is owned by Apollo, one of the largest private equity firms in the entire world. When it comes to having a user or tenant that has financial wherewithal, we're pretty comfortable with who they are. Although there may be more Top Golf facilities in the country, when you look at the map of the United States and look at the dots, which were in our presentation three weeks ago, of everywhere, where Club Corp has a golf or related facility in the country, the map is pretty speckled full of Club Corp related golf facilities in the entire country. So they're a major player.

Mr. LaSala said Mr. Chairman, the only other thing that I would say as we close is, there are three agenda items related to this tonight. The first is about the amendment of the development agreement. If you were to choose to approve that and send that to Commission tonight, you could fast track that to the June 8th Commission, I think that is the developer's request. When it comes to the other two items that follow, those would both be resolutions of intent related to the industrial revenue bonds. Those really cannot be fast tracked because of our notice requirements. In order to send those back to Commission, we really have to publish notices again. That one, you couldn't hear at full commission on the 8th, we'd have to push that to June 29th. So just some logistics about the action items that follow. Those are the dates and procedural steps related to those. **Chairman Burroughs** said so just to be clear, I haven't been asked to fast track anything yet this evening, but you're telling me if we were to pass this Item Two, it would come up this Thursday night? **Mr. LaSala** said that's correct. That will be the development. I'm sorry if I'm the person telling you that, the developer would be happy to tell you why that's of paramount importance to them and their timing about the bond issue, but there will be a request for fast tracking, I know that. **Mr. Napper** said we would request fast tracking if you would choose to approve this this evening.

Chairman Burroughs said I guess bottom line is we’re at this item number one, which is to agree to the CIDs, the amended—redoing the pay-as-you-go, the 2% CID, the 20% reduction from ten fields to eight. Just to be transparent and go back, we're talking about 10.788341 in property taxes during the ten-year cycle, that's in lieu, that's the PILOT. That's not the BPU PILOT. I really want the public to know that that is not the BPU PILOT that we're talking about. I really wish our Economic Development group would come up with a different name for that. But so in that PILOT for the Margaritaville averages to be $3,500 a door, if it's 230 rooms, which I need to find out just for the public's purview to ensure that that's what we've been finding as the norm across the board on economic development projects. Maybe you know, because you received a PILOT on the construction of the apartments in the Homefield development. Do you remember what those PILOT costs were by any chance? **Mr. Napper** said we are not the developer of the apartment project. That was a land sale from us to the apartment developer. I would love to give you a number, but I have no idea.

Chairman Burroughs said that raises another question. Anywhere in this contract does it state that these properties can be sold onto the market within the timeframe so that these incentives don't move forward with the new owner?

Mr. LaSala said our development agreement does include provisions about assignment and transfer. What we do—we have agreements with the developer about assignment and transfer the things that they're involved in. I think if Big Shots, for instance, versus just a land sale goes to sell to the next person, we're not going to have an approval right over that. What we do is our development agreement in the provisions about the operation of that and complying with law, ensuring, and so forth, those carry with that sale to the next person that would buy Big Shots, for example. When it comes to the things that we have control of relative to this relationship with the developer, the answer is yes. For land sales where somebody else owns it privately, we do not have the ability to stop a transfer afterwards.

Chairman Burroughs said with that in mind, Big Shots is not receiving any benefit tonight. They are within the CID though, right? **Mr. LaSala** said they are within the CID and they would receive some benefit from the CID, we are not doing IRB tax abatement or—PILOT IRB for certainty. We're not doing that for Big Shots. They are the recipient of some CID revenue. **Chairman Burroughs** said I think it's important for us to know that there have been developments that have received a tremendous amount of public incentive from this community. They have been built and then sold and those benefits have gone with the new owner, and we have no relationship whatsoever. Very little comment, very little commitment from them to be engaged in this community as partners. I think the community has grown to where they would like to have some kind of guarantee that if we're going to be foregoing sales tax and property tax, that we have a commitment that we have good partners at the table that are not going to just sell a piece of ground, get the incentive, and then sell that entire package, take the cream and go home and we're left with a bill. We know that's happened and we just want to limit that happening again. **Mr. LaSala** said we understand.

Mr. Haley said what did you say? If it is sold, where does that go? Where will it go? **Chairman Burroughs** said David, it's very hard to understand got this thing right behind me here. **Mr. Haley** said I need my miracle ear too, Mr. Chair. So, when it is sold, where will that go, if it is? Just to answer your question again, I didn't quite get the answer to that.

Mr. LaSala said if you're talking about the CID proceeds. Those are going into the projects that we build. If we go in this direction, we'll sell bonds, and that money will go into the project. So, for example, Atlas 9 would receive about $15 million of CID proceeds, those would go into the development, the building of that museum, the artifacts, and so forth that create that museum, it will create that asset. If that asset is subsequently sold, it can be—and this asset is an example of one where you would have some approval rights over it because you do have a relationship with this developer. But I would say that when it comes to the CID, those monies are invested into the asset and the ground and the project, and they will go with the project when it's sold.

