Unified Government of Wyandotte County and Kansas City, Kansas

Economic Development & Finance Standing Committee

Fifth Floor Conference Room

701 N. 7th Street Trafficway, Kansas City, KS 66101

Commissioner Tom Burroughs, Chair

Commissioner Gayle Townsend - Commissioner Chuck Stites - Commissioner Bill Burns
Commissioner Phil Lopez - Stevie Wakes, BPU Board Member

AGENDA

Monday, March 3, 2025
5:00 PM

1. Call to Order

2. Roll Call

3. Approval of Minutes from November 13, 2023

4. Committee Agenda

   4.1 **ORDINANCE: APPROVING PARTIAL RELEASE OF MORTGAGE AND REMOVING PROPERTY FROM STAR BOND PROJECT DISTRICT (BUC-EE'S PROJECT)**
   Synopsis: Approval of an ordinance correcting a legal description in the Amended Partial Release of Mortgage and removing certain property from the Star Bond Project District (Prairie-Delaware Redevelopment Project Area A).

   This item is requested to be fast-tracked to the March 6, 2025, Board of Commissioners meeting for final approval.
   Tracking #: 21132

4.2. **RESOLUTION: AUTHORIZE COUNTY ADMINISTRATOR TO CALCULATE CERTAIN NEW REVENUE**

Synopsis: A resolution to authorize the County Administrator to calculate certain new revenue for the purpose of recommending budgetary options to retire existing debt to the Board of Commissioners.

This matter was scheduled before the Board of Commissioners on January 30, 2025, and set over to this standing committee for further discussion.

Tracking #: 2193

4.3. **RESOLUTIONS: REDBUD RESERVE LLC (MARIAN PROJECT) INDUSTRIAL REVENUE BONDS**

Synopsis: There are two items to be addressed:

1. Setting the Public Hearing regarding the proposed issuance of bonds for March 27, 2025.
2. Adoption of a resolution of intent to issue Industrial Revenue Bonds in the amount of $52,000,000 and approve the Performance Agreement for Redbud Reserve LLC located at 6909 State Avenue (Marian Project).

Tracking #: 21134

5. Public Agenda

6. Adjourn

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ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, November 13, 2023

The meeting of the Economic Development and Finance Standing Committee was held on Monday, November 13, 2023, at 5:02 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Stites, McKiernan, BPU Board Member Haley, and Commissioner Bynum was present on behalf of Commissioner Townsend. Commissioner Townsend was absent. The following officials were also in attendance: Bridgette Cobbins, Assistant County Administrator; Wendy Green, Deputy Chief Counsel; 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 said I do have one clarification. We do have six members here this evening instead of our five. There was a little bit of confusion. Commissioner Bynum will be sitting in for Commissioner Townsend this evening. Mr. Johnson has joined us to talk about the ordinance we will here, so Commissioner Johnson, welcome to the committee.

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

Chairman Burroughs asked if there were any revisions to tonight's agenda. **Monica L. Sparks, Deputy UG Clerk,** said we have one revision to the agenda. We have added Item No. 4, under the Committee Agenda for the Community Benefits Fund.

Chairman Burroughs said we do have another item that was added. We do have the first item up this evening. Normally, the approval of minutes, but there are no minutes for us to approve this month.

COMMITTEE AGENDA

Item No. 1 – 212841…RESOLUTION: ISSUANCE OF INDUSTRIAL REVENUE BONDS AND TO ADOPT PERFORMANCE AGREEMENT (CARNATION PARTNERS, LLC)

Synopsis: Adopt a resolution of intent to issue industrial revenue bonds in the amount not to exceed $11,500.000 to finance costs of acquiring, constructing, improving, and equipping a manufacturing facility for the benefit of Carnation Partners LLC, and to adopt a performance agreement submitted by Jeff Conway, Assistant Counsel.

Kevin Wempe, Gilmore & Bell, representing Bond Counsel for the UG, said tonight we also have a developer/representatives here who can provide some more detail about the projects. Before that, I'll give you the usual minute or two intro about the request and then turn it over to them for the exciting details they have about their proposal. This item is in response to an application submitted by the applicant for the issuance of Industrial Revenue Bonds to finance an approximately 57,000 sq. ft. manufacturing facility at 4500 Dover. Like a lot of the applications you receive for IRBs, the request is for both sales tax exemption on construction materials and property tax abatement for a maximum term of 10 years at 55% abatement and there is a PILOT schedule included in your materials that's intended to represent that 55% abatement. This is a buy your own Bond deal meaning the developer here would purchase its own bond meaning there's no UG liability for repayment of those bonds and there's no credit exposure to the UG. So, like you're used to seeing, it's simply a vehicle for granting the requested incentives.

In the performance agreement that's approved under these items, there's the typical clawbacks and requirements including LMW performance penalty for that would be doubling the annual escalator of the PILOT payments from 2% to 4%. There's also performance measures about commencing construction before July of next year and completing construction before the end of 2025. With your approval tonight, this would be forwarded on to the November 30th commission meeting for public hearing and consideration of the resolution and performance agreement. With that, I'll pause for any questions you might have or otherwise pitch it over to Mr. Peterson and his team.

Chairman Burroughs said any questions from the Commission. Any comments or concerns? Seeing none. These bonds are not dependent on the Unified Government's statement of financial being. This is a practice that we normally do—they're not General Obligation Bonds. Questions from the Commission.

Commissioner Stites said when you said the escalator was going to be doubled from 2% to 4%, are we going to talk a little bit more about that, what that exactly means for the general public to be aware of what, why, and what that means? **Mr. Wempe** said the Payment in Lieu of Tax and tax schedule that's included in your materials is, again, representative of a 55% abatement and so there's been comparable properties used to generate that schedule and arrive at a year one tax payment. From there we apply a 2% escalator to that year one payment, years 2 through 10 to increase that Payment in Lieu of Tax during that tax abatement term. Should they fail on the LMW requirements, instead of 2% their Payment in Lieu of Tax schedule would increase 4% annually. Does that cover it, Commissioner? **Commissioner Stites** said it would increase 4% if they don't meet the goals, and that would be on top of the 4% built-in escalator already for the PILOT. **Mr. Wempe** said should they meet those goals, it'd be 2% each year compounding, correct. If they'd fail, it'd be 4%. **Commissioner Stites** said got it.

BPU Board Member Haley said, Chairman, just to be clear I'm looking at the schematic. That ground is currently vacant where you're developing. Is that correct? Is that what I'm seeing on the map? There's no improvements or structure there now. **Mr. Wempe** said that's correct. It's vacant ground that the developer proposes to redevelop. **BPU Board Member Haley** said it's generating the minimums taxes already then. I guess probably the line item for what it's generating in taxes. **Mr. Wempe** said that's correct and in fact Mr. Kindle and WYEDC did the background on this and showed that the current base taxes for the vacant land is a little over $7,000 a year and that's compared to the first year PILOT at 55% of abatement is proposed to be in excess—close to $72,000 a year.

Chairman Burroughs said I think part of the confusion is this word PILOT. The Commission has had numerous discussions. It's not the same as the PILOT for the BPU, although, it is a Payment in Lieu of Tax and I do believe there's going to be some discussion about it later on this evening, but I'm glad you talked about the escalation from the zero tax base to the $72,000. I think some of the concern might be where we start, where that base starts, and where it's ending in ten years. I know that'll be a discussion for another point. I'm pleased to see that commissioners are interested in that. Are there any other questions or comments from the commission, members of the committee? Seeing none, I'll ask the Clerk if there are any comments received from the public. **Monica L. Sparks, Deputy UG Clerk,** said no comments were received. **Chairman Burroughs** asked is there anybody in the audience that would care to speak to this issue. You have three minutes and please make your comments and introduce yourself.

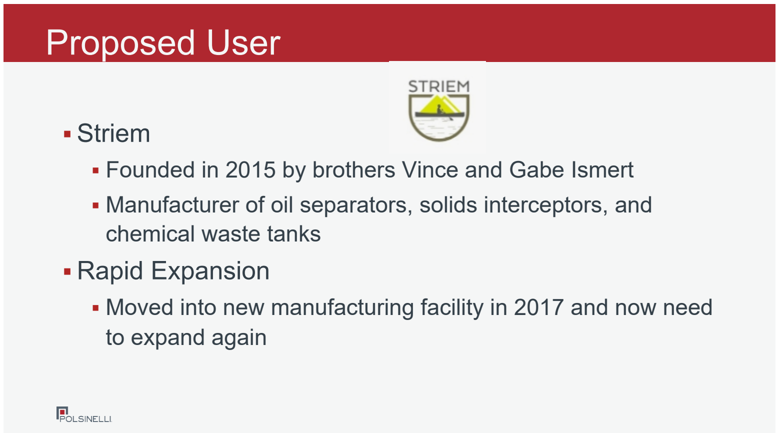
Greg Kindle, President of the Wyandotte Economic Development Council, said I don't plan to take a ton of time other than to say that we support this project wholeheartedly. The Ismert family isn't just a family that's just sort of fly by night. If you know the Ismert's, you know that they have been in Wyandotte County for many years. They used to be at Schier Products in Edwardsville until they grew out of their space and more recently expanded into Fairfax Industrial Park leasing space since 2017. Now we're seeing them transition from an existing company doing business here in Wyandotte County to actually building a new facility. This location that they selected at 4500 Dover is a space that, frankly, has been more recently sort of found. If you're familiar with the area at Metropolitan and I-635, you know this space was sort of carved out of what we always referred to as the Ridge Business Park, the Melrose Business Park to some, and that area had largely not been developed for some time. We've recently seen this land come into play. It was zoned appropriately. These folks, the Ismert's have come along with their company. They're just doing a phenomenal job and they were specifically looking for locations in Wyandotte

County that had a lot of green space, had a lot of trees, still good access to the highway. We were excited when we were able to help them identify this location and put this proposal in front of you. Just to denote it, as Kevin noted, the taxes on that site today it's about 15, 16 acres, generates about $7,200 a year. If you did that over 10 years, if nothing ever happened, we'd make about $72,000 in taxes over that 10 years as it stands today.

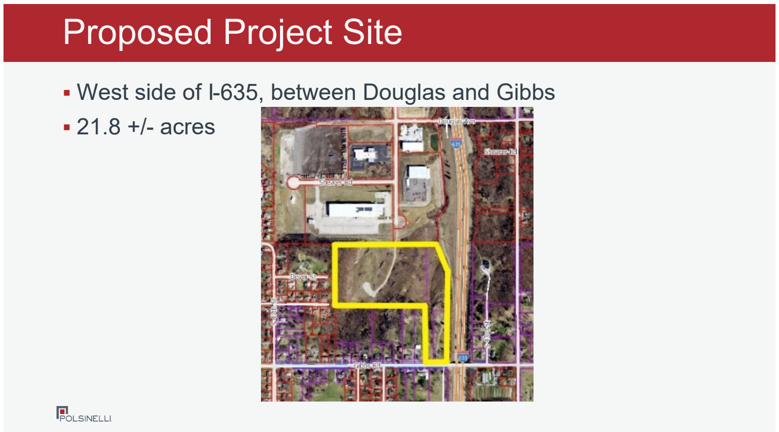
As you see from the PILOT schedule, they're going to generate $786,000 over that same 10-year period under this proposal during abatement and then, of course, when it burns off, they're there for hopefully the next 30 or 40 years and that's what we're really after here, but this is an expansion project, a company that we're trying to retain and grow here in the county. I think this is the kind of story that we're excited about where they're hiring new employees, they pay well, and frankly, they're just good people and so we encourage you all to support this, we appreciate them and what they're trying to do here in Wyandotte County and hope for many more projects from the Ismert family.

Craig Gaffney, 15457 Lake Point Dr., Bonner Springs, KS, said so many of you commissioners know I've been in banking for a long time. The three seats of creditor, character, capacity and collateral. The Ismert family has great character and that's an important thing to me as far as it is a family company like this. I work for a family-own bank and if they want to do something special for the community and this I appreciate your opportunity to come before you this evening.

