

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Thursday, September 14, 2023**

The meeting of the Economic Development and Finance Standing Committee was held on Thursday, September 14, 2023, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, McKiernan, Townsend, Stites, and BPU Board Member Haley. The following officials were also in attendance: Angela Lawson, Interim Chief Counsel; Jeff Conway, Assistant Counsel; and Monica Sparks, Deputy UG Clerk.

Chairman Burroughs said I would like to thank the Commission members of the Economic Development & Finance Committee to meet this evening's request of a Special Session. This evening is a little more unique that we're in a more formal environment versus the fifth floor, but I do know we have full commission following this Special Session.

With that, 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 Commission Chambers of the Municipal Office building.

Chairman Burroughs called the meeting to order.

NOTICE OF SPECIAL MEETING of the Economic Development & Finance Standing Committee to be conducted in a hybrid format on Thursday, September 14, 2023, at 5:00 p.m. regarding the Kansas Speedway.

ROLL CALL: Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs asked if there were any revisions to tonight's agenda. **Monica L. Sparks, Deputy County Clerk**, said there are no revisions.

COMMITTEE AGENDA

Item No. 1 –212705...Item No. 1 – RESOLUTION: AUTHORIZING AMENDMENTS TO THE KANSAS SPEEDWAY DEVELOPMENT AGREEMENT

Synopsis: Adoption of a resolution authorizing amendments to the Kansas Speedway Development Agreement and related documents regarding an exception for the Iowa Speedway (added at the request of the County Administrator), submitted by Jeff Conway, Assistant Counsel.

Chairman Burroughs said staff is requesting this item be fast tracked to tonight's full commission meeting for consideration. I will now recognize Jeff Conway from our Legal Department.

Jeff Conway, Assistant Counsel, said basically I was the scrivener in this whole operation. So, as far as the ins and outs and the necessity for it Pat Warren is here with the Speedway and I think he could address pretty much all the questions, so I'll turn it over to him.

Pat Warren, President of Kansas Speedway, said I'm before you tonight to request an amendment to our development agreement from, I believe, it's 1998 and that agreement has a 250 mile radius restriction around the nearest border of the jurisdiction of the Unified Government that does not allow our company to own or operate a racetrack within that radius. In 2019 we merged with NASCAR as part of a consolidation in our sport. NASCAR had purchased Iowa Speedway in 2013 and so I'm before you tonight to try to ask, I guess is the best way to say it, to amend the development agreement so that we can also exempt Iowa Speedway. Worldwide Raceway Technology in St. Louis was exempted in the original agreement. We're adding Iowa Speedway to an exemption from the 250 mile radius and we're making the same commitment we've made

for the entire time we've been a part of the community to bring races, to continue to bring races and to support the community.

Chairman Burroughs asked, Committee, any questions?

Chairman Burroughs said I have a few questions and that shouldn't surprise the committee. The extensive knowledge in reference to the original agreement brought to Speedway here to Kansas, I believe that when the casino passed there was an agreement that there would be a second race brought to Kansas when it was part of the negotiations of the casino in that approval. In looking at articles today in reference to Iowa, can you tell me why this needs to be fast tracked tonight as to why this came forward in such a hurried timeframe and needs to be fast tracked. Are we under a time crunch? **Mr. Warren** said somewhat. I don't build the NASCAR schedule. I'm sort of the tail of the dog on this, but it's my understanding we're trying to release the 2024 schedule in the very near future and action tonight will impact what we do or may impact what we do on that schedule.

Chairman Burroughs said the reason why I bring that up is because the Iowa legislature is taking action right now in reference to the speedway and their operation. I know that Kansas, Phoenix and Richmond all have two dates and are candidates to lose the date in the future and that was from their local press and discussion among their legislative body. I know how hard this community pushed to find a location for our casino in partnership with our raceway and we're very proud of having the two races here. I guess it's a concern of some that I've talked with that we may be the candidate that loses a second race, but I do know the contract says you will continue to—let me see if I can follow the exact verbiage. Will continue to basically advocate for two races for good and valuable consideration, continue to advocate for two races. I mean that's no different than what you're doing already. I mean we're not set in stone are we that we get two races? **Mr. Warren** said I would say that nothing in our schedule is set in stone and that's been especially the case since the pandemic. A lot of things have changed for us. I think the difference here is that the France family made a commitment in 1998. They planted the flag out in western Wyandotte County and since then we've lived up to each and every obligation, each and every promise that we've made. I'm not aware of any discussions to move a date, to take a date to Iowa or anything else. I'm not saying that members of the media don't speculate on that. They have in the past.