The IRBs I believe—I'm going to look to Kevin Wempe here, with the IRBs I believe a sale creates an event where we if, for example, Margaritaville were to sell, there will be separate assignment and transfer provisions related to that. I don't think the IRB deal that we have with the hotel will necessarily transfer without approval. I'm going to look at Mr. Wempe who does those documents for us. Mr. Wempe, your Bond Counsel, is confirming that the assignment and transfer provisions in those documents will mirror what we do in the development agreement. So there would be approval rights there.

Mr. Haley said I have another question, but not related to this aspect, it did come up though. We don't have anything in the agreement, Mr. Chair, there's nothing in the agreement regarding—you fully assume all your utilities. I have not seen that all, the utility costs. There's no abatement for that. I know you're looking a little confused. In the past, we've abated, we've seen abatement agreements for utilities in that part of our county, but we do have full connections, your electric, water usage? **Mr. Napper** said yes. **Mr. Haley** said I know he's looking at me like, of course, but trust me it's been a sticking point in previous agreements. **Mr. Napper** said we're open to suggestions, but we are paying the full utility costs. **Mr. LaSala** said our agreement says the opposite of that. That they're going to have their own utility with you and pay.

Commissioner Townsend said Counsel, is there anything in the current agreement or past, I thought we talked about this last time, that would keep Margaritaville under that brand and name for a certain amount of time? That seems to be part of the last discussion here. **Mr. LaSala** said have we have a 15-year operating covenant with Margaritaville where we know it's going to stay open for 15 years. **Commissioner Townsend** said as Margaritaville? **Mr. LaSala** said bear with me, Commissioner. I think the answer is yes, but let me make sure. Let me double back and make sure. **Commissioner Townsend** said that gets to some of the concerns that were just voiced, I thought we talked about that last time, but it doesn't hurt to bring it up again for clarity.

Mr. Napper said wonderful question. I will just repeat what I said earlier, it is about $150 million and so we're investing an incredible amount of money in that name, and that brand, and that flag, and we believe will be ultimately successful, but whatever the terms are in the development agreement is what the Homefield group has lived by and will live by.

Mr. LaSala said Commissioner, I would just say part of the reaction Commissioner Burroughs is having to themed hotel, that is the defined term we used the agreement. So I don't—I do not think we have the ability to insist on Margaritaville five years in if they want to change the theme. I do not—I mean, Mr. Nappers point is right, they're investing a lot, and they're going to have a franchise—or they're going to have a right to use that name and brand with that name. But our agreement is really about a themed hotel, so they could change the theme to something else.

Commissioner Stites said I was going to be relatively quiet through this, but I think that it's important to point out that, let's just say the hot new brand in 13 years from now isn't Margaritaville and it's, you name it. Whatever the new themed hotel is, we wouldn't want to say no, you can't change your name to the new, up and coming hot new thing on the market because you're tied to this name, right, but we want to make sure that it remains a themed hotel. I think it's important to point out that the ask is more, obviously, but the project's larger, right? I mean, I would quite frankly be disappointed if the ask was more and there's no other, no Atlas 9, no Big Shots, no Live

Nation, that makes absolutely no sense. The ask is more because the project has grown and I look for the project to continue to grow. The amount of money that this developer has privately put into this project is amazing and to revive an area that we all know what has happened at Schlitterbahn, that remained stagnant and stale, to have a developer to come in and invest this type of money, I appreciate it. Thank you guys very much.

Chairman Burroughs said I appreciate those comments. If we haven't learned anything, it's that things happen. We went through that and we had to do some creative financing to ensure that the bonds were continued to be paid moving forward because of the bonds that were issued couldn't perform. We're doing something different here, we're giving a property tax break, basically, in the STAR bonds project that hasn't been done that I'm aware of, and that's new. It's not that it's not creative, it's just that, I think that the prudent thing to do is be as transparent as we can in light of an article that came out and in light of the changes that are coming forward. I mean, new development partners coming in, I'm excited to see the project grow. At the same time, we have a fiscal responsibility here as a Unified Government to be uniform across the board with as many of these contracts as we can. To STAR bonds, I don't know how this will affect the state side and what they want to do. But hypothetically, if we give this incentive for Margaritaville and seven years down the road you choose to sell Margaritaville, that property tax, then we have a value on that hotel, that will have a market rate. So I could see where the PILOT would no longer be an acceptable form of property tax because now we have a different value that comes forward from a market commodity and that would allow us to go back and revisit what that tax structure would be. The challenge would be why would you want to sell it within 10 years and forego those additional revenues? I mean, that's not for me to answer, that would be for you in the portfolio to determine as to how you want to move forward.

Mr. LaSala said Chairman, I'm really sorry, I have to apologize to Commissioner Townsend and the rest of this committee. I have finally laid my hands on a piece of this that I was looking for, this is not my finest moment so I'm sorry. It does say that the themed hotel will be operated by Davidson Hotel Company Delaware Limited Liability Company operating as Margaritaville or a similar first-class operator or as another first-class brand provided that the UG will have the right to review and give prior consent and reasonable approval to any subsequent operator or brand. So I'm really sorry, I missed that the first time.