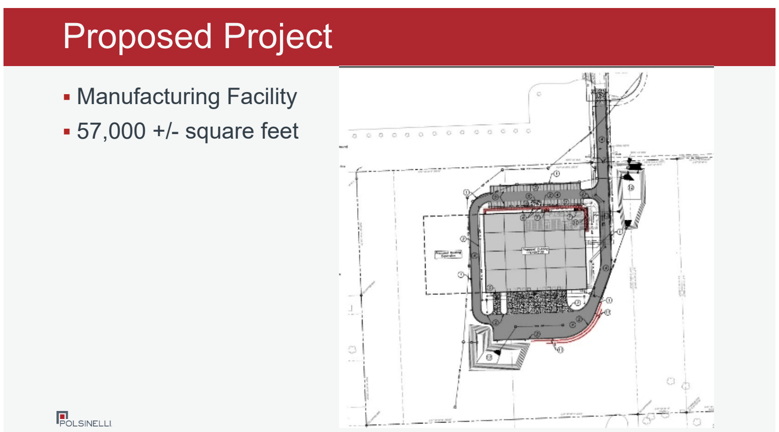
Commissioner Stites said I didn't know if we were going to have others from the presentation speak prior to questioning. **Chairman Burroughs** said I think we were waiting on questions from us and you two wanted. **Curt Petersen, Polsinelli,** said, Chair, we do really short because we've been working on this for months if you don't mind just a couple of minutes if that's okay with the Chair.



I will admit that I'm a WYDEC Chair Member and not of any other EDC, but I get asked to be involved with looking at sites all over Kansas and Missouri. I do, and these folks which we didn't do proper productions we're kind of out of order, but it's fine. We can get there. You have two brothers that have done this amazing business called Stream based in Kansas City, Kansas. You have Vince Ismert right next to me and you have his brother Dave Ismert back in the second row right there. You just heard the three C's and everything is great and it's all true so I'm thrilled to be with them. This was not a foregone conclusion that these brothers were going to take this expanding thriving KCK company that needed more space, needed another facility, needed new equipment ready to grow that they're going to stay here. I know that because I was hired to look at a lot of different places for him, but you know who stepped in and they have to get credit here. Greg Kindle, and he would tell you his team, stepped in and the state of Kansas. We have some of the state programs that are all about creating quality jobs, good paying jobs like the Ismert's offer their employees. This is a big deal. This is a victory for Wyandotte County. It may seem like kind of small, it's just an IRB coming through. This is a collaborative effort that's taken months to find a site, to find the economics that works. There's a tough, boring, but there's a tough sight sort of situation that Greg sort of went as a go-between with Public Works. It's subject to this process and going to full commission at the end of the month. They all made it happen, and this body and this government is making a KCK growing company stay here. I get excited about it. I won't go into the details that Kevin did already with the PILOT schedule and the sales tax exemption. I will put on the screen for anybody that's watching on TV.



This is the site. Kevin showed it a minute ago. When you're going on I-635 north towards I-70 it's on your left as you're going down the hill just south of that Casey brick sort of building and sign you can see there.



Lastly, I don't think we had a good image, but this gives you a sense of the site plan and yeah, it's undeveloped as the dialogue described. It's dirt, it's not producing much, and this right here after a large multi-million dollar investment is going to keep a lot of jobs here and grow a lot of more jobs. Chairman, thanks for just a few minutes of letting us describe that. I know I speak for the brothers here. It's a big deal. We're really excited about the project.

Chairman Burroughs said other comments, questions committee?

Commissioner Stites said will this create any new jobs from you leaving Edwardsville and expanding. Can anybody answer that? **Mr. Petersen** said we could talk about our state application because we had to really line that out over a five-year period.

Vince Ismert said the plan is to create a minimum of 10 jobs over the next two years, but one of the reasons we're looking at a new facility is because of space constraints in our existing facilities. We're actually getting to a point where it's getting challenging to accommodate existing employees at our existing facility. That's why we're excited to build a building. **Commissioner Stites** asked how many employees do you currently have. **Mr. Ismert** said we have 36. **Commissioner Stites** said so from 36 to 47. **Mr. Ismert** said over the next couple of years. **Commissioner Stites** said not only are we talking about the creation of new jobs, but job retention here in Wyandotte County. One of the things that I'm glad to hear is that we're also talking about the LMW goals, Local Minority and Women contractors. We talk about that pretty regular, and I want to make sure that we, and I'm sure that you will and there are penalties if you don't, but I want to make sure that we are staying true to those and using those.

Commissioner Davis said 55% tax abatement so that puts, if my math serves me correctly, 45% of market rate property taxes that are paid, is that correct? **Mr. Petersen** said right. **Commissioner Davis** asked do you have an estimate of what those numbers will be after 10 years, not after 10 years, but on a year-to-year basis and I know the housing market and real estate's very unpredictable, but just wanted to give the public an idea of what we're looking at in addition to the PILOT payments that have been mentioned. **Mr. Petersen** said the one number, and Mr. Wempe can help me, but going from this are some materials that WYDEC, Mr. Kendall's office, put together, but over 10 years we can work back from here. Over 10 years with the $8M. All that would be paid would be the $856,000 so we could, if you do it roughly even though there's inflation built into that divided by 10, you'd be talking about $85-$86,000 a year, we could get more granular. **Commissioner Davis** said but in addition to the PILOT payments, correct? **Mr. Petersen** said that's actually the whole amount that would be paid out as compared to just for the baseline, again, what was $7,000? We start with $7,000 taxes today, a little crude measurement there like I said, the total divided by 10 would be about $85,000 per year for 10 years, and then after that anybody that's really good at math could say in year 11, if that payment is 45% of that x. This is like my eighth grader right now, Algebra at home every night, 45% of x equals the $85,000 so then you solve for x and it's going to be a nice tax number after.

Mr. Wempe said, Commissioner, again I'm referring to the WYDEC materials that were presented and estimated annual taxes after that Payment in Lieu of Tax schedule. So, year 11 we always talk about is a little over $183,000.

Again, we're projecting 11 years into the future subject to appraisals and market and that type of thing, but that's today's number. **Commissioner Davis** said I'm glad to see a couple of things. I know the Mayor has been pushing this. Our County Administrator has been pushing this. How are we responsible when we divvy out incentives and that percentage is lowering where we are seeing projects that aren't 100% abatement, per se, and even for those that are abated we still are seeing these PILOT payments that go into the General Fund. I'm happy to see that.

Chairman Burroughs asked for any other questions or comments. This is an actionable item. I'll entertain a motion.

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

Item No. 2 – 212842…RESOLUTION: APPROVING AND AUTHORIZING THE MAYOR/CEO TO EXECUTE A SECOND AMENDMENT TO THE PERFORMANCE AGREEMENT (CRITERION DEVELOPMENT PARTNERS)

Synopsis: Adopt a resolution approving and authorizing the Mayor/CEO to execute a second amendment to the performance agreement with CPC Land Acquisition Company, LLC, submitted by Jeff Conway, Assistant Counsel.

Kevin Wempe, Gilmore & Bell representing Bond Counsel for the UG, said this is for as you stated a Second Amendment of the performance agreement. I'm sure this group recalls this past summer we were here or the First Amendment that provided an extension of performance matrix to get under construction on this facility and I'll back up and get to that, but to the end of this year and the applicant is now back for you asking for extension out to the end of next year. So, to work backwards from there this is, again, for CPC land acquisition and their multi-family rental project in the vicinity of the Speedway. It is an IRB transaction. Again, I'll give you the quick overview, but again this is a buy your own bond deal for the purposes of sales tax exemption on construction materials and property tax abatement approved by the Commission last year.

Again, now at the Second Amendment after extending out that construction commencement date—at this point I'll probably flip it to Curt to describe the challenges they're seeing and the reasons for the request.

Curt Petersen, Polsinelli Law Firm, said this committee did spend a lot of time on this in the full commission, a lot of time on it. It was and is still a new product for Wyandotte County and frankly, the state of Kansas. We still haven't seen this single-family rental concept from the East and West Coast proliferate yet here, but it's coming. There are a lot of pending projects in the pipeline around the community. This is, again, 232 cottage-style single-family homes and duplexes. They are just north of the Speedway, west of 110^{th}. I think what I want to emphasize, this isn't the first time or the last time in the current climate that you're going to see someone like Criterion telling you what's going on in the market because you already know it. By the way, I'd be remiss, this is important enough criterion that Kelsey Riddick, one of the project leads, flew in from Dallas just for this meeting and has been sitting behind me. I wanted you to recognize that this is really important to them and so she's here with us. So, speaking of important and kind of all in, every once in a while you find a developer—hopefully, I've never had to represent, but you find a developer that's all talk and says I promise I want to do this and shows you pretty pictures and doesn't do anything.

I want to briefly tell you what's happened with this group, Criterion. They have gone through the entire entitlement process which is zoning, preliminary plan, and final plan. A lot of guys stop after the preliminary plan, I don't know if this is going to work. All their final plan, but then I'm going to double down, oh sorry, the IRBs which are absolutely critical which is what we're here to talk about, but here's the big one. You all have seen when you do a project like you know 70 plus million-dollar project, you have seen the role of construction drawings. They work on them usually for roughly six months straight and cost hundreds and hundreds and hundreds of thousands of dollars and they're about that thick when you get to call 100% drawings. They went through all of that and have submitted that for permitting to the UG. Why, they're doing this project. Never would you spend that kind of money if you didn't think you're building this project, you're going to do this. Now, they had to get an extension from Mr. Allison, who many of you know who owns—the Allison family owns this property until the end of this coming year to closing that land. Wow, that's a long time, well the reality of the market right now, pretty severe. Our banking clients—I don't want to be—I'm a big-time optimist, but I'm going to tell you our banking clients are laying off agents and things like that. We're going to have a probably a pretty tough year. Construction loans for 70-plus million-dollar projects for a product that's never been built in the Kansas City area are not happening, but the reason I went through that isn't to waste your time, it's because when we say, folks, we would really like your support to the full commission for up to a one-year extension on our requirement to start construction. You have to—your construction not supposed to be starting construction at the end of this year.

We'd like you to go ahead and give us the opportunity to push that out one year and then corresponding there's a completion just the same thing, one year on that. I promise you—I'm just being real, these folks that have spent all this money and time that are committed that we will start construction by the end of next year. I'm saying it right now, I'm not positive, I don't want to ask for any more than that because the moment—they're out money, they're losing money by having spent money and doing nothing they want to start. I hope I will never see you in this context again. I could and it'll be up to you in a year from now, but I hope we get this. I hope that market's not going to be as bad as people are prognosticating. I hope we're under construction next year, but for now, Chairman, members of the committee, you have a committed group, a very committed group that wants to do this project, we just need a little more time. We'd like to ask for your help with that.

Mr. Wempe said just to cap off, Chairman, commissioners, again, in case it wasn't clear this is just preserving the existing deal and providing more runway, no other substantive changes to the deal, but instead preserving the deal to provide the developer the extended amount of time to get underway.

Chairman Burroughs said questions from the committee. Mr. Petersen, there is a development kind of like this in Kansas out in Lawrence just 7 Highway and Clinton Blvd. They're all brick one and two and three-bedroom homes. They're not attached, they're individual and then they go into duplexes and then they go into four and eight plexes. The community is all brick, and it has its own clubhouse and its own pool. So, there is one out in Lawrence that I went and visited. It's really a nice concept. You wouldn't know that it's all rental units. That's exactly what they are, all rental units, but I appreciate any other comments committee. Seeing none, I would ask the Clerk if there are any comments received from the public. **Monica L. Spaks, Deputy UG Clerk**, said no comments were received. **Chairman Burroughs** said I'll recognize any members of the public who wish to address the committee.

Shirley Carter Ikerd, 804 S. 89th St., KCK, 66112, said I am not happy in here tonight. I have been here at many of these meetings and these same people. I keep saying how can you come to us and not have any Blacks on your big company, and you have not hired any yet in your big company? You cannot tell me that you're so interested in Wyandotte County, and you see what happens in Wyandotte County to jobs all the time that Black people do not get. You're going to sit here and talk about all this big money and make it sound good, but you have nobody working for you in color. I don't like it and nobody cares that I don't like it and that's okay. I'm satisfied with that, but we need to start looking at who we say, it's okay to do this. I've been to that complex a couple of times in Lawrence because I have some relatives that live close to there and it's wonderful. It is, but we may not even get this one finished in Wyandotte County. Look at all the stuff that's tore up out at the Legends from 91st Street going west and we have a whole lot of stuff out there that's not finished. We need to look at the companies that come in here to offer us all just be a little more scrutinized. I would like that. My commissioner is not here tonight, but thank you.

Chairman Burroughs asked anyone who care to speak to the project. No one else stepped forward.

Chairman Burroughs asked is there anybody online. **Ms. Sparks** said no hands are raised.

Chairman Burroughs said no other questions or comments, this is an actionable item.