In 2008 Lisa Kennedy who's now our Executive Vice-Chair of NASCAR, made a commitment to the lottery to ask NASCAR to realign a date as part of the casino licensure and negotiation process and that's the second date you refer to. We've done that—we actually started that a year before the casino opened and we've continued every year since.

Chairman Burroughs said if I remember correct, that was part of the negotiations with the casino was to ensure that we could get a second race and they have delivered. I'm not saying they haven't been a good partner, but I do know there was considerable concessions put on the table initially with the Speedway and we've been good partners as we've moved throughout this 27 years that you've been here. I don't think there's anybody else on the Commission outside of maybe Senator Haley and myself that were there from the very beginning when this was occurring.

As Chair and as a member for the community, the concern about possibly losing that second race is one that is an economic impact to our community should we lose it and I can't blame the Iowa legislature for looking into it and the Iowa Governor being part of that discussion. In doing my research and the realignment, I was just quite concerned that we could be the candidate in the fact that it was mentioned that we could be the candidate to lose a second race. I wanted to bring that forward tonight and make it a point of record. **Mr. Warren** said I think it's a fair question to ask. I'm not aware of any discussions about moving a date from here to Iowa. I don't think that's contemplated by our leadership or if it is, I haven't been told. I think if Iowa gets races and right now they have no NASCAR or national serious sanctioned events. They haven't since 2019. I don't think that—I seriously doubt any of those races are going to come from Kansas. There's no intention to move a date from here to there.

Chairman Burroughs said their track is smaller than ours, about half a mile smaller. **Mr. Warren** said it is. I think it's a 7/8th mile track. It's very similar to Richmond.

David Haley, BPU Board Member, said I appreciate the remembrance that when this was implemented, so generally refresh my recollection. The shelf life for the Speedway was it—when it was implemented, it runs until—**Mr. Warren** said it expires, I believe, and someone can correct me if I'm wrong, when we pay off the TIF bonds, which I think is the end of '27 or '28. **Mr. Haley** said we still have a few years in that and I appreciate the ancillary, of course, the benefits that each race, especially the second race, brings to not only our community, but the surrounding community.

My concern was this hastily called meeting and I really don't have much to say, so I'm just here to see that this goes to the full commission with a consideration, but that's really kind of my question is the benefits, ancillary benefits, and of course, the Speedway is a jewel within our community. I just appreciate the line of concerns and questions that were pretty well vetted by Chair Burroughs and the responses that you've given and just wanted to refresh my recollection as to how long we'll continue to be partners with this tremendous workout at Kansas Speedway.

Mr. Warren said one of the things that I would say is that the language that we've included in the amendment is the language that we've had since the development agreement started, since the inception of our relationship and it's the language that we've lived up to. Every year we've been operating under basically a good faith arrangement that we would seek and obtain a race or races for Kansas Speedway. We're not changing anything in that regard. In fact, we're adding the second race as an additional commitment as part of this request on the Iowa Speedway exemption from the non-compete.

Commissioner Townsend said as I read this I was wondering what the additional benefit to us would be with this and to be fair, that might be a question that's good to counsel. I was not here when this put into place obviously, but it's a tremendous boom obviously to KCK/Wyandotte County. So, right now, is there no schedule that shows from year to year for us what two races are going to be run here? **Mr. Warren** said yes, the schedule is set on an annual basis, so the 2024 schedule has not yet been released. I think the only date that may have been announced is the Daytona 500, which is traditionally announced after the Daytona 500 of the preceding year. It's always our first race of the season, first points paying race of the season.

Regarding your question as to the benefit to Wyandotte County, I would tell you that one of the advantages of our company—our former company, International Speedway Corporation merging with NASCAR, is that we are now fully vested in the health of a sport overall, not just the track ownership group. So, the schedule flexibility that we are asking for if we would put races at Iowa, and I say that as a big if, because I don't know that's going to happen. It helps our sport both from a growth perspective, from an exposure perspective, and I would assume from a revenue perspective although I don't know that specifically and all of those things help us be a healthier sport and make it more likely that we can make future and more investments in Wyandotte County.