Commissioner Burroughs said thank you, Mr. LaSala. I am sure the commissioner and others are very appreciative. Are there any other questions or comments?

Commissioner Stites said I'll just make one last comment. I think that the questions that you guys were posed with from the Mayor's office, I'm glad that you guys looked into them and really put some time and effort into, what I feel, has answered them thoroughly. Todd, I think that it was a great job. I think it's important to point out that if there were questions, we want to make sure everybody's comfortable. This is a large project. It needs to make sense for everyone. I think it does. I appreciate the time and the effort that you guys have put into this and answering these questions and I look forward to seeing this project move forward. The only thing I will say is whenever you carried those books in and I said, man, look at the thickness of those books, you did tell me you knew everything in those and you had to go back. **Mr. LaSala** said I know. **Commissioner Stites** said I appreciate it. Thank you.

Mr. Haley said I'm going to be a pass on this. I know time is of the essence. I am grateful for the thoroughness in the review that you did bring after the questions were brought that this came back from the committee to come back. I think you handled each of them exceptionally well in the questions that were posed. I guess my lingering concern is only that there's going to be a little turn around for those that will live with the decisions on this Commission, as this will become for the full commission. There's no doubt in my mind, frankly, prophetically, that this motion when it's made will pass this evening, and it will go to the full commission, with my pass. I'm concerned about the future for the Commission that will be bound by the decision by some who will not be here to live it through. There'll be some turn around, I guess and that will be binding for those who will succeed members of the Commission. With that transition being the case, I am concerned along that particular line, even though they will be voting in full commission on this. If it's fast tracked, it may be as soon as 48 hours from now, oh, 72 hours from now.

Commissioner McKiernan said I just want to—and I appreciate where you're coming from Senator Haley, but I just want to make the point that we bind future Commissions with almost every decision we make, which is why we are very deliberate, very thorough, very interactive in terms of bringing all the questions and all the possible answers to the table. Having said that, I feel confident that I am going to make the decision that I believe is in the best interests of the largest number of people, which is my barometer for every decision. I understand that future Commission will be bound by our collective decision, but I do believe it will be a good one. I believe all the decisions we make are good to the extent that we know the facts at the time that we take action. I am comfortable moving forward because I am confident that this project will in fact be very successful and will bring benefit to the entirety of our community, not just the geography in which it's located.

Commissioner Davis said just some questions here. What was the original tax revenue prior to this development? Do we have those numbers for an estimate? **Commissioner Burroughs** said Commissioner Davis, I think counsel might—**Angela Lawson, Interim Chief Counsel,** said I have a comment after, I don't have an answer to your question. **Commissioner Davis** said yeah, and I know Schlitterbahn has and if—**Mr. LaSala** said I'm not sure if we know. Mr. Petersen might be able to help you there. Are we talking about before the Schlitterbahn project was out there or after? I mean, it was a field, it was agricultural before that.

Commissioner Davis said I was just trying to get some comparison. I know within kind of going from one kind of STAR bond district to the next, that makes it fairly difficult to ascertain and that's perfectly fine. If I remember this correctly because we did vote on this, and this was brought to the Commission in this particular committee last year, there were some community benefits attached to this particular project. Mr. LaSala, can you just refresh our memory on what those were and just so the public is aware, this is in addition to everything we are currently talking about.

Mr. LaSala said yes, sir. Commissioner, if you're talking about the community benefit provisions that we have about actively participating in the civic and charitable—part of our community caused the admission to the Homefield building outdoor and baseball to be discounted by no less than 20% for Wyandotte County residents. Having arrangements with the school districts, 500 tickets for Parks and Rec. We also added something. Oh, yeah, at your request at the last committee meeting, you talked about the new components. The developer has agreed to discount tickets for the Atlas 9 museum. So that is new, was not here before, but the version that will go to full commission includes discounts for Wyandotte County residents for Atlas 9, 25%. So a larger discount than the other components here. **Commissioner Davis** said awesome. And then were the tickets involved as well, from Parks and Rec, as I recall? **Mr. LaSala** said yeah, that's right, 500 tickets annually for Parks and Rec for Homefield Outdoor.

Commissioner Davis said then the school district. Did you also mention the kind of off-peak time as well? **Mr. LaSala** said yeah, that's right. The developer is working on agreements with all of our school districts that have to be in place before we go issue bonds, they may be able to touch base with you about what's going on there. But they are actively working on that. **Mr. Napper** said as of last week, every agreement with the districts, but for District 500, I believe had been signed and that one may have been signed since last week, but we were actively pursuing those and I believe they've been executed. **Commissioner Davis** said in those particular contracts would be signed for the use of which facility, which part of the project? **Mr. Napper** said it was Homefield training facility, the large indoor youth sports facility. **Commissioner Davis** said anything else as far as community benefits goes? **Mr. Napper** said we hit on this last time, but outside the scope of what was required in the development agreement, Homefield did arrange for approximately $250,000 in textbooks to be donated to the school districts. Again, we have tried to go above and beyond what was required in the agreement. **Commissioner Stites** said something inaudible. **Mr. Napper** said yes, they were, I believe, was December of last year. November or December of last year. **Commissioner Stites** said I didn't mean to interrupt.