Commissioner Stites said I supported this project when it was presented originally and I still support it. I do like the project out in Lawrence and I think that this is a component of housing that we don't currently have in Wyandotte County. I think it's very much needed. I'll be glad to vote in favor of this extension. I don't know if it's appropriate to add, but when I mentioned the LMW goals in the previous resolution, that was Local Minority and Women, and I would think that we need to—I would like to know if we could get an update on projects. I don't know that we've ever got one in the past that says where they're at on those goals. We sat in here and we vote and we approve them, but I don't know that we ever hear back. Maybe there's a penalty, maybe there's a fine, maybe they meet them, and we never hear that. I would like to know because then we could track back and we can identify those people that are coming in and promising the world and that they're going to meet these goals or not. I would like to see how we can move forward with getting an update on certain projects. I don't want to make it so labor intense, but I think we could do this at least once a quarter on major projects that have these goals. Ms. Ikerd, I believe I'm your commissioner.

Chairman Burroughs said, Commissioner Stites, I think we had discussed that at the last meeting that we were going to put some claws into the requirement to follow up to make sure that those numbers are being met that will be the clawback. I believe we're going to have some of that discussion later on as we move forward to ensure 1) they're meeting that criteria and 2) that we even maybe demand a listing of those businesses so when developers come in we can have the list readily available. They don't have to go out and look for them. They are already presented in our community and have a certificate and/or license to do business within Wyandotte County. I think that would expedite the process tremendously.

BPU Board Member Haley said I don't want to go too far with this because we certainly want to move with the actions here, but I thought there already was some accountability. It's probably for staff—I mean for the County Administrator's Office. Don't you already maintain that log of goals that have been set for different projects? Don't you already have that? Isn't that already being done? Well, maybe I mean that's probably a better question we proceed to that when we already have that accountability for…**Chairman Burroughs** said that'd be up to counsel. I don't do it on a daily basis. I don't direct the workforce. **BPU Board Member Haley** said no. I'm sorry as I suggest and I didn't want to spend too much time on this query, Chairman, but I imagine that someone probably within is maintaining a log of what goals have been met, not just in terms of MBW, but other provisions that are contracted. **Chairman Burroughs** said I can speak on the state side. I know they have ways—we just seen one settled with Cerner. Counsel, do you care to respond to Mr. Haley's question? **Wendy Green, Deputy Chief Counsel,** said I think between both the Purchasing Department Contract Compliance and Finance it is definitely kept up and maintained with so if that's something that you would want brought back before the standing committee, just let me know and I can get with those departments and we can see if we can have—maybe see if Debbie Jonscher or somebody can bring a report back.

Commissioner Davis said I would just say I've had this—I think we've all been having this conversation kind of for the past like three months now about getting this final report. It is my understanding, and staff please correct me, because our current local law pertaining to mandating minority business—minority women in locally owned enterprises for incentives since that has expired, we're currently in the process of doing a study to see if the percentages are correct. Because right now, if I'm not mistaken, it's 12% local, 6% minority, and 4% women. Those numbers, I would hope, would go up given the increase of diversity of businesses in the metro area. So, yes I do believe we need a report on performance right after you have signed the development agreement have you done what you've said that you are going to do, but for future developments, we do need to have that study done before we can do more.

Chairman Burroughs said any other questions.

Commissioner Stites said I totally agree on that, and I still would like to see a report. I agree with Commissioner Davis. I would like to see those numbers actually increase that we support our local, we support the minority, and we support women-owned businesses more. The list that a developer could come in and sit down and look at and go these meet that criteria, that should be readily available that they have it in their hands when they sign up to get their permit that way they know who they can call on to meet those goals.

Chairman Burroughs said as I stated this is an actionable item.

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

Item No. 3 - 212843…ORDINANCE: AUTHORIZING THE REMOVAL OF PROPERTY FROM PROJECT AREA A IN THE KANSAS SPEEDWAY REDEVELOPMENT DISTRICT

Synopsis: Adopt an ordinance authorizing the removal of property from Project Area A in the Kanas Speedway Redevelopment District for the purpose of other development, submitted by Jeff Conway, Assistant Counsel.

Kevin Wempe, Gilmore & Bell, Bond Counsel representing the UG, said this item relates to the Speedway. I apologize that the slides illustrating the site didn't make it, but the broad map you have in front of you depicts everything you need. The request is to remove that highlighted lot south of the Speedway from the existing STAR Bond District at the Speedway. Mr. Warren is here to discuss. There's a target interested in developing about 22 acres, if I remember right, and they've requested to be removed from the STAR Bond District.

Procedurally, this might look familiar because we ran this play about three years ago for the Urban Outfitters site to remove them from the STAR Bond District to provide them their stand-alone incentives separate from the STAR Bonds.

If you'll spare me about one minute to give the history lesson. It won't be a surprise to any of you, but in 1999 you'll recall there were two series of STAR Bonds issued to support the initial construction of the Speedway and I'll broadly refer to them as that. There was a taxable series of bonds meaning they were federally taxable, the interest income was. Those are supported by payments made by Speedway to support debt service, as well as a mortgage on the property including the subject site. There's also a bond insurer who backstops principal and interest payments on that series.

There's also a tax-exempt series that is probably more traditionally aligned with what you think of as STAR Bonds and supported by revenues generated within the district. Additionally, there was a 2014 issue that refinanced or refunded for interest cost savings on those tax-exempt bonds. There are the two tranches of bonds I'll refer to, taxable and tax-exempt.

There's really two components to considering this and one is under state law you have the power to remove this property from the district. In fact, you do and also any effects on outstanding bondholders. Those 99 and 2014 bondholders have several more years before they expire or mature in 2027. On top of that state law and bondholder aspects there's also the mortgage I mentioned that secures repayment of the taxable series of bonds. Again, that covers this subject area and that's part of the request is releasing this property from the mortgage that secures those bonds.

Going back to the two series of bonds I mentioned, the taxable bonds of a bond insurer who speaks on behalf of the bondholder pursuant to those Bond documents. We understand conversations are long underway and the bond insurer is considering and will, in fact, agree to release the site from the mortgage that secures those taxable bonds and that's one approval that we need. To be clear any approval by the UG would be contingent on the bond insurer providing that release. That's again an aspect to this and then a second consideration of those tax-exempt bonds that are secured by revenues produced within the district.

The site that's being requested to be removed is of course vacant ground, it doesn't produce any revenues currently. The difference to the UG would be if it remains in the STAR Bond District, any activity on the site would be collected to repay those tax-exempt STAR Bonds versus if it was released. The activity on the site sales tax would be collected in the ordinary course and go to UG's General Fund. To sort of summarize the interested parties here. **Chairman Burroughs** said could we turn up the volume just a little bit. It is very difficult to hear over here. **Mr. Wempe** turned his volume up. **Chairman Burroughs** said we have a vent right here that runs all the time. Thanks for speaking up.

Mr. Wempe said I'll sort of summarize the interested parties and sort of the aspects of the request here, but again, Speedway, as a property owner, is requesting to be released because along with the STAR Bonds come the duty to report and provide those reports to the state and bond trustee, that sort of encumbers the site if it would remain in the STAR Bond District. I mentioned there's a bond insurer who speaks on behalf of the taxable series of bonds that are outstanding, and my understanding have agreed to release the property from the mortgage and to project their position they believe they over-securitized because those private payments made by Speedway make bondholders whole and pay the principal and interest.

Part of the going to the tax-exempt series of bonds that I said are secured by activities within the district, is one of the parts of the due diligence to evaluate the request and present to you all. We checked with the Bond Trustee who administers the accounts and the revenues and debt service payments made to those bondholders and actually found out at the end of last week there's enough cash on hand to make bondholders whole through the term of the bonds. So, just to show the performance, the interest those bondholders might have here and so given all that from the UG's perspective, given that the bond insurer is going to release the mortgage and agree to this release and given that those funds are on hand for those tax-exempt bondholders. Again, the difference to the UG would be if we choose to release the site, those sales tax revenues would accrue to the UG rather than be collected or trapped by the STAR Bond District. I know that was a lot. I will stop there and be happy to turn it over to Mr. Warren for a moment or if you'd prefer to handle questions at the end or now, up to you Mr. Chair.

Pat Warren, President of Kansas Speedway, said I don't really have a formal presentation. You've got a map that I prepared. I apologize we don't have it as an overhead, but we're looking to sell it's 22.5 or 23 acres that's due east of our offices adjacent to I-70 and that's what this request is pertaining to.

Chairman Burroughs said questions, committee?

Chairman Burroughs said, Mr. Warren, was this property any of the property that was taken in eminent domain? **Mr. Warren** said that was before my time, but I don't believe so. I can tell you my sister's property wasn't taken by eminent domain, but was bought by my predecessor Jeff Berger. She was in one of the subdivisions, the only subdivision that sat on the property. **Chairman Burroughs** said I had family too that was displaced in reference to that, but I do know that there's been a tremendous amount of discussion. I think it was Kilo vs. Etiquette that talked about eminent domain property going into the private developer's hands and then not being developed for a common good. If this project hasn't been developed and this is eminent domain property, I just want to make sure that we are clear and not being held liable and find ourselves having to defend action that we are a party to. That's my only concern and Mr. Wempe maybe you're aware of that or not, I don't know, but I know that there is a tremendous amount of property around here in spots that was taken by eminent domain and to put it back on the private market for developers is concerning to some.

I just want to ensure that whatever we choose to do that we don't find ourselves in the press for the wrong reasons. It's not that I'm opposed to the project that we've taken public ground and put it in the hands of a developer as a project and now that ground is set producing nothing. It does have value so I'm surprised it's not paying property tax. Did I hear you say it wasn't paying property tax? **Mr. Wempe** said my reference was to sales tax collected on the site because that's what actually secures repayment of the bond so there's no sales tax collected because it's vacant ground. **Chairman Burroughs** said but it is considered part of the 30-year tax abatement that the Speedway received. **Mr. Wempe** said correct, it's part of the overall site.

Chairman Burroughs said we didn't get a hotel from the casino, but we did get a commitment that there would be revenue paid in light of the casino which has brought up a lot of sore subjects in the Legislature. I have no other comments or concerns. I've wanted to be transparent and let the public know that this site is or isn't—I don't have the formal layout from when it was initially established, but I do know that if we're going to be selling off-ground, the ground has more value now than what we paid for those that got eminent domain because the property value is succeeded what the market rate was back then tremendously. I'm not opposed to businesses making money, but I am opposed to—I do raise the question that we would take property from the public and eminent domain and turn it over to a private developer and then that land be sold at an egregious amount of money later and turned into another project when it wasn't slated to be such. I have a tendency to believe that this isn't the only project we're going to see having seen Urban Outfitters and now we see some more parcels being pulled off of the ground. That's just my comments, Mr. Warren. I just wanted to be transparent with you in reference to that having been the person that carried the STAR Bonds Legislation for the Kansas Motor Speedway. I'm very familiar with this and I just want to ensure that our community is not in any way shape or form held liable or part to a party that if something should come forward in question to this property.

BPU Board Member Haley said I kind of want to reiterate that you, as a member, as I was of the Legislature at the time, that was such a great debate. We don't have a map of where those areas were because—Commissioner Burroughs and I were both party. I can still hear the plaintive concerns from those who were losing their property through eminent domain and even though its been 25 or so years ago and to have an unjust enrichment by flipping the property even now to the benefit because I think we wanted to have a clause in there at some point that whatever the future value would be. I remember there was some discussion as to how we would do that. **Chairman Burroughs** said Mr. Haley would you pull your microphone a little closer, please. **BPU Board Member Haley** said there's a clear map that's available. Again, I don't know where that is. I mean that's in terms of what properties were seated and which ways they were. I don't know where that is today, but there was one that was made. We clearly had it drawn as to where that was, but I tend to agree with the comments that you made Chairman Burroughs. There is a map somewhere that shows where the properties that were seated through eminent domain. I don't know where that is at this point, but it's out here somewhere. Thank you.

Commissioner Bynum said I just have general questions. The first one is and we may not know the answer tonight, but I would like the answer. My recall is that the Speedway began racing in about the year 2000. I would like to know from staff or Mr. Warren what year will the Kansas Speedway go fully on the tax rolls. You may not know that tonight, but I'd like to know. I feel like we're creeping very close to the end of the 30-year abatement. This map with the red boundary this is the map of the Speedway Redevelopment Area, is that right? **Mr. Warren** said that's correct. I apologize because I gave away my last copy, but I don't know how it's drawn around Urban Outfitters. It shows the casino parcel that was withdrawn as well as the Urban parcel that was withdrawn.