Commissioner Townsend said at this point, do you know of any other situations that may cause the company to come back to us and ask for another exemption. Maybe somebody goes 229 miles south of us, do you know anything about the likelihood of that at this time? **Mr. Warren** said there's nothing that I'm aware of that our company is interested in pursuing or looking at, and I'm not sure there's anything even capable of running a NASCAR series event. The track in Odessa, MO. is being renovated. It's not owned by us. They may have their sights on a NASCAR race, but it wouldn't apply to this because we don't own it. There's nothing that I'm aware of. We don't have any plans to develop or build a race track.

This track, Iowa Speedway, was built and opened in 2008 under private ownership. It was acquired in 2013 by NASCAR as a way to keep racing going in Iowa. **Commissioner Townsend** said and you entered into a relationship with NASCAR when you said 2019. **Mr. Warren** said yeah. Our company merged—the company that I originally worked for and that the original development agreement was with, International Speedway Corporation, which was a track ownership entity, so it just owned race tracks, merged with NASCAR in 2019.

Now, let me qualify that in the interest of full disclosure. We were a track ownership company that was publicly traded on NASDAQ, but about 40% of our equity and two-thirds of our voting stock was owned and controlled by the France family who privately owns NASCAR. So, we were sort of a sister company with a wall between us.

Chairman Burroughs said, Mr. Warren, can you tell us if there's been any NASCAR tracks that have closed around the nation that has been impacted by a downturn in the market or quite possibly affected by COVID besides the Iowa track? **Mr. Warren** said Iowa hasn't closed. Iowa's still running IndyCar in the ARCA series. Our track, that I manage actually as part of a regional role that I have in Chicago, in Joliet, specifically Chicagoland Speedway, has not run a NASCAR sanctioned event since 2019. That started with the pandemic and the restrictions that were in place in Illinois that prevented us from running races there. We're now running a street course in downtown Chicago that we did for the first time this year.

Our track in Los Angeles has closed, probably temporarily. We're looking at some redevelopment options, but our track in Los Angeles right now is closed, Auto Club Speedway in Fontana, California. Similar to the street course, we've built a track in the LA Coliseum the last two years for a pre-season race that we call the Clash and we've run that each of the last two years.

Kentucky Motor Speedway, which we don't own, it's owned by a competitor or a co-operator maybe is a better term to call them because we work with them even though we don't own them. Speedway Motor Sports has closed and is not running races, so yes, there have been tracks that have closed. All of the ones that I've mentioned have closed or are in different states of operation since 2019.

Chairman Burroughs said thank you for that. I do appreciate your candidness on that. I think what some of us are concerned about is a commitment, some kind of assertion that we're not going to lose a second race when we open this contract up and grant the compete clause (inaudible) I want to be fair to the industry. I really do, but our priority is with the community and we do know that the 30-year plan will be up in '28 or '29 in reference to the 30-year abatement and our concern would then be what happens next.

As we stated, we feel that we've had a good partnership and we want to see that continue, so it's not that we're being selfish. I think we're just doing our prudent duty as leaders to get these questions and make it a point of record so that we have something to refer to should we move forward. **Mr. Warren** said I think that's completely legitimate and understand it and I think it goes to Commissioner Townsend's question of what's the incentive for the Unified Government to do this and I would say the healthier our sport is, the more likely we're going to be able to make future investments here whether that's enhancements or changes to Kansas Speedway, other development, other things that we're able to do in the community. So, it's sort of a rising tide lifts all boats argument, but it's one we think is important.

Chairman Burroughs said understood and you have invested some money, even as of late. I believe in the last couple of years you added some additional amenities onto the Speedway, but you took down some grandstands to do that if I remember correctly. I mean it fills up the grandstands better.