Commissioner Davis said you're good. If my memory serves me correctly, the investment east of 635, is that also still within the contract? The investment east of 635? Can you talk to us a little bit about that as well? **Mr. LaSala** said oh, yeah. Yeah, that's right. Those are investments that the developer has agreed to make. Let me make sure I find this because I don't want to misspeak again. Here we go. The developer has agreed to make investments in new economic development projects in downtown and historically urban areas of KCK, all of which investments will be reasonably approved by the UG's Commission. The developer agrees that such investments will be at least $4.3 million within three years of the effective date of the original agreement. So, they have three years to invest $4.3 million in your community.

Commissioner Davis said thank you so much you all. I just for me, I had a constituent come up and, I don't know, somebody needs to talk to the Kansas Business Journal World. They were concerned and I was confused. Because, normally even when we give away these incentives, nowhere near do we see this level of investment and commitment from a developer, it's almost historic. Someone tell me if somebody has done anything near this in Wyandotte County, but to me, given everything that was just mentioned, the 500 free tickets to Parks and Rec, we've talked about over $10 million over 10 years in our tax coffers in the Payment in Lieu of Taxes. After those 10 years, we will get the full evaluation going back into UG coffers, we talked about approximately $1.5 million annually in new property taxes from Atlas 9, Big Shots and Live Nation concerts, 20% discount Wyandotte County residents to Atlas 9. Already contribution of a quarter million dollars in books, education is very important to our school districts. $4.3 million investment east of 635, as well as working with our school districts, so they're able to use portions of this facility. To me, it's very difficult to find where we are losing here. I don't know where we're losing. If anything, I think we need to be very, very careful about scaring off future developers where you can do everything. I have been advocating and ran on community benefits because I think we need a codified process. You are, my opinion, are the poster child for that. You are the examples that we want to hold up to say to other developers, when you make investments in Wyandotte County, I want you to do what Homefield has done or better. So I have no issue with supporting and endorsing this project. I think it will do wonders for us. Godspeed on interest rates and inflation because it is not easy.

Ms. Lawson said I just wanted to clarify the procedure for the committee that the committee members can vote for or against. This may be just a matter of terminology, but to abstain or pass, the only time you can do that is if it's cleared at the beginning by the Chair, if there's a conflict, and then you shouldn't participate in the discussions. If you still abstain, then it's considered a for vote. Then we just wanted to—if it's going to be fast tracked, that could be part of the motion as well.

Mr. Haley said obviously, that was an interpretation that Ms. Lawson has brought, she has—we have had that discussion. She's our counsel for the Board of Public Utilities as well, that passing on a particular measure, if not approved by the Chair, would have to be where there is a conflict or there's a potential for conflict. I didn't get clarity at the Utility and regretted that I haven't gotten it for here. I think that just to explain my vote. I'm certainly not opposed to what is here. I do think that there's still some unanswered questions or some areas in terms of the taxpayer commitment to a regional part of our city or concern with our city that leaves quasi-represented the other part of—much part of our county. I appreciate, Mr. Chair and members, the litany of commitments to our county in many other ways, as just detailed by Commissioner Davis or outlined by Commissioner Davis, I genuinely do.

I do want to commend what Homefield is doing and what this project is doing and how it does look to be inclusive along that line. That quells a bit of my concern, honestly, with it and I just don't know what the outlier might be. I don't know that if I'm in the capacity or in the position to bind others too far down the line who may be a part of that decision, all due respect to the incumbency, that is true. We often do that, but there has not been a project, as has been stated, of this size that I'm aware of in Wyandotte County, and I am encouraged that we see the detail and the patience that you have in bringing it here. So I would very much like to pass on that. I will defer to the insight of learned counsel, Ms. Lawson, who is also on the Board of Public Utilities, which is the reason that I'm a member for this committee, she is our counsel. That would be a little bit of arm twisting to not challenge the rules, as proffered by our counsel as to whether or not I could pass or abstain from an iron no vote.

Chairman Burroughs said just for clarification, a pass or abstain is a vote in the affirmative. **Ms. Lawson** said correct. **Chairman Burroughs** said if we vote on item number two, it's a two-phase vote, one for approval and then if there's a motion to fast track, that will take a separate vote. So we would have two votes unless we combine them into one. **Ms. Lawson** said correct.