Commissioner Bynum said the casino and Urban are out of the district. Is this the remaining with the red line around it entirely encompassed in the city of Kansas City, Kansas? **Mr. Warren** said I believe so. I think we're cut up with school districts but not with the city. We border Bonner on the far western edge of our property, but we're not in Bonner. The Bonner Crossing Project was going to go across from Urban. We received all the zoning notices and those kind of things, but none of our property sits in Bonner Springs. I've never been aware of any of our property being in Bonner Springs. **Commissioner Bynum** said that's what I was curious about because up here at State and 118th that corner is Bonner. **Mr. Warren** said the west side, correct? **Commissioner Bynum** said southwest corner is Bonner Springs, but as we come down that road south and it starts to curve back to the east, this red line highlights apparently the Bonner

Springs/KCK boundary is somewhere between the red line and 118th and State which just made me curious. **Mr. Warren** said I think it's to the west of our property line. There's that small group of homes just to the west of our property. I don't know if those are in Bonner, but I think that anything on the other side of the street would be. **Commissioner Bynum** said okay. I would like to know whenever we can find that answer of when will the Speedway roll onto the tax rolls.

Bridgette Cobbins, Assistant County Administrator, said I can answer that for you. I can send an email to you. **Commissioner Bynum** said thank you very much. **Chairman Burroughs** said if I remember correctly, it's 2030. **Mr. Warren** said I don't know. **Chairman Burroughs** said we want to get that verified just to be sure.

Chairman Burroughs asked any other questions or comments. Do we have an idea what the project is. I mean are you under? **Mr. Wempe** said we're under non-disclosure agreement right now so I can't say what it is. **Chairman Burroughs** said okay. **Mr. Wempe** said but, yes, we do know and I would say that it's going to be a very exciting project that I would be stunned if people are not very excited about.

Commissioner Stites said I would think that close to 2030, 2031 in that ballpark Commissioner Bynum would be that payout or the expiration of tax-exempt because our first year of racing was in '01 and 30-year tax abatement. I would think that given the presentation that gives us the idea that collection of sales tax dollars would give us some indication that it's a project that produces sales tax dollars. I would think that would be something that would be beneficial to us. Not knowing what the project is—I mean that was the one reason that was given, I picked up on that. I would think that would be a way that helps move this forward. I am concerned also about the eminent domain map. Wendy's got a comment on that. That's all I really have to say. I'm in support of a project at this location. It has great visibility. It's at the intersection of 110th & I-70. It's my district. I think whatever would go in there that could be a sales tax generator would probably be successful.

Chairman Burroughs said one question. The IRBs that you will be coming forward on the sales tax, that's not the sales tax we're going to be giving up on the IRBs, is it? Do we know? I'm assuming there will be IRBs presented to this committee. I want to make sure that we're talking about sales tax of goods and not sales tax generated unless there's been an IRB issued then no sales taxes are gone. **Mr. Wempe** said, Mr. Chairman, I'm not aware of any request for incentives from the target entity including sales tax exemption. As of today, I don't know of one.

Commissioner McKiernan said even if there were, that would be sales tax on the purchase of construction materials, not sales tax on the delivery and the sale of goods. **Mr. Wempe** said exactly, and good distinction, even if there was an exemption of construction material sales tax. The sales tax I was referring to in the brief intro was ongoing sales taxes that would accrue to the UG's General Fund due to activity on the site rather than going into the STAR Bond fund.

Chairman Burroughs said I appreciate that clarification. If I remember correctly though, just recently we did pass an IRB that paid for furnishings and pictures and stuff like that in a development. I think those are products that will be normally sold that we collect sales tax on, but they were included in an IRB. I remember making those questions as to why we were extending the entire cost of the project including furnishings. I just wanted to ensure that we have everything on the table.

Wendy Green, Deputy Chief Counsel, said I was going to discuss the eminent domain issue. It was a strategic eminent domain in this instance from lessons learned when the dog track and the horse track came in from The Woodlands. The ground was taken over and speculators came in and purchased all of the real estate around the track so that no development could be made around the track so that when the eminent domain occurred and when the lands were purchased for the Speedway to go in, we specifically took way more land than was needed for just the Speedway so that we weren't going to have to run into the same problem with speculators taking the land so that we could not have further development take place. There were specifically no restrictions put on any of the land that was taken. We don't have to worry about anything that would happen with the land after the Speedway went in which is why we could do further developments such as the Legends and such as Urban Outfitters and any of the other developments that have gone into that whole area, the Casino.

Also, that's been such a long time ago now that any action that would take place against real estate, the statute of limitations is already passed. If anybody brought an action, that would be—our first and foremost defense against it would be the statute of limitations issues.

Chairman Burroughs said I appreciate your comments. I just have a little bit different take on having been in that debate and discussion extensively as it was stated by my colleague down at the end of the table. I'm not a lawyer. I just know what we went through as a community, as community leaders, trying to assist in getting the Speedway here and the impact it had on our local community and the families that were displaced. There were two areas in Kansas I think that were brought up. One of them was in Merriam in reference to the development that occurred down there and then the one in the Speedway eminent domain. Then we had a legislative post audit that was conducted in reference to property owners that came out and bought the property and then sold pieces off and so it has to be for public good, as you know, for governmental services for eminent domain and there was some questions if that was being done. What I hope to be able to do here this evening, and, Mr. Warren, please know it's not that I'm opposed to the project. This is a very transparent thing with me in reference to how we move forward here as a community because I do know what we were labeled as and the attacks this community took by the actions that were taken to allow the Speedway to come in as leaders of this community and what we had to put up with and comments and concerns. I think it was Kelo vs. Connecticut. I think that was the main one and then we were the second one mentioned through the Supreme Court actions.

With that any other comments or concerns or questions, seeing none this is an actionable item.

Mr. Wempe said Mr. Chairman, I think I might have stated this, but the request is to fast-track to this week's commission meeting, and I wanted that to be clear and make sure that was part of the item tonight. **Chairman Burroughs** asked why. **Mr. Wempe** said my understanding is the real estate transaction and getting this release, it is obviously a step precedent to them, Speedway closing on their real estate transaction. I do believe the request is to fast-track to Thursday. **Chairman Burroughs** said whoever wants to make the motion can do so. I think there's questions that were asked and we were hoping to get the answers back before the actions were taken. I guess if we have some concerns, we can always pull it off the calendar. If that's part of the motion, somebody will have to make that part of the motion.

Commissioner Stites said, Commissioner Bynum, do questions still need to be answered regarding that running off to satisfy you I guess because I didn't have any additional questions, but I just want to make sure that we're not doing anything that you would like to still see answered. **Commissioner Bynum** said I appreciate that. My question about when the Speedway will fully go on the tax rolls can be answered aside from this action. They don't have to be paired together. **Commissioner Stites** said then also I believe that question regarding the eminent domain question that has been, in my opinion, answered and I'm satisfied with that answer. With that being said, I'll go ahead and make the motion to approve and fast-tack to our meeting which would be this coming Thursday's full commission meeting on November 16^{th}.

Action: Commissioner Stites made a motion, seconded by Commissioner McKiernan, to approve and to fast-track to this Thursday's full commission meeting on 11/16/23.

BPU Board Member Haley said I'm not going to support the motion. This is my only bite at the apple. I'm pretty sure that it'll go through without my support. I would like to have a very clear showing prior to the full commission taking action which will now be the day after tomorrow or next couple of days. I haven't seen it. I'd like to see it. I will be getting with Counsel or with whomever still maintains that map. I remember it was the south side of where the Speedway was going to be, but this guy who built a fireplace with his son who died in the war and that was all he had, he had his house taken and that was where it was going to stop. I'm not trying to be overly nostalgic or sentimental on that, but it's the only bite at the apple I have and I'm sure the Commission will give you what you want on this vote and probably again on Thursday because that's how the Unified Government moves.

Chairman Burroughs said I have a question of Legal if I may. Mr. Haley is a BPU Board Member. If he is not in support of the project and everyone else is, it's not unanimous out of committee, correct? Does his vote carry the same as a commissioner? **Ms. Green** said it does. He's still a member of the standing committee. **Chairman Burroughs** said okay, I just wanted for the committee's knowledge. Thank you. **Ms. Green** said it still takes four affirmative votes. As long as there's still four affirmative votes, it still goes out of the standing committee, it just would not go on the consent agenda. It would just go on the regular agenda. **Chairman Burroughs** said thank you. We have a motion and a second.

Roll call was taken and there were four "Ayes," Davis, Bynum, Stites, McKiernan' and two "nos," Haley and Burroughs.

Item No. 4 – 212855… ORDINANCE/RESOLUTION: COMMUNITY BENEFITS FUND
Synopsis: An Ordinance/Resolution creating a new Community Benefits Fund from moneys received as fees paid by developers who are receiving economic development incentives, submitted by Jeff Conway, Assistant Counsel.

Chairman Burroughs said we'll wait as Commissioner Johnson approaches to help guide us through this. Mr. Conway was I believe going to present. **Wendy Green, Deputy Chief Counsel,** said Commissioners Johnson and Davis can probably do a better job than I can.

Commissioner Johnson said I'll ask, Mr. Chair, if Mayor staff Irene Cadillo is here. Also Greg Kendle and JD Rios are here. Okay, either one or both. Mr. Kendle probably has something to say about that as well. He can come at your pleasure.

Chairman Burroughs said just as long as we have someone that's going to present the material and questions. **Commissioner Johnson** said I'm going to present and then I'm going to hand it off to Commissioner Davis, but all of these persons have played an integral part in what you see tonight. **Chairman Burroughs** said for public information, this is an ordinance and resolution creating a new Community Benefits Fund from monies received as fees paid by developers who are receiving economic development incentives.

Commissioner Johnson said this piece of legislation comes from the Business and Economic Development Task Force that the Mayor had established. We first heard of these types of pieces of legislation in Detroit. The Mayor and I had attended a conference there and they used it as a tool or at least a tool that was presented that helped to revitalize the urban core, particularly the downtown portion of Detroit, Michigan. Simultaneously, Commissioner Davis had been working on his own, as well, to talk about this kind of legislation as well. When we found out about that we decided to blend forces so that we could work more efficiently. Since that time the Mayor, the Mayor's staff, County Administrator has looked at this, our Legal team and through the Business and Economic Development Task Force the community has weighed in on it as well. We know, and I will just kind of admit this, we know this may not be the perfect piece of legislation, but it is the very best considering all the various forces that were at the table that we could bring to this. Our hope is that this particular legislation will leverage larger development projects in Wyandotte County to provide some economic benefit to areas of town in which have been historically disenfranchised and disinvested. We've been keeping in contact with the Mayor. The Mayor has made some final changes here tonight, but as far as I know may be the first task force to bring forth some type of legislation that was required or asked of us at that time. So, only because my days on the Commission are limited, our goal is to, if approved tonight, would be to fast-track this to Thursday's full commission meeting. With that, I'm going to turn it over to Commissioner Davis to kind of walk us through the mechanics of it.

Commissioner Davis said, Commissioner Johnson, colleagues, thank you all for this time. I know we still have quite a bit before us. Before I get started with kind of summarizing what you have, I understand there was a blue-sheeted item that has an ordinance and then there was one without the blue sheet. The one without the blue sheet is the most updated version. The one with the blue sheet is not the most updated version. You can go ahead and ignore that. The reason being is because, again, as Commissioner Johnson has stated, the Mayor wanted to add some last-minute items on just the process of how we go ahead and get this done.

I'm going to give just a little bit of history and then kind of talk about what we have before us. We have heard for a very long time, and quite frankly the conversation prior to this hinted at this, we have been very successful as a community in attracting economic development projects predominantly on the west side of town. That is great. We are the tourism capital of the state. We have accomplished that. However, one of the things that I think we all have realized is that pie of private investment is not distributed throughout our community. We have certain districts, certain areas of our community that haven't really seen any new economic development projects in their neighborhood or in their area for a very long time or it's few and far between when they have those opportunities.

What this language does is it basically offers an opportunity for revenue that is generated by new economic development projects to be set in a fund. That fund will then kind of add up as we are continuing to get economic development projects. That fund comes from issuance fees of economic development and I’m sure at some point I’ll hand it over to Mr. Kindle, but one of the things that we have found out in researching this was that when developers come and when they get an IRB or when they get a STAR Bond or what have you, they’re paying what's called issuance fees. It’s usually a percentage of some sort of that incentive ask. If the project is $70M, you’re paying a percentage. It comes out to close to about 1%. What we have done is we’ve said instead of throwing all of that future money in the General Fund put half of it, just half of it in the Community Benefit Fund. That Community Benefit Fund will then be collected and a new board will be created. That board will be appointed appointees of ours, 10 commissioners and the Mayor. That boards responsibility is to make a recommendation to us on where that funding will go. If you will see in Section C and then D, you’ll see a list of categories that we have given as suggestions by which this fund can be used for contributions made pursuant to an already existent development project. If we see a project that needs more help, particularly in areas that are in need, that funding can go there. Neighborhood traffic common projects. We’ve heard a lot about this where neighbors have said I’m concerned about what said project will do to that said area. I would like something there.