Commissioner Stites said the assurance that you guys will remain here after the abatement period, the 30-year abatement period, obviously is a concern and losing the second race. The second race is a playoff race. It's not just a regular race and if we were to lose that second race, that's a race that's very important to the NASCAR getting into the playoffs or they're already in the playoffs. It's the second one and I definitely would not want to see that race go away. **Mr. Warren** said I would respectfully disagree slightly that the second race, from a calendar perspective, is the fall

race, but the date that was added has always been in the spring. Our traditional date is in the fall, that playoff race, we've had that since 2001. **Commissioner Stites** said okay. I guess I would say the second at the calendar, but the second in the season. **Mr. Warren** said right. I don't think we're going to lose a date; however, I think if at any point it happened, at some unforeseeable point down the road, it would not be the fall date. Again, because it's traditionally the date that we've had. So, as we've moved dates around the country, it has tended to be that you keep the date you have the most what we call date equity with, but I don't think it's likelihood in any event, but the one that was added was in the spring. I agree with you that we should have a playoff race.

Commissioner Stites said great. Overall NASCAR wide, has the attendance in the last—or we can just say 10 years, has it been on the rise or decrease? **Mr. Warren** said it was falling prior to the pandemic and it's been increasing since the pandemic and so we're growing right now. **Commissioner Stites** said have we recovered pre-pandemic numbers? **Mr. Warren** said we're ahead of where we were before the pandemic, yes, in terms of attendance. **Commissioner Stites** said would that be Kansas? **Mr. Warren** said that's based on the information that I see, which is primarily for Kansas, but also for other NASCAR-owned tracks. Since we're privately held, we don't release the attendance figures, but we are growing and I can't speak to our competitor Speedway Motorsports, which owns tracks in other markets.

Chairman Burroughs said any other questions? Thank you Mr. Warren. If I may, the expediency of doing this this evening, I think I asked that earlier and maybe I just don't recall if we answered the question, but the expediency to get that done this evening? **Mr. Warren** said it's the release of the 2024 NASCAR schedule. **Chairman Burroughs** said when do you plan on releasing that? **Mr. Warren** said we haven't announced a date, but it is very soon potentially prior to the next meeting of this body. **Chairman Burroughs** said if we chose not to take action this evening and blue sheet this to the full commission and it was not to go forward, what impact would that have on the decision this evening—on your position this evening on the agreement? **Mr. Warren** said I'm not sure. I'm honestly not sure if we would come back in a few weeks or after that. I'm just not sure what we would do. **Chairman Burroughs** said would there be a chance that we could lose a race if we took no action? **Mr. Warren** said I don't think there's any greater chance than there is today. I can tell you that it would be very disappointing if after all the things that we've

done over the years that we reached a point where there was some lack of trust about what we were going to do, which I think is how it might be interpreted in some circles.

Chairman Burroughs said understood and I guess that's kind of reflective of the expediency of having this tonight when we've had all year to look at it, so I guess it depends on which optics you're looking through. **Mr. Warren** said that's completely fair. This process for me started about two weeks ago. **Chairman Burroughs** said I appreciate it. Thank you. I don't have any other questions.

Commissioner McKiernan said as I read the request for action here, the request is for this Standing Committee to approve and then it would be added as a blue sheet item to our 7:00 p.m. meeting. Is that correct? **Chairman Burroughs** said correct. **Commissioner McKiernan** said it is, okay. So, we've got to prepare a blue sheet. So the request is for this committee to approve and then fast track to tonight's full commission meeting.

Commissioner Stites said just to go back and follow up on what Commissioner Burroughs said, so if no action was taken, and I understand what you say that it would be disappointing and all, but then you said that you don't know if you would come back. **Mr. Warren** said I just don't—we haven't had conversations about what we'll do if our request is not approved tonight, so I can't speak to that. I just don't know. I'm not trying to say any ominous, I just honestly don't know and I can't—it won't be a decision that I make.

Mr. Haley said let me just add, you know, I'm listening to some of the dialogue here, so I mean I've done the full disclosure. I don't know how often—it says excellency is addressed to this coming up so quickly and I have to trust that the Commission, which I'm not a part, would make some of the more carefully vetted questions as to why. I personally would not support moving it so quickly without having an opportunity to immerse ourselves in a better understanding. That though is not my role here, minimal though it is, but I am glad to hear some initial questions from those who will take this forward. I just don't understand why if you knew a couple of weeks ago and why now it has to go tonight or it may or may not be something of a benefit. That is something I just have not been able to grasp fully. That having been said, I'm going to go with the majority of the vote, regrettably, I think I vote before some, so I don't know if it's going to be the majority

of the flow, so see what happens. That's not a motion on my part, but to see, Mr. Chair, how it goes, but I just don't understand why there was no clarity or some fuller explanation for rushing it through. **Mr. Warren** said the best explanation I can provide, other than what I've already said, is that our schedule involves national and in some cases international discussions about where dates are going to go. Depending on what happens in those discussions, other options may be necessary. I know that what we're trying to do is create another option if we would want to, to potentially run at Iowa and so I think—and because of the speed at which we're approaching the release of the schedule, that's the only reason for the expediency in this. There's no other explanation other than that.