Chairman Burroughs said in reference to comments in reference to projects that haven't brought this kind of economic development to Wyandotte County, I'm here to tell you that there's been a tremendous amount of community good come from economic development with the STAR bonds projects that occurred in western Wyandotte County. It brought additional dollars, it brought additional tax dollars, and initial development and interest back to a community that was really struggling economically. So it did have a community benefit. I really would like the public to know that we have counsel that negotiates contract, I didn't realize we as commissioners could negotiate what we should have in in our contract. Because if that's the case, I really question how we can approve a project or unapprove a project, if the items we negotiate aren't in the contract. I think we got that way last week in a contract discussion on the floor. I did bring it up to Council at the time that if we're going to approve projects, let's approve them on the face not on what we can get or what we should get. That should be a point of discussion and not individually submitted, but I am excited about the development monies going into downtown KCK. I would assume that money will be coming out of the CID moving forward, not out of the benefactor’s pockets, personal pockets. I would imagine it's going to be part of the revenue that has generated from the CID, within three years it's going to be cash flush, so it would either be the IRB or the CID

Mr. LaSala said actually, Commissioner, if we're talking about that $4.3 million contract that is out of the developer’s pocket. That would not be a CID eligible expense. It's not a part of the industrial revenue package. That is, in fact, coming from their private money. It is not part of the incentive. **Chairman Burroughs** said that's true, but that's $4.3 million they don't have to spend out of the CID money, that private investment. No, I fully understand. No, I sincerely appreciate the questions tonight.

Commissioner Townsend said Mr. Chair, I just had one more question about the pass or not on a vote, because this pertains to all of us at any given time. Is there a reason or a conflict of interest that has been brought to the Commission. I don't know what to call you here, committee member Haley, Senator Haley, with all due respect, because this would pertain it all of us. All of us are brought here to make a decision one way or the other. You know, sometimes you're on the yes side, sometimes you're on the no side, but the issue is that you make a decision. So for all of us, is this a matter of conflict of interest if the senator chooses not to vote?

Mr. Haley said there's no known conflict of interest and this is just a matter of seeing the merits well expressed, but having a lingering concern as to some of the matters left and to where they pertain to a constituency, but there is no personal conflict of interest that I know of that I would disclose for wanting to pass. **Commissioner Townsend** said I appreciate that, thank you. At one time all of us have been on the yes side or the no side, but yes or no.

Action: **Commissioner Stites made a motion, seconded by Commissioner Townsend, to approve the First Amendment to the Homefield Development Agreement as submitted regarding the assignment and assumptions and fast-track to 6/8 Full Commission meeting.**

Mr. Haley said I'm always unaware of the procedures. Sometimes you've solicited and asked if there were any members to speak to that. Is this one of those cases where you'd ask for did anyone wish to speak from—you know what you've done previously, so I don't know if this is one of those examples. **Chairman Burroughs** said no, you're absolutely right. We have three items associated with this, but I can ask, counsel. My agenda doesn't show that. It shows the three items together. So we took Item Two and now we've made it a two point issue. Not only to approve it, but to fast track it, then it goes to Item Three, then it goes into the request, as Mr. Haley brought forward if the public has any comments, or any questions. I guess my question would be, should we go to public comment in reference to Item Two before we entertain the motion? **Ms. Lawson** said I would suggest that yes, because they are three separate votes on different aspects.

Chairman Burroughs said I would ask that we hold off on the motion and the second until we have a chance for public comment. At this time, are there any members of the public who wish to address the committee? **Ms. Sparks** said there are no hands raised online. **Chairman Burroughs** said is there anyone in the audience that wishes to speak to this project? Were there any letters or communications in reference. **Ms. Sparks** said no comments were received. **Commissioner McKiernan** said I would just point out that we did receive—the members of the committee received this afternoon a letter from Greg Kindle of Wyandotte Economic Development Council, saying that—generally outlining his support for the project and apologizing for the fact that he's not able to be here tonight due to a family obligation. **Chairman Burroughs** said thank you for reminding me of that. You're absolutely correct. Commissioner McKiernan, thank you for that. Okay, now, the motion we have a motion and a second.

Commissioner Stites said you're going to accept the motion the way I presented it already? **Chairman Burroughs** said yeah, so we had the motion and—**Commissioner Stites** said the only question that I had, and we can just do it that way is, I think we had the one send back when it gets sent back that it automatically goes to the next full commission meeting, right? It wasn't that it would be in 30 days, 45 days, or six months from now. It automatically goes to the next full commission meeting after being sent back to the respected committee, right? If it got approved, it would automatically revert back to the next full commission meeting.

Ms. Lawson said that may very well be true. I don't have that in front of me and I'm not sure. I think the safest way is to proceed with the motion that you made and note that the next two items cannot proceed in that manner because of the notice for the hearings. **Commissioner Stites** said notice of the public hearings. Yep, so I'll just keep my motion as previously submitted.

Chairman Burroughs said just for clarification, if I may, and I appreciate you bringing that up. Is the Thursday night commission meeting a full commission meeting or is it a special meeting? Okay, alright. Just wanted to make sure of that because I do know that I think we were called today about it and so, okay, we have a motion and a second. I'd ask the Clerk, please call roll.

Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs. Haley did not vote.

Chairman Burroughs said I do want to state to Mr. Davis that under the Sporting issue, they took all of our tennis carts and put futsal courts across the community for our kids. So that was a benefit throughout the entire community that went in. Plus, I believe there was a surcharge on the tickets and went into Parks and Rec so we do have criteria that has benefited our community.