The Senior Minor Home Repair Program. This program is ran by our staff and so it could be an additional allocation. I’m not going to read through the rest of them, but childcare is here, Workforce, a climate resiliency, and then it was a very important and I agree with seniors over the age of 70 that are delinquent on their residential property taxes as well. This list is merely recommendations. The board would just say to the community here’s the charge that we’ve been given by the Commission, we want to hear back from you, where should we focus on? Where should the focus be? From there these recommendations go to the Economic Development and Finance Standing Committee. We will hear them and then it will follow the rest of the process for full approval or amendment for full commission. I understand that’s quite a bit of information. We try not to make this language too much and too aggressive, but I do think this would truly be a step forward.

The last thing I’ll offer is we’ve also said that this board is responsible for providing a report on how the ordinance is doing and so that report will come out every two years and the hope is that we continue to learn, evolve, and change and we’re able to provide some economic development opportunities.

With that, if Mr. Kindle or Ms. Cadillo or Mr. Rios, if you all want to add anything else, please go for it, but Chairman that's just about the gist of what we have before us.

Greg Kindle, Wyandotte Economic Development Council, said I don't normally get to sit on this side so I'm still trying to get over the fact that I don't normally get to sit at the big people's table. I'm usually back there so I'm a little out of my comfort zone. When I was asked to participate in this as part of the Economic Development Task Force there were some opportunities and then also some constraints that we saw. Some of the concerns that we had initially was that one, we didn't want to impact the economic development process because as you all just saw there are non-disclosures involved with a number of these projects. You often have to go a little bit on faith that you know that these projects are coming forward and will be disclosed, but if they don't move forward, then we know the projects will die. In order for this process to work well, we also couldn't then have the Community Benefits Fund, that task force looking at projects before you all did because, frankly, they don't become public until you all start to interact with them and so that was one of the process pieces that we had to work through quite extensively and there are several folks here tonight, Erin Stryka, and others who had a lot of input in that and probably would say they're not particularly 100% behind what we're presenting to you and that's okay, that's understandable because we had a lot of robust conversations, but we also we're looking at the fact that we didn't want to increase the cost to doing economic development.

This is going to be the revenue stream that we're going to utilize to create this fund, then there were some sort of constraints that we sort of built in. We didn't want to break confidentially programs. We didn't want to change the process that you all already have. We weren't asking another set of appointees to do your all's job, and then we were asked not to increase the cost to development. There were some ideas that were thrown out there that would have generated far more money, but they were essentially tax increases and that would have been more difficult and then you would have been asked to incentivize that. That didn't seem like a good option either and so that's where we began to kind of develop what you have before you that very much keeps this in the ED&F structure. You all are still very much involved in this as our elected representatives and then ultimately the full commission, but what you have before you is sort of a coming to the middle to try to figure out how do we work within the constraints that we gave ourselves? How do we make sure we don't slow down projects? How do we not increase taxes or cost to development, but also drive money into the Community Benefit Fund and this is what you have before you. Basically, taking your origination fees from incentives that we're already getting that we don't have a 100% confidence in terms of that it's funding any particular projects and by only taking half as recommended by the commissioner's, then we're not taking all of that money out of the fund, we're taking a portion of it still for economic development related activities no matter how you look at it. It's driving the benefit to the community, so I think we meet all of those requirements and it's a program that continues to be funded because we're continuing to do projects and we're fortunate in that respect.

The pipeline is full and we believe the projects that you all will see will continue to drive more and more revenue into this fund, but it also does exempt NRA, so our small business projects that utilize the neighborhood revitalization program are exempt from this because, again, we didn't want to hurt the small guy. We're really looking for those bigger development projects that could really drive funds and so looking at projects that currently are $3 million or less did not seem to be the place to go and try to extrapolate a few dollars from them. That's what you had before us. We had a lot of robust conversations. I do appreciate the fact that commissioners led this. I appreciate the Mayor's team as well as being involved. We had some good Counsel, and I think from my perspective I have probably was not that guy that was super excited about this to begin with in full disclosure, but I think that if we're going to have a policy this is a policy that I can support, that the EDC can support, because it still keeps the process moving forward. It allows this other group to look at the revenues once you all have decided that this is a project you want to do and there are fees derived, then you all have now a process to work with those funds.

Irene Caudillo, Mayor's Office, said I think one of the things I want to convey and what's important is that what came out of the task force led by the two commissioners, more important, were the community voices that will continue this process before it gets to you. Equitable distribution knowing a lot has happened in the west gives us an opportunity for ample dollars, I guess, that the community could use to support projects within the entire county. Equity was important here, and the community voice that will continue is also important coming from the Mayor and the Mayor's Office in this as well.

J.D. Rios, Mayor's Office, said one thing that I would like to emphasize is that there were a series of meetings and in these meetings involved community, Commission, the Mayor's Office and we've produced something. If nothing else, we should celebrate that we were able—this is actually the eighth draft of this. This was not anything we just, okay, you know here this is. We went through it. We discussed it. It was research that went into this. I would expect the Commission for a group that presents to you to go through and to understand the ramifications of this and after all things considered, what I feel is important is actually that last provision policy review that it is actually incorporated in the ordinance. Past practice has been we've kind of assumed—you in an earlier discussion today you were saying well, what's happened? You're going to know with this piece of legislation what is happening and then make adjustments if needed. I think that is an important part of this. It also does not add cost, but you actually know what the fee that you are receiving at least you know where half of it's going because that's often a question too well, where's the money and say the General Fund and that's kind of it. This would be very specific.

It's transparent not only for the Commission, but for the community that want to understand what's the benefit. We hear that about the Legends a lot. Well, you said, but where—we'll we have now before us a piece of legislation that tries to address and I do choose that word. It tries to address—we have to experience it in order to understand whether it in fact meets the objective. We have to have something to start with. I'm encouraging this committee to be supportive to get us the start and then we will commit to exercising this to its fullest potential so that it in fact meets the objective that we're wanting which is equitable economic development throughout this community from the west to the east, north and south.

Again, I just want to thank the commissioners for listening to the Mayor's Office and you know there some things in here that we did, in fact, add. I hope they felt listened to because that was certainly what the Mayor's Office was attempting very strongly to do, was to pay attention to what we were being asked by the community, by the Commission, to come together with this piece of legislation before you and I believe that it is a good work that is being provided to you.

I did provide a couple of handouts to you, those were just additional information. If you were wondering when we talk about the fund where those percentages are. What give you an idea of the dollars that we might be talking about and that I am certainly not an expert on that. I would defer to Mr. Kindle if there's something that you have in regards to questions on that or perhaps the commissioners. I don't pretend to go into those numbers that heavy.

Commissioner Johnson said I didn't know we had eight different iterations up to this point with the understanding colleagues that once we got it to you, the real work would begin in terms of getting it approved. Again, this is something that we have worked diligently and I know I've been given two years of my time to just get it to the table for your consideration. Commissioner, unless you have anything else, we'll open it up for questions.

Commissioner Davis said the last thing I will say is the sheet that you all received most recently with the IRBs and kind of explaining the fees and everything, the examples below are just that. They are examples of issuance fees. You'll see some of them have 2023, some have 2018, some of those 2022. We just wanted to give you an idea of what we are talking about for this particular ordinance.

Chairman Burroughs said questions from the committee.

BPU Board Member Haley said first a comment and then a few questions. I'm certainly glad to see this emerge and I wanted to thank Commissioners Johnson, Davis, the Mayor, for bringing this novel approach together for hopefully enhancing some of the projects, existing projects and to expand. I'm sincerely grateful. It's a long time coming if you ask me. I can already say that even though we haven't worked out all of the clear definitions as to where the allocations will be, I'll just tell you right now I'm going to vote "Aye" I'll tell you right now. It's not going to be any unanswered, we will work that out, I'm sure.

I guess the only question that I do have after that comment is browsing support and appreciation, to say the different iteration that Commissioner Davis referenced between the one that was blue sheeted and this, did I miss the distinction or is there any negligible or distinction between the two anything to be pointed out. **Commissioner Davis** said the one with the blue sheet is not the most updated one, ignore that. The one without the blue sheet, that is the right one. That is the correct one. **BPU Board Member Haley** said you don't want to tell me what the one with blue sheet is. **Commissioner Davis** said the one with the blue sheet scrap it. It's not the correct one. The one without the blue sheet that is correct.

BPU Board Member Haley said the other is, of course, Commissioner Davis said a couple of times and Commissioner Johnson said, that this Category D is not exhaustive in terms of everything great you know. I think it's great what's been, and I know Mr. Rios said that you've gone over it eight times and to get this particular list and frankly, I can't think of anything else that might be there. I'm glad that it's a part of the resolution to have it ongoing, the discussion, but I guess Mr. Chair that's all for the purpose of brevity and just to express support, appreciate coming. I don't know if this is a novel approach or if it's ever been done in some other community that you may have studied. Commissioner Davis, I know you mentioned that you may have studied it if there had been some models in some other municipalities that have been implemented along that. I know that I've been concerned recently when they've talked about a project that did not perform well and some of the funding that will be coming back. That kind of caught my attention as (inaudible) or so or at significant millions that would be coming back into projects. I don't know if that dovetails or would dovetail with this entity because it was kind of nebulous as to where that was coming. I don't know how that's going to be administered.

Commissioner Johnson said we heard that there had been some success stories and some failures and so before we brought anything to you we tried to look at the ones that were successful and try to manage this into something utilizing those things that we knew that were not successful how can we make sure its equitable that we hear the voices from as many pots as possible so that the community has an opportunity to be a part of it and yet that it doesn't become too restrictive as well, that's a lot. What we're saying is this is the best that we could do here as an approach, as like the word you used, novel approach, to begin this process. We think we have some measures in here that allow us to make adjustments as need be whether that be by the Mayor's Office, but the Commission will always be a part of that process, ED&F will always be a part of that process.

Again, we think we put some measures in here that allow us to make adjustments as necessary to make sure that it is accomplished. I'll give you in full transparency everybody's not satisfied with everything that's in here, we know that, but we have to get something to you all as a starting point. This is where we are tonight and we hope that we can have more sessions about that as well as to how we can make this work so with that, thank you. **BPU Board Member Haley** said thank you for that clarity, Commissioner. I will say I've been fishing trying to figure out what in the top 10 are these 10 and what else I would add, and I would love to throw something out.

Commissioner Johnson said some has said don't put as many options there. Others said, you know we need to have certain options there, so we just put language in there to say because these are options, but these are not limited to. There may be other things to be considered just based on the location, based on a lot of different factors, but it gives us the flexibility to make those adjustments and also to redirect those funds as well and then again, to bring it to the standing committee, to bring it to the full commission as a whole for final approval. **BPU Board Member Haley** said thank you Mr. Chair, Mr. Rios.

Chairman Burroughs said any other questions or comments.

Commissioner Bynum said I have a variety of questions, so I hope you'll just bear with me and walk through it with me starting with the list of fees. I know that you are showing us the administrative fees and, for example, bond issuance fees that are collected on the various development projects. At any time in your work did you work with our staff to get an actual answer? I assume that what you're telling us is all of these fees added together total some number and half of that is now going to be dedicated to the Community Benefits Agreement, whatever these categories are that are decided, is that right? **Commissioner Davis** said I'll add just a slight correction. We are not retroactively, or it is not our position to retroactively get the funds. What this would say is once this is adopted by the full commission, anything after that adoption that's the directive. **Commissioner Bynum** said that's fine, but the question is, did you work with staff to get an answer. For example, what did these fees total in, for example, 2022 or 2021 so that we know what we might be dealing with numbers-wise? I'm just curious. Did you have a sense of what the total might be, that's kind of Question A and Question B and that same category is did you have discussions, let's say that total is $22M in fees that were collected, it's probably high. $11M is now going to the Community Benefits Agreement. Did you have a discussion among yourselves about how we would fill that revenue gap because prior that was funding our General Fund. Am I right? I'm just kind of asking the questions.