Commissioner Townsend said, Mr. Warren, I'm actually going to let you off the hook. I'm just wondering if, counsel, my question is worst case scenario, and the language to me seems to be one of these best efforts clause, has there ever been a situation where there has not been a second race and if so, what would be the Unified Government's position. We're just good with best efforts and we know we may get one, but we'll strive for two under our current and the original contract with the Speedway. **Mr. Conway** said, Commissioner, I wish I could recite the history since the track's been open in 1998, I can't. I don't have the background, but it started with one date and then in 2011 the second date was added and during that whole time this language where it's exercise good faith and commercially reasonable efforts to secure these dates. So, that language has been constant all the way throughout, through one race through when the second race was added.

We were talking before the meeting and I think this is about as strong as NASCAR can be as far as trying to commit to the best efforts to secure the two events. So, in that sense, it's consistent and so we're just trying to capture that.

Commissioner Townsend said I guess I'm just wondering how it is that—you said originally the contract was for one race and then in the mid 2000's, 2011, the second was added best efforts. So, maybe Mr. Warren can help me out on this. Has there ever not been a second race since 2011 here? **Mr. Warren** said no, and what I would say is that the original agreement speaks to our commitment to seek races from NASCAR, which we are now one entity with. We were saying that we will exercise commercially reasonable efforts. The same thing that we've committed to since before we turned a shovel of dirt in western Wyandotte County to get those

races and I guess I would just respectfully ask the Commission, or the committee in this case, to look at our track record, no pun intended, but we've done everything we've said we would do. **Commissioner Townsend** said use the word applicable. **Mr. Warren** said we really have. Everything we've promised, we've delivered.

Commissioner Townsend said my last question about this, what makes it difficult I guess there's some difficulty with NASCAR not being able to say yeah, we will definitely have a second race. **Mr. Warren** said it's a number of things, but part of it is that we don't own every facility where we race and we are not in a position to make commitments everywhere we go and we don't make more than an annual commitment anywhere is the best answer I can give you. I'm not the person who sets the schedule, so I apologize, but it's my understanding that we've never committed more than on an annual basis anywhere we are. **Commissioner Townsend** said thank you for that answer. That's the thing that's mind-boggling to me though. It sounds like race locations are being expanded, but the guarantee is to use just best efforts to get two.

Commissioner McKiernan said, Mr. Warren, thank you for being an asset in Wyandotte County. We have appreciated your presence here for all these many years. I'm going to count on the fact that it is in your and our best interest to maximize the number of events at this venue going forward.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to approve as submitted with fast track to tonight's meeting.**

Chairman Burroughs said, gentlemen, I appreciate the motion, but we've got to go to public comment before I recognize the motion. So, any other questions or comments? Legal, does this open this up to—does this weaken our position on the second race. Does this enhance the opportunity we could eventually lose a second race by changing this language? **Angela Lawson, Interim Chief Counsel**, said no. You would be in the same position as before. **Chairman Burroughs** said that was my interpretation. I just wanted to ensure that was made a point of record. Mr. Warren, thank you. I appreciate the time and your straightforwardness answering the questions that the committee provided.

At this time I'll ask the Clerk if there were any comments received from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** said I will recognize any

members of the public who wish to address the committee. Is there any one present that would wish to address the committee? Let the record show no one stepped forward. Is there anyone online? **Ms. Sparks** said we have no hands raised.

Chairman Burroughs said, gentlemen, I would now recognize the motion and I believe Commissioner McKiernan made the motion, seconded by Davis. Any other questions, comments, concerns before we move forward. The motion is to accept the amendment as written with the inclusion of fast tracking it to tonight's meeting. Clerk, please call roll.

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

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

The meeting was adjourned at 5:35 p.m.

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