Item No. 3 – 212434…RESOLUTION: ADOPTION OF RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BONDS (MARGARITAVILLE/HOMEFILED 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 I don't have an additional presentation I would make about this, I feel like we've covered this. But again, just a reminder, this one cannot be fast tracked. We need time to give notices, so this we would ask to bring forward at the June 29th commission meeting. **Chairman Burroughs** said I believe IRBs will not—on a STAR bonds project—sales tax on construction goods are already exempt on STAR bonds, correct? **Mr. LaSala** said that's exactly correct. Yes, that's right.

Action: **Commissioner Stites made a motion, seconded by Commissioner McKiernan, to approve as submitted.**

Chairman Burroughs said I need to go back to the public, one more time. I'll ask the Clerk is there any comments received from the public? **Ms. Sparks** said no comments received. **Chairman Burroughs** said does anybody from the Commission have a question? Okay, are there any members of the public online? **Ms. Sparks** said no hands are raised. **Chairman Burroughs** said is there anybody present who would care to speak to this? Let the record show no one has stepped forward. Okay, we have a motion and a second, I'd ask Clerk please call roll.

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

Item No. 4 – 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.

Mr. LaSala said Mr. Chairman, no additional presentation here. Again, this is another one that would need to go on June 29th.

Chairman Burroughs said I'll ask if there's—before we jump for the motion, I'll ask if there were any comments written submitted by letter? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said anybody online? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said anybody present care to speak? Let the record show no one stepped forward. Mr. Haley?

Mr. Haley said the material change here is from the ten to the eight. Is this the discussion that was had earlier? **Mr. LaSala** said that's exactly right. It's about 20% reduction in the number. **Mr. Haley** said thank you, Mr. Chair.

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

Chairman Burroughs said okay, committee, thank you. Mr. Napper, Mr. LaSala, Mr. Petersen, thank you for your patience with us tonight and the transparency in which you presented your project tonight. Thank you very much.

Item No. 5 – 212496…RESOLUTION: AUTHORIZING THE FIRST AMENDMENT TO THE PERFORMANCE AGREEMENT BETWEEN THE UG AND CPC LAND ACQUISITION LLC (CRITERION DEVELOPMENT)

Synopsis: A resolution authorizing the first amendment to the performance agreement between the Unified Government and CPC Land Acquisition LLC (Criterion Development) extending the construction commencement and completion dates, submitted by Patrick Waters, Acting Chief Counsel.

Chairman Burroughs said we're going to go ahead and get started. I have Mr. Conway that was to present this evening on this. Is that not accurate? **Ms. Lawson** said this is another one that I will pass off to Kevin Wempe to present, our Bond Counsel.

Kevin Wempe, Gilmore and Bell, UG's Bond Counsel, said I've got a very brief introduction and I'll point out that Mr. Petersen and his client, the developer of this project, are on hand tonight in case you have any questions relating to the project itself. This is for the Criterion Development. For a quick refresher, located about State Avenue and 115th, pertains to for rent housing of about 230 units. If you recall, in August of 2022, there was approved a resolution of intent to issue Industrial Revenue Bonds for property tax abatement and installation of a PILOT agreement, which was also executed at that time setting forth the Payment In Lieu Of Tax schedule, again, relating to property taxes and not the BPU PILOT, to be clear.

One simple change that's proposed tonight in the development agreement is simply pushing back the commencement and completion date set forth in that development agreement that was executed last year. For comparison, the commencement date in the original agreement is July of 2023 and the developers asked that that be pushed back to December of this year, approximately six months of extra time allowed to commence construction. Then similarly for the end completion date, the developers are asking that they be moved from August of 2025 to December of 2025 on the back end. So, that's the whole of the substance of the proposed amendment before you tonight. **Chairman Burroughs** said so we're asking for a six month extension on both ends. **Mr. Wempe** said yes, sir. **Chairman Burroughs** said Curt, do we know what the reason is?

Curt Petersen, Polsinelli, said sure. I believe that there was a correspondence submitted for the record too, just for reference, but it's all somebody, I can remember who said it, at the dais earlier tonight mentioned interest rates and construction costs and all that. This is a developer by the way, this is Todd Thomas, the principal with Criterion that's here with us. There's been an incredible amount of money that's been put into the project so far in terms of design. We're all the way to the to the permitting stage now, having gone through final development plan, and it's just capital stack. It's incredible. I mean, this is a cutting-edge project even in Kansas City, and we're really excited to have it, but you have to put your capital stack together. It's an absolutely inopportune time to make the move right now. So what we've done is, as mentioned to several of you, pushed out to the end of the year. We still hope, we still have a target of Q3/Q4, but absolutely always act in a transparent way, that if the market doesn't allow it we'll be right back asking you for an extension to spring or what have you. But there's an amazing amount—this isn't an AWOL developer that has an idea that pitches it to you and you agree to a concept or something like that. This is a developer that's put in an amazing amount of architecture and engineering, and all the way up to permitting for this project. So they want to go faster than, probably, anybody even at the dais. But right now, the answer to your question—I wanted you to have that full context, is absolutely the request is approximately six months.