Commissioner Davis said to answer kind of your first question, the examples that you have for the issuance fees are just examples. We never asked for a list in 2022 of how much in IRB fees or in 2020. We never got that information. We just wanted to get an idea of what would be out there, but to your point, we did consider what the impact of this would be on the General Fund. One of the things that we brought up is that oftentimes the things that the community is wanting us to fund or pay attention to, some of that stuff is on the wish list projects of staff and so in some ways it's a canceling out. Let's say if it's a park, for example, Angel may have had that particular project already in the queue. Now the community is just saying that particular park is high priority. Maybe Angel was going to ask for it in the General Fund, but now the Community Benefit Fund is taking care of it. That was the idea of it, however, we do realize that for future revenue this does mean less, but we're also getting larger and larger projects so there's a world where again, we don't know what we don't know. We could get larger projects which would then not put us at as much of a deficit. I don't know if anybody else would like to add on to that, but yeah. **Commissioner Bynum** said thank you very much.

Kind of a technical question, in the Section B Definitions, then as you turn the page it says Community Benefits Advisory Board means certain residents of Wyandotte County and my question is a technicality because it's my understanding that these fees that you've identified they actually get paid to the city of Kansas City, Kansas. In other words, this governing body does not govern any development projects that are undertaken by the city of Edwardsville or Bonner Springs. I'm just curious, what was the discussion among your committee. Again, it's another city/county conversation, but what was the discussion among the committee as to the makeup of an Advisory Board when we're talking about fees that are only coming from projects within the city of Kansas City, Kansas unless I'm mistaken, if I'm mistaken tell me.

Commissioner Davis said I wanted to ask Mr. Kindle a question just to kind of get at that. Are there any, and it's okay if you don't know the answer, but are there any EcoDevo projects that are countywide and that are putting money in the county coffers? **Mr. Kindle** said well not probably the way in which you're asking, but every project that lands in Bonner Springs and Edwardsville it pays county taxes. In that sense, yes, they are all contributing to the county. They're not contributing to city coffers. **Commissioner Davis** asked are there economic development incentives that are just awarded at the county level for EcoDevo projects. **Mr. Kindle** said no, they're by city. **Commissioner Davis** said okay. That would get at your point. I think to solve that we could say KCK residents can only serve on this board as opposed to Wyandotte County residents to get at kind of what you're saying, but the reason why we left it Wyandotte County is because we do have commissioners that represent outside of KCK. **Commissioner Bynum** said I'm just curious what the thought was in the conversation. I don't know that I have a strong feeling one way or the other, other then it just occurred to me that the fees that you are talking about tend to go into the City General Fund and like I said if I'm wrong, I'm okay with being wrong, but I think it's worth noting. You know, again, it's that separation of funds and these funds go in on the city side of the ledger.

Commissioner Johnson said that's very true I think, at least in my mind I'm thinking about my colleague to the right who always wants to make sure that certain areas that he represents are addressed as well and there might be an opportunity for that within conversations of this. I think that's the reason why we left it wider open than just specific to Kansas City, Kansas. Again, whatever the will of this body is here, we'll make the adjustments as you all indicate.

Commissioner Bynum said the only other question I have right now, I really appreciate the work and all the time and energy that you put into it. I appreciate the suggestions that have been made as to the expenditures from the Community Benefits Fund shall include, but not be limited to. I mean those are really good suggestions. My curiosity is, have you thought about, for example, are we going to accumulate a year's worth of funds and then call the board into session and then tell this Community Advisory Board here's how much money we have and then you see them like making a recommendation back to the Unified Government Commission as to where to place those funds. Am I tracking that right? So, kind of an annual occurrence possibly.

Commissioner Davis said no, we've had this discussion, that's why I'm shaking my head so much because the conversation was how often should the board meet? The language that we currently have right now, and it is Section C and then 4 as necessary or when requested by the Mayor/CEO or the Board of Commissioners and that's kind of where the public comment period starts of no less than 60 days. Then, if you look at C2, it says the Community Benefits Advisory Board shall meet upon the call of the Chair. We're really going to be relying on—I mean like the other boards they rely on the Chair to really go ahead and do that work. We've seen that with our task forces and with other boards and so this would have a very similar structure, but the expectation is at least once a year given these funds be accumulated. **Commissioner Bynum** said once a year? **Commissioner Davis** said it could be.

Commissioner Johnson said this task force will most likely evolve into some kind of entity that will guide this going forward, but we knew we needed to get it to the table before we could ever get to that place. **Commissioner Bynum** said I would also really appreciate some notion of what these fees bought in in 2022.

Chairman Burroughs asked any other questions. There were none. **Chairman Burroughs** said the Chair is going to take liberty and ask some questions. These are some of the questions that have come forward and I do appreciate the work of my fellow colleagues. I know that when we listen to a very diverse broad community, we have a lot of initiatives that people would like to see funded. Although, it may be a small group or a large group they still deserve to be heard. I want to go to the third page, Section D, the categories of Permitted Expenditures. I'd like some clarification of what the Hollywood Casino Grant Fund. How does that play into what you're wanting to do. **Commissioner Davis** said that's a really good question. If I'm not mistaken and do not quote me on who it was, but there was another development project that as a community benefit portion of it, that allocated additional money to the Hollywood Casino Grant. That's kind of the idea. If this board said, you know what, we want to make sure every district can benefit, go ahead and throw a chunk of money in that process. It would just be a check to that process and then go (inaudible).

Chairman Burroughs said I want a little bit more clarification here. We all have monies that we give from the casino grant money. It was established by policy here, way before us, and those monies were distributed across the community by organizations that are cleared by a clearing house to be held accountable for those dollars. I don't see a clearing house in here for licenses or certified projects or individuals, but I want to get back to the Hollywood Casino Grant. If XYZ organization wanted some additional funding, they could go to—the developer could say I want to put money into the Casino Grant Fund or are you talking about using the betterment money put it in with the casino grant funding to fund XYZ? **Commissioner Davis** said we are saying that all of the issuance fees that come from the listed economic development projects for the IRBs, for example, are going to be put into a fund. That fund and it's allocations will be based upon the recommendations of a Community Benefit Advisory Board. That Community Benefit Advisory Board will be hearing from the community and then looking at a variety of categories by which they can consider for recommendations. The Hollywood Casino Grant is one of them in which they can just add an additional amount, however, they can choose any of these other categories or other ideas that the community comes up with. **Chairman Burroughs** said I have a little concern and issue about the Casino Grant Fund money, that one does raise a little concern.

The next question that I have would be the one underneath the Childcare Project Programs. Some of these businesses come in and they get an abatement and they want to contribute to this fund then they turn around and open a daycare. Are they going to be able to draw down those monies from the fund to support that daycare? **Commissioner Davis** said that's a good question. The way that this program is designed is not to be a direct developer relationship. The developer is paying the issuance fees, beyond that there's nothing else. If that developer wanted to basically not pay those particular fees, they can, again, take that up at the time of the development agreement. This is a post-development agreement conversation. **Commissioner Burroughs** said in the scenario I see XYZ Company coming in getting funds or putting funds into the program, then comes back and requests additional funds for the expansion of daycare and those funds then be given back to the company and/or XYZ Organization for that project. I think there's potential there for misuse, abuse. I mean I'm all about daycare and I don't want to send a message, but nowhere in here does it say licensed projects or not to go back to the developer, and if I gave $100 into the fund and my project's going to cost $100, well it's not your $100 we're giving you back. I'm giving you his $100, no you're giving still giving $100 out of the fund. I would hope that we would put something in place that would ensure that the developer that gives the money doesn't come back and gets funded through the same project requesting additional services and that's just a point of concern.

Mr. Kindle said I might be able to at least weigh in on that. There are at least two levels of discernment in that. One, you'd have to convince the entire task force appointed by a variety of all of the commissioners to get that approval to issue that $100 back and then it comes back to ED&F for approval as well. You all would have already seen the project come through if they were doing a development and you would also have to approve that. There are at least two levels of requests that have to be made and passed through. I don't see that ever happening, but I mean you make a valid point, but it has to go through a lot of discussion, and you have to be one heck of a persuasive speaker I think to make that happen across that many different folks. **Chairman Burroughs** said and I appreciate that comment. I just see somebody gaming the system on this one. I just have concerns about it. Nowhere is it mentioned that a childcare, the owner of the business or anything would be licensed here. That's just one issue. If we're going to do this, it's going to be transparent and we all have an opportunity to have some input. I just don't want the developer to say, okay, I'm giving you this money and then I'm going to come back on the back side and ask for an incentive out of this fund to fund the project that I had to pay for in order to get my project to advance forward. There are steps, I understand, but trust me when it comes to incentives, if they know they can get them, they will. **Mr. Kindle** said this isn't an incentive tool. **Chairman Burroughs** said well, it's additional dollars coming out of a benefit fund that they're paying into. **Mr. Kindle** said yes, but this is not an incentive, this is a Community Benefit Fund. It can't be used for a development project. It has to be used for something in the community. This was a lot of conversations. The only reason I'm weighing in because we played out some of these scenarios as well and that's partly why we wanted to make sure that the task force is made up of folks who are appointed by you all so that you have insight into that and then after that group makes a recommendation it has to still come back to you all here because I don't think anybody's afraid of the transparency or the debate or why is this what you selected. We tried to play that same thing out because we were trying to take out what developer would want to go through that many processes and that much engagement over which probably right now if you had all these dollars and there'd be a half million dollars at most. We try to play this out is all I'm trying to say is that we were trying to figure out ways to keep it from being gained to your point.

Chairman Burroughs said number 10, the one for the seniors on the property tax delinquency. That's a good cause knowing that we continue to raise taxes on everybody and run them out of their homes. Are we going to put a cap on how much money we will give out in that fund or we just going to leave it open-ended and people will stop paying their taxes and then we'll make it up out of this fund? You know every story is going to be a very endearing story to us that we will have to fund. I don't see any caps that may be the first year, you know $50,000 cap. I don't see any cap on any of these projects or anything like that. I see no accountability of a failed project if these funds are given to an organization. I see no fallback, no punitive way in which to hold people accountable. Trust me, I'm not trying to pick this apart. I really want to see this work because I think it's a great benefit. What I don't want to do is see us pass something and then we have no checks or balances in place and we've taken revenue and we've spent it on causes that we have no way to follow-up and hold them accountable for. I'm going to look at the climate resiliency projects and programs. I don't know what they could be, but are they licensed by the state, certified by the federal government or is it somebody just comes in and says I want to put a smoke screen. I think every smoker in town ought to—woods chip smoker ought to have a screen on it and I've got an invention that'll do that. I mean that may be a little ridiculous to talk about that, but at the same time we have a lot of concerns with the environment here, water projects, you know contaminated properties. We have a couple of waste facilities that we're trying to deal with.

Commissioner Johnson said to your point 10, that was just added in today. I think the Mayor wanted to see this language added to that so that was part of the language that was not in it initially. The Mayor says this is what I want to be in there.

The other piece of it is the policy review, you have had it here for two years. The question comes down to what would be the will of this standing committee if you all want to see it sooner or earlier, we can modify that to your pleasure.

Again, we have these processes in here, but if they need to be modified and the language needs to be sharpened a little bit, then by all means. If you have, for instance, when you look at the Hollywood Fund or any of these things, if you want to put a cap in there, we haven't talked about a cap. Give us the language that would be pleased with because this is the first step. Then it comes to the full commission you know, so please give us the language that you would prefer to see as far as that's concerned or at least a recommendation.

Commissioner Davis said I'll also add again, at least 22 people including staff will look at this. I say that because there's 11 commissioners and then all of us have an—I don't—some of these concerns I think are very valid in that we did not want to really flush out every single category. Would we, as a Unified Government, agree to giving money to an unlicensed childcare, no, we wouldn't do that. In part, because we have childcare licensing that's housed within the Unified Government. I hear everything that you're saying.

The cap perspective can be thrown in. I don't know if we want to put it at percentages or not, but do keep in mind these are just ideas for the fund. There's a world where this board can come in and say we think the money should go somewhere completely different than what we're talking about right now. We tried to be both clear, but not so restrictive that we kill imagination on solving community problems. **Chairman Burroughs** said I appreciate that. I'm just looking back at the audit that was conducted about the mismanagement of funds that came through the Unified Government and here we are putting a program in place, and we have no clawback. Colleagues, I like the concept, I truly expect to be supportive as much as I can, but you know we do have a right to raise questions. **Commissioner Davis** said absolutely. **Chairman Burroughs** said you know my concern is the Hollywood Casino Grant is already a program in place. I'd hate to comingle it with something else and get it caught up. They have a background that they walk through, they certify, they have a hold accountable if a person—if that organization doesn't meet the criteria set forth in their grant request, it comes to us, and they are discontinued. They are taken out. That's the kind of objectivity I think we should do. That's the prudent way to handle monies that go to the program.

The other one, the percentage of all monies, this goes back to the Bonner Springs and Edwardsville question. The majority of the Commission represents Kansas City, Kansas. There's only two commissioners that have Wyandotte County, Bonner Springs, and Edwardsville in their district, one At-Large and one lone commissioner. Now, there may be a corner or two or a block or two in other commissioners' districts, but those of us who represent Bonner Springs and Edwardsville learned a lot through ARPA funding about the disenfranchisement of Bonner Springs and Edwardsville. We would be remiss not including them in this subject and how they will be treated fair and equitably moving forward because they are part of the Unified Government, not county/city when it's convenient, but a unified program and I think the more we can get to that the less we'll have this discussion moving forward, but that's all the comments I have. I'll have a few other questions when it comes forward. I do know the hour is getting late.

I want to say thank you because I know it couldn't have been easy listening to all the concerns that come forward and no piece of policy is perfect. I know that things can be changed and the only question I would have of Legal, maybe, is the STAR Bonds question/comment in here on page 2, number 3, that Sales Tax and Revenue STAR Bonds, revenue from STAR Bonds because if I remember, there's certain criteria associated to STAR Bonds that all revenue has to go to STAR Bonds. If there's any way to take money out, I'm just cautioning us move very judiciously with STAR Bonds or we could see that program yanked. I would like to get some clarification on this program dealing with STAR Bonds. **Ms. Green** said, yeah, we'll definitely have to look into that. I don't know any of that answer off the top of my head. **Chairman Burroughs** said well, I do know there are strict criteria in the utilization of STAR Bonds including having to put up all of our own revenue and forego our revenue until those bonds are paid off. If we're going to be charging more and it's going to be paid back through the revenue, I'm just concerned and that's where the fiduciaries come in play.

Mr. Kindle said I think it only has to do with the application fees, Commissioner. It has nothing to do with the revenue stream from STAR Bonds. It was thrown in there from the original writing of this proposal that incentives that included Industrial Revenue Bonds and STAR Bonds are in there. If we find that there is no application fee, then I guess it won't be applicable, but if there is an application fee then half of it would go to the Community Benefits Fund. It has nothing to do with the revenues from it, just the application fees. **Chairman Burroughs** said I would still like clarification from the state STAR Bonds is being utilized in manners that were never perceived to be used and I can tell you this much, this commissioner here, as a legislator, fought judiciously to keep STAR Bonds as an economic development tool because developers want to use it to meet their projects, don't want their projects to meet the criteria within STAR Bonds. I am going to be vocal on that point that I would like clarification from the state in reference to the STAR Bonds issue

Debbie Jonscher, Deputy Chief Financial Officer, said I apologize for not being at the meeting tonight, but I have been listening in. I just wanted to respond to Commissioner Bynum's question regarding how much of the revenue we collected in 2022. I will admit I haven't had a chance to go back and look at everything, but I did go back and look at the issuance fees because when someone applies for an IRB there's an application fee as well as some of the bond issues, we do get a percentage of those issuance fees, and I did go back. It looks like we received, just from my quick check, was about a little over $300,000 for that, but then we also collect revenue when we do tracking on some of the other incentives such as the CIDs and the TIFs. If we're to have to track to distribute back to a developer, we also hold a percentage of that back which I think may be about another 150.

I'm not sure if those are the only revenue streams that we are looking at or if we're looking at something else regarding when we enter into these agreements where the company makes—as we refer to it the PILOT payment back to us. I haven't looked into any of that, but this was strictly just on the issuance fees that we'd received, but we can do some more checking on that when I'm back in the office tomorrow. **Commissioner Bynum** said I appreciate that.

Chairman Burroughs said that was pretty expedient. I appreciate that very much. I have no more questions this evening. I know for the sake of time, but again, much appreciated having a chance to re view that. I do have concerns about fast-tracking it with the questions that come forward. I'd like to see a program like this advance. I just think we need to look at some caps, we need to find out what kind of criteria is going to be used for those programs and projects that will be requesting those dollars so that we have accountability of those dollars back. If we, as commissioners, are going to be held accountable by these organizations and by especially those organizations that don't get funding and those that do and fail, that money could have been used somewhere else. It's just a matter of just being able to maybe tighten it up a little bit.

Commissioner Johnson asked if those requirements can be made as part of the approval, say for instance on Thursday, if it were to get to Thursday, could the approval have those requirements in terms of the language that's requested by the Commission before it actually be modified, it's my question. **Chairman Burroughs** said, Commissioner Johnson, I want to be supportive of the program. I do have a few more questions and you know is a town hall meeting or a zoom considered a meeting of the community. I think we have a lot of trouble as a body getting information out on Planning and Zoning issues, let alone a community service program that's going to fund money. **Commissioner Johnson** said we talked about having Planning and Zoning be the committee that would look at it. After we talked about it we said that's just adding too much more on. The P&Z agenda is already full so let's not put that on them, but then the point that you're making who all does the committee or the community involve and that's one of the reasons why we know that we all have an opportunity to nominate someone to be on this particular committee that does in fact represent the community so that's part of it, then there will be opportunities for larger pieces of dialogue. Can it happen outside of a zoom call, no problem with me on that. It's just been a challenge of getting everybody to the table. **Chairman Burroughs** said understood and I appreciate it. I said I want to be a good partner because I think there's some very good pieces in here that we could utilize, but I also see a little bit of concern here and there. This is the first time I've had a chance to review the document and so I would just appreciate the professional courtesy of having a chance to review it and get some answers to some of the questions I have.

Commissioner Bynum said I was just curious based on your concerns, and I still have questions. Turning to Legal, would there be a way to bring forward a resolution or an ordinance establishing the Community Benefits Fund and just have it be way more generic so that details could be identified later. As you say you have some questions, and I have some questions, but we could maybe there's something we could adopt that's more generic. The reason why I ask that is because we have it more generic so that details could be identified later as you say, you have some questions, I have some questions, but we could—maybe there's something we could adopt that's more generic and the reason why I ask that is because we have some commissioner's that are sort of putting a bow on their time here and it's I think of value to recognize that with some action. **Chairman Burroughs** said, Commissioner, I do not disagree with that and I'm sitting here thinking about all the effort that my good friends have put into this, but I also want it to be something that you can be proud of and look back and say see what we were able to accomplish, but I have no problem looking at a resolution establishing the Community Benefit Fund and then working a little bit more in getting some of the questions answered, looking at the caps and looking at how we might follow-up. If we gave XYZ Company $300,000 for a program two years down the road we come back and check and they've spent the money and we see no progress, what do we do? I don't want to be held accountable for that. I think those are at least through the Casino Grant Program they have an outside entity that doublechecks to make sure those reports have come in and if they haven't met that criteria, we're notified and they no longer are eligible to receive grants until they meet that criteria and we know some of them that have failed that. We want to be judicious in providing the benefit that these programs—I mean it's for the public. That's why we're setting this up, its benefit the public.

Commissioner Davis said I was just going to add about to make a motion, but I'll just add us having this conversation and adopting this doesn't have to be the end. We can continue to have conversations and make amendments as needed and have this come back in December.

However; again, with the changeover of new folks that are coming in, it kind of doesn't allow there to really be an end of what our colleagues who are not going to be here next month have done. So, trying to find that happy medium to ensure that those concerns are addressed, Commissioner Burroughs, but also wanting to respect the effort that has been done. That's kind of the goal here and let's keep this in mind, is this perfect, no, but currently we have nothing. Let's just be real about it. This money is going into the General Fund and for many of us we cannot explain to the average citizen where that money is going. Is this perfect? No. Is it better than the current process that we have where we have some sort of participatory budgeting process or residents have a direct voice, yes, and I do think there is language in here that does make it easier for us to get to that more perfect ordinance that you are looking for Commissioner Burroughs.

Commissioner Burroughs said I appreciate it. You know what we don't have, we don't have a start date in the policy, and we didn't have an amount of money that we would establish before we started the program. If we get $50,000 one program, one organization may reach out and want the entire $50,000 and we're not having a chance to build that equity in the program yet for others to participate. These are just a few things that I believe would give us an opportunity to strengthen this policy. I do like the fact that the Mayor and staff have worked on this because they do have some of the knowledge associated to it, but as I stated this is my first blush looking at it and I want to do, I myself, I'm very prudent about how me move forward and especially when it comes to spending taxpayer money and believe me the developers this will be a pass-through fund to the public anyway. It's kind of like when we cut taxes, we don't see the price of goods go down. We don't see the price of other things go down. What we see is they either stay the same or they increase a little bit more because they have to make that money somewhere. It's a pass-through not much different than some of the other things, the PILOT. I'm finished if any of the other—Commissioner's I appreciate your patience.

Commissioner Stites said one of the problems I have and I'm generally supportive of creating this. I like the idea of creating the Community Benefit Program, but I think there are way too many unanswered questions at this point to adopt it as submitted. When we talk about the Community Benefit Advisory Board and the first line says that certain residents of Wyandotte County, it sure seems like now we're excluding people from not all of Wyandotte County, and I'm definitely not in favor of that. We want to talk about certain residents, it should be all residents. I don't know that it says that all commissioners will have an appointment like the Planning and Zoning. I don't like that we're talking about this coming into the City General Fund, but it can be used for County Parks and we happen to have a County Park and we happen to have a city golf course that's in Bonner Springs and you're asking to not have representation from Bonner Springs on the Advisory Board.

Again, there are too many unanswered questions for me, I'm not sure as far as getting the fast-track. Is there another ED&F prior to—Wendy is saying, yes. There is another ED&F prior to the swearing-in. **Ms. Green** said I'm sorry, there's not another ED&F, there is another commission meeting prior to the swearing-in. **Commissioner Stites** asked when is that? Are you sure there is not an ED&F? **Ms. Sparks** said we have an ED&F meeting on December 4. **Commissioner Stites** said so we have time for this group and others that aren't leaving to revisit this, get questions answered and go to that and then fast-track it to that next commission meeting if we had ED&F on the 4th, correct? **Ms. Green** said correct. That would be my motion that that's the route that we go that we postpone it back to the ED&F again on December 4th. Is that the 4th? Then we can discuss fast-tracking at that night to the December 7th meeting. That would be my recommendation and then those folks that have put in the time and I appreciate the work that has been done, but I think there's some questions in here that still need to be answered and that this body and the people that, as Commissioner Bynum said, put a bow on their time, they'll still be present and accounted for. **Chairman Burroughs** said would you restate your motion? **Commissioner Stites** said I wish I could. **Chairman Burroughs** said I'm trying to help staff out. **Commissioner Stites** said I make a motion that we send this back or this is not being sent back. We rehear this. What's the proper… **Ms. Green** said continued to the December 4th meeting.

Action: **Commissioner Stites made a motion, seconded by Commissioner Bynum, said to be heard with and get answers that we have all—hopefully we can have those prior to the December 4th meeting and then we can discuss the fast-tracking to the December 7th meeting.**

Chairman Burroughs said but I can go into comments. **Commissioner Davis** said I was just going to say this. We're willing to work with you all. Obviously we wanted to respect so all of you could not necessarily be aware right or else we would have been violating state law. If you all can send us your concerns, please do not leave tonight not expressing what your concerns are about the language because that does nothing, that does not help us. We want to get this past; we want to respect the various perspectives. We want to be able to explain this now that the cats out of the bag, but please do it either in an email or before we leave. Do get one of us and just tell us these are the things that I would like for that December 4th meeting. **Ms. Green** said actually if I could make a suggestion. If you would please email those to myself and Jeff Conway individually, then we can get those to where they need to go. **Commissioner Davis** said yes, thank you. **Chairman Burroughs** said thank you staff. I think that protects all of us from the Kansas Open meeting.

Mr. Rios said I just want to express Mayor's Office's commitment to continuing to work through every single issue to get it where the Commission as a whole is comfortable with what is presented as the Community Benefit Fund, absolutely no reservations on what has been expressed. We've taken notes, but again in case our notes, you know forwarding those specifics to Legal. Legal has to write up the final product, so Legal has in fact has been involved with this the whole time. Draft nine is going to be the lucky number and we'll have this done. On some of these I truly a sentence here and there is going to ratify. It isn't in the same meaning as I'm thinking you're taking that, Commissioner, but I'm sure Legal ease isn't a necessary thing and we'll probably be able to take care of that very simply.

In regard to the other concerns, if you were wanting them to be more specified under Section D. When we had the dialogue and the dialogue simply well, let's keep it general so that the board and the commission can deal with the details later, but loud and clear later is now and so we can have that furtherance discussion. I believe the Mayor's Office is quite comfortable in having that dialogue. **Chairman Burroughs** said that is very respectful to the colleagues that have committed the work and I do want to acknowledge that everyone that's participated in this. I think the motion is a fair motion. I mean we're not, Commissioner Johnson's not gone yet. We do have a chance to address those, and I do like the fact that we're sending the questions to Wendy and Jeff to get our answers. I think it's good to have those questions. I don't see anything in here with ethics that the people on the committee can't advocate for their own programs if they're appointed to that committee. If they sit on a board that is asking for money, they have to disclose and/or recuse themselves from the request quid pro quo that they can't trade votes you know. It's the perception that something can go wrong that we want to put to rest as much as possible.