Chairman Burroughs said you said possibly coming forward with another opportunity in December? I want to make sure I've heard correctly. **Mr. Petersen** said well, what I was referring to, yes, Chairman, is the references even out of the gate because we don't like to come back. I mean, I can speak for the whole development committee, you don't want to have to come back and take the commissioner's time and say I need more time. So we were originally talking about let's push it out to possibly a spring start, even though the target is still Q3/Q4, let's get it out to after the asphalt plants open and everything in the spring. The informal feedback was, no, let's just get to the end of the year and let's all talk and see how things are going if you haven't already started. So the requests that formally came in front of you is the end of the year, 12/31.

Chairman Burroughs said okay, great. Thank you very much. Any comments from the builder? Developer? Gilmore and Bell, Kevin, any comments? Okay, committee, any questions? We seem to have lost one of our colleagues. So we can go ahead and entertain a motion. This is an action item. I will ask if there's anybody—did we receive any written correspondence? **Ms. Sparks** said no comments were received. **Chairman Burroughs** said anybody online? **Ms. Sparks** said no hands are raised. **Chairman Burroughs** said anybody present care to speak to this issue? Okay, let the record show no one stepped forward. With that I'd entertain a motion.

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

Chairman Burroughs said great, thank you. Appreciate it. Appreciate your investment in Wyandotte County, thank you. I look forward to seeing a nice development

Item No. 6 – 212499…ORDINANCE: AUTHORIZING THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT RELATED TO THE URBAN OUTFITTERS DISTRIBUTION CENTER

Synopsis: An ordinance authorizing the creation of a Community Improvement District related to the Urban Outfitters Distribution Center, submitted by Patrick Waters, Acting Chief Counsel.

Chairman Burroughs said this is a creation of a Community Improvement District to Urban Outfitters. Kevin, are you going to present?

Kevin Wempe, UG Bond Council from Gilmore and Bell, said I am. I think I have good news that I'm consolidating 6 and 7 and can present them both to you concisely. As you're probably aware, this pertains to the omni-channel distribution facility that's been constructed near the Speedway by Urban Outfitters. If you recall, in October of 2020 a development agreement was executed that really put us on the tracks to the development and the project that is there on site now. That development agreement contemplated a Community Improvement District to provide ongoing operating funds for workforce transit, and the details of that special assessment in the amount of $300,000 a year levied on the site to be paid to the Unified Government to operate and doing the construction of the transit-oriented development. That's what we're doing back here is that under state law to create the CID, we have to consider an ordinance and establish the Community Improvement District. Then, Item No. 7 being levying assessments for that 20-year term to provide you that ongoing revenue stream. I will say, procedurally, we do need these on separate agendas, looking forward to Commission action because we have to create the CID, publish the ordinance, and record it, and then come back at the following meeting to actually levy assessments on the duly created Community Improvement District. But as far as presentation goes, that's the extent of it and I wanted to make sure that procedural note was mentioned here tonight.

Chairman Burroughs said if I may, one question. I'm trying to go back and remember the agreement that was made with the state in reference to Urban Outfitters, and that $300,000 was for transportation, if I remember correctly. Is it $300,000 a year or is it $300,000 over the 20-year lifecycle? **Mr. Wempe** said it's annually, that is an annual assessment. There's another component of that of state funds in the agreement, and I believe that amount is $1.5 million for startup capital costs that's owed to the Unified Government. I've checked internally with the Transit team at the UG and Legal. I know that conversation is still underway with Urban Outfitters to make sure the arrangements are amenable to the Urban Outfitters and also Unified Government to put in place that transit system and plan for transporting the workforce.

Chairman Burroughs said great, thank you. I know that there was much consideration and reference to daycare as well as transportation for the members of this community to ensure that they were on the route, and especially those east of 635 to be able to acquire the jobs and reach the jobs, that was negotiated on the state side. Okay, thank you. Any other comments or questions?

Commissioner Townsend said as I read this, I remember that conversation and what a benefit this was going to be to help get people who want to work at Urban Outfitters out there. The thing that I'm a bit unclear about—there's not going to be an imposition of sales tax out there. The assessment is going to be on Urban Outfitters, so it's no additional hardship on any UG citizen. That's what I just wanted to make sure I understood.

Mr. Wempe said that's correct. It'll show up on their property tax bill beginning this fall. That was all purposeful to align with their opening and also putting in force—or putting in place that transit system to get the workforce there as they opened up so that that would begin this fall. **Commissioner Townsend** said thank you, that clarifies it for me and it really shows Urban Outfitters commitment to making this happen.

Chairman Burroughs said it's a tremendously large facility and there's going to be a lot of bodies. As we push those projects forward, we want to ensure that our residents have the first opportunity or at least a benefit when it comes time for those kinds of projects to come to fruition. It's all about creating jobs and creating opportunity in Wyandotte County.

Okay, I'll entertain a motion, if there's not any other questions. I could ask if there were any comments from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** said anybody online? **Ms. Sparks** said no hands were raised. **Chairman Burroughs** said anybody here in the audience care to speak?