Commissioner Bynum said just one final comment. I just want to clarify for Commissioner Stites, I did not suggest that residents of Bonner Springs and Edwardsville should not sit on the board. I did ask what dialogue you all had about that, and I stated that I did not have a strong feeling one way or the other, but I did not suggest that Bonner or Edwardsville folks should not be on this board. It's just a clarification.

Commissioner Stites said that no, I didn't say that. If you took it that way, that's not what I meant. I wasn't saying that. **Chairman Burroughs** said I didn't perceive it as such, but that's between the two of you.

Commissioner Davis said I will also add in that language where it says Community Benefit Advisory Board means certain residents of Wyandotte County appointed by the Mayor and Commissioners to serve for a two-year term on the board, the certain residents is just referencing the people that are appointed. It's not necessarily saying you have to have certain qualifications or whatever. Not everybody is going to be able to be appointed on the board, not every resident, that's where the certain comes in. It's not saying Kansas City, Kansas or Bonner or anything like that, it's just pointing out the 11 members, not the 170,000 residents.

Commissioner Stites said I guess as long as it says that each commissioner will appoint one and they must be within their district like Planning and Zoning, then I'm okay with that.

Chairman Burroughs said I appreciate that clarification within their districts. So, At-Large I would assume that Commissioner Bynum and I could select from anybody countywide. I don't know if we have to go by the primary position or the general position that we would have an appointment. Can we get some clarification on that? If she wanted to appoint someone from the south side, she could do that. If I wanted to appoint somebody from the north side. We're all one county, but in the primary, we run by district and then in general we run countywide. I don't know what the At-Large opportunities are. **Ms. Green** said I'm actually not sure about that either. I'll make sure we find that out for you though.

Chairman Burroughs said we do have a motion.

BPU Board Member Haley said I appreciate the discussion that's here. I look forward to the meeting on the 4th and what has been submitted, not only from those that are here, but I would assume that the other commissioners who aren't a part who might be privy or be made. It may be made that you want to improve on this product that's here before us, they'll be giving notice or have a chance to see the draft and to add their discussion. From my standpoint you probably should pass it out, you do have time. I don't know if I would make this the last for those commissioners that won't be returning. You're setting up the time for it to be at the last meeting in December when whatever final action of whatever the final resolution looks like. If we kick it to it would b—you would fast-track it to the first meeting in December after the 4th. I hope the other UG Commissioners will have an opportunity to bring their input before the meeting on the 4th. **Chairman Burroughs** said great, thank you.

Chairman Burroughs said any other questions or comments. I know we beat this around pretty well. I'll ask the Clerk to please call roll.

Roll call was taken and there were Haley, Davis…

Chairman Burrough said excuse me, Madam Clerk. This is an actionable item. Do we need to include the public comment on this evening? Then I would ask if there's anybody in attendance that would care to speak to this issue. If you are, please come forward, you have three minutes. Anybody online?

Shirley Carter Ikerd, 804 S. 89th St., KCK, said it does look like they put a lot of work into this, but it also reminds me of the group that I just spoke with before. I see no Black person sitting at the table. I don't understand what is wrong. I mean who is the Chair of this committee? Is there a chair of this committee? **Commissioner Johnson** said Ma'am, I'm the Chair. **Ms. Ikerd** said, okay, but you didn't sit at the table, so I did not know. It's just really difficult. It looks like for Wyandotte County and specifically Kansas City, Kansas to get it together. Just because I live out west people say to me all the time why are you always downtown arguing. It's because I live in Kansas City, Kansas and I want the same thing that everybody else gets and we are not getting the same thing out there that everybody else gets. I hope the program works because we need all the good programs that we can get. There needs to be some more work done on it, but most people in here are used to working. I just give them a grace. I hope you do good with it, but it's just that we have to integrate all people in Wyandotte County and we need to start doing that.

Chairman Burroughs asked is there anybody else who wants to speak to this. Clerk, anybody online, any letters. **Ms. Sparks** said no hands are raised, no comments were received. **Chairman Burroughs** said let the record show nobody else is stepping forward. Now, Madam Clerk, please call roll. I apologize. **Ms. Sparks** said let me clarify the motion. The motion is to set this matter over to December 4th with a possible fast-track to December 7th.

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

Adjourn

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

The meeting was adjourned at 7:30 p.m.
tk

Tracking ID: 21132

Report to

MEETING DATE	PRESENTER	DEPARTMENT
MAR 0 3 2025	Chelsee Chism, Director cchism@wycokck.org X8046	Economic Development

AGENDA ITEM #

ORDINANCE: APPROVING PARTIAL RELEASE OF MORTGAGE AND REMOVING PROPERTY FROM STAR BOND PROJECT DISTRICT (BUC-EE'S PROJECT)

BACKGROUND

Approval of an ordinance correcting a legal description in the Amended Partial Release of Mortgage and removing certain property from the Star Bond Project District (Prairie-Delaware Redevelopment Project Area A). This item is requested to be fast-tracked to the March 6, 2025, Board of Commissioners meeting for final approval.

RECOMMENDATION

Approve
Fast Track

BUDGET IMPACTS / FINANCIAL CONSIDERATIONS

IT/POLICY CONSIDERATIONS

PROCUREMENT CONSIDERATIONS

LEGAL CONSIDERATIONS

ATTACHMENTS

Ordinance - Release Site from Speedway District (UG), Amended Partial Release of Mortgage (1041476-2xA006D), Redline- Amended Partial Release of Mortgage (1041793xA006D)

Approved by Mayor and/or Chair and Administrator to add to agenda.

2/28/2025

(Published in *The Wyandotte Echo* on March __, 2025)

ORDINANCE NO. O-____-25

AN ORDINANCE MAKING FINDINGS AND REMOVING CERTAIN PROPERTY FROM THE STAR BOND PROJECT DISTRICT WITHIN THE CITY OF KANSAS CITY, KANSAS (PRAIRIE-DELAWARE REDEVELOPMENT PROJECT AREA A) CONTINGENT UPON CERTAIN EVENTS.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") desires to promote, stimulate and develop the general and economic welfare of Kansas City, Kansas and the state of Kansas (the "State") and to assist in the development and redevelopment of eligible areas within Kansas City, Kansas, thereby promoting the general welfare of the citizens of the State and the Unified Government, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq*., as amended (the "Act"), the Unified Government is authorized to adopt redevelopment project plans within established redevelopment districts, as said terms are defined in the Act, and to finance all or a portion of redevelopment project costs from tax increment revenues and various fees collected within such redevelopment district, revenues derived from redevelopment projects, revenues derived from local sales taxes, other revenues described in the Act, or a combination thereof or from the proceeds of full faith and credit tax increment bonds of the Unified Government or special obligation tax increment bonds of the Unified Government payable from such described revenues; and

WHEREAS, the Unified Government on March 19, 1998, passed Ordinance No. O-11-98, which created a redevelopment district within Kansas City, Kansas, the boundaries of which were defined in said Ordinance (as amended from time to time, the "Redevelopment District") and containing three redevelopment project areas, including Project Area A (as amended from time to time, "Project Area A"); and

WHEREAS, the Unified Government passed an ordinance on June 25, 1998, adopting a redevelopment plan for Project Area A (the "Redevelopment Plan") for the Kansas Speedway project; and

WHEREAS, the Unified Government previously issued its Taxable Special Obligation Revenue Bonds (Kansas International Speedway Corporation Project), Series 1999 (the "Bonds") to finance certain improvements within Project Area A; and

WHEREAS, the Bonds are secured in part by that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999 (as modified and amended, the "Mortgage"), executed by Kansas International Speedway Corp. and delivered to the Unified Government and Security Bank of Kansas City, as mortgagees; and

WHEREAS, MBIA Insurance Corporation (and any successors or assigns, the "Bond Insurer") issued its Financial Guaranty Insurance Policy relating to the Bonds and is deemed holder of the Bonds under the indenture relating to the Bonds; and

WHEREAS, the owner of certain property within the Redevelopment District has requested that the Property (as defined herein) be removed from the Redevelopment District.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. Findings. The governing body of the Unified Government hereby finds:

(a) the property legally described on **Exhibit A** and depicted on **Exhibit B** attached hereto (the "Property") constitutes less than a *de minimis* amount (15%) of the land area within the Redevelopment District.

(b) the actions contemplated by this Ordinance will not cause a "substantial change" (as defined in the Act) to the Redevelopment District or the Redevelopment Plan.

(c) because the Property currently produces no sales tax or property tax revenue, the removal of the Property from the Redevelopment District will not affect any feasibility studies prepared for the Bonds and any other bonds issued that are expected to be repaid from revenues generated within the Redevelopment District.

Section 2. Removal of Property from the Redevelopment District. Upon satisfaction of the contingencies set forth in Section 3 hereof, the Property shall be automatically and without further action be removed from the Redevelopment District, and the County Administrator and other appropriate officials are authorized to take all necessary action release the Mortgage from the Property, including executing and recording any necessary documents to effect such release.

Section 3. Contingencies. The effectiveness of **Section 2** hereof shall be contingent upon the Unified Government's receipt of the Bond Insurer's consent to release the Mortgage from the Property.

Section 4. Further Action. The Mayor/CEO, County Administrator, Unified Government Clerk and other officials and employees of the Unified Government, including the Chief Counsel to the Unified Government, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective upon its passage by the governing body of the Unified Government and publication as provided by law in the official newspaper of the Unified Government.

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PASSED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 6TH DAY OF MARCH, 2025.

[SEAL]

____
Tyrone Garner, Mayor/CEO

Attest:

____
Monica L. Sparks,

Unified Government Clerk

Approved as to form:

____
Angela Lawson

Interim Chief Counsel of the Unified Government

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

TRACT 1:

A Tract of land being part of Lot 1, KANSAS SPEEDWAY CORPORATION, a subdivision of land recorded October 29, 1999, file as Document Number 1312407, in Plat Book 39 at Page 6, a subdivision in Kansas City, Wyandotte County, Kansas, said Tract as surveyed by William C. Anderson, LS-1527 of BHC, CLS 175, prepared on June 18, 2024, and being more particular described by metes and bounds as follows:

(Note: For course orientation the bearings in this description are based on the West line of the Southwest Quarter of Section 11, Township 11 South, Range 23 East, having a bearing of South 02° 06' 17" East, referenced to the Kansas State Plane Coordinate System, North Zone, NAD83.)

COMMENCING at the Northwest corner, of the Southwest Quarter, Section 11, Township 11 South, Range 23 East, monumented by a found 1/2-inch reinforcing rod with no cap;

Thence South 02° 06' 17" East, 272.23 feet, on the West line of said Southwest Quarter;

Thence North 87° 53' 43" East, 63.31 feet, to its intersection with the South Right-of-Way line of Village West Parkway, as established by a Deed in Book 4469, Page 329, and the POINT OF BEGINNING of the Tract of land herein described;

Thence North 79° 46' 40" East, 123.41 feet, on said South Right-of-Way line;

Thence Northeasterly on a tangent curve, having a radius of 1557.02 feet, to the right, an arc length of 536.69 feet, on said South Right-of-Way line, said curve having a chord bearing of North 89° 39' 09" East, and a chord length of 534.04 feet;

Thence South 80° 28' 22" East, 751.04 feet, on said South Right-of-Way line;

Thence Southeasterly on a tangent curve, having a radius of 2371.83 feet, to the left, an arc length of 342.73 feet, on said South Right-of-Way line, said curve having a chord bearing of South 84° 36' 45" East, and a chord length of 342.43 feet;

Thence departing said South Right-of-Way line, South 02° 28' 12" East, 325.57 feet, to a point on the North Right-of-Way line of Interstate 70;

Thence South 85° 25' 40" West, 1027.78 feet, on said North Right-of-Way line;

Thence South 89° 22' 59" West, 352.53 feet, on said North Right-of-Way line;

Thence North 01° 59' 49" West, 69.95 feet, on said North Right-of-Way line;

Thence South 87° 37' 36" West, 310.78 feet, on said North Right-of-Way line, to its intersection with the East Right-of-Way line of Speedway Boulevard;

Thence North 10° 57' 02" West, 213.42 feet, on said East Right-of-Way line;

Thence South 87° 53