Commissioner McKiernan said if you would indulge me, we did get a letter from Greg Kindle, President of Wyandotte Economic Development Council, and if you'd indulge me, I'll just read that into the record. He has stated, he says, commissioners, please accept this letter in support of the item before you this evening related to the creation of a Community Improvement District, CID, tied to Urban Outfitters Urban. To my knowledge, this is the first of its kind of model in the region to fund transit in this way. Urban and the Unified Government are to be commended for working with the client team to find a creative solution to an issue important to everyone involved. The funds to be generated annually, $300,000, will be collected over a 20-year period to provide revenue to fund an express route from the main Indian Springs site to Urban. Having a route connected to the main transit hub in the community helps ensure that those who do not have access to a car or who choose public transportation can get to quality employment. WYEDC is proud to have been a part of this proposal and to see it come to fruition. We look forward to seeing this project move forward and ask that you approve this request. Thank you for your consideration. Greg Kindle.

Chairman Burroughs said thank you, Commissioner McKiernan. Okay, I'll entertain a motion. We're going to do these both 6 and 7 collectively. **Ms. Lawson** said I would do them separately. **Chairman Burroughs** said you want to do them separately? Okay. Item 6, authorizing the creation of a community CID related to the Urban Outfitters Distribution Center. Is there a motion?

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

Item No. 7 - 212500… ORDININACE: AUTHORIZING THE UG TO LEVY SPECIAL ASSESSMENTS ON THE URBAN OUTFITTER DISTRIBUTION CENTER

Synopsis: An ordinance authorizing the Unified government to levy special assessments on the Urban Outfitter Distribution Center, submitted by Patrick Waters, Acting Chief Counsel.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to approve and forward to the 7/13 Full Commission meeting.**

Ms. Sparks said Mr. Chair, before I call roll, I'd like one clarification. I believe that Counsel mentioned these should be on two separate meetings. Is that correct? **Mr. Wempe** said yes, that's correct. We need to have the first ordinance establishing the improvement—the Community Improvement District passed, published, and become effective and then we'd have to follow up at a separate later commission meeting for the ordinance levying the assessments. **Ms. Sparks** said thank you, that allows us to schedule it properly. **Chairman Burroughs** said this schedule will come through Clerk's Office with debate with the Mayor and staff, right? **Ms. Sparks** said correct.

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

Item No. 8 - 212497…UPDATE: ROCK ISLAND BRIDGE BASE GRANT TRANSFER
Synopsis: Update regarding the Flying Truss transfer of funds to the UG to help pay for the public portions and infrastructure work associated with the Rock Island Bridge project, submitted by Patrick Waters, Acting Chief Counsel.

Angela Lawson, Interim Chief Counsel, said we do, you're correct. I will send this one to Todd LaSala who can explain. This is for information only. **Chairman Burroughs** said okay, Mr. LaSala, you're on.

Todd LaSala, Outside Counsel, said on the bridge project, there's some good news. They, like other projects, have a bunch of cost increases and so forth. But the developer of the bridge, Flying Truss, applied for base grant funds from the state. They were awarded $4 million of base grant funding from the Department of Commerce. The department has asked us, the UG, as their partner to administer those funds. They figure, we already have a development agreement with this developer, a process infrastructure about reviewing cost and dispersing funds. We are talking to the state and agreeing with the state that we will administer those funds. In exchange for that—the developer, by the way, is agreeing that they're going to pay any costs related to that administration with our third-party cost reviewer, etc. There's also a benefit to us. In exchange for that, the developer is agreeing and the department is agreeing that we can take $480,000 of those base grant funds and apply them towards infrastructure costs that we've got related to the bridge. The UG also put an application in for base grant funding related to the bridge and there was a $480,000 line item regarding utility infrastructure that was not funded. As a result, we're going to administer the funds, but we're also going to get to use $480,000 of that money to pay for some of our costs. So again, information only, but that's what's going on.

Chairman Burroughs said wonderful. We're pleased to hear that. That's not in any way, shape, or form associated to the monies that went into raising the bridge. **Mr. LaSala** said no, that's separate and unrelated. **Chairman Burroughs** said I'll ask the Clerk if there's any comments from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** anybody online? **Ms. Sparks** said no hands raised. **Chairman Burroughs** said anybody present that would like to make any comments or questions? **Mr. LaSala** said I should have said Mike Laddin from Flying Truss is here in case you had any questions for him, but—**Chairman Burroughs** said well, he asked that I run the meeting a little long, so hopefully he can avoid the weather. **Mike Laddin, Flying Truss,** said you're welcome. **Chairman Burroughs** said we have no comments from the public, let the record show. I'd entertain a motion, this is an actionable item. Oh, this is information only, my apologies. With that, committee, Todd, thank you for your stick-to-itiveness tonight. Counsel, we appreciate you subbing as a DH tonight. Thank you, committee, appreciate the heavy lifting tonight and the comments and questions.

Action: **For Information Only.**

Adjourn

Chairman Burroughs said with that, I'd entertain a motion to adjourn so we can move on to our next meeting.

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

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

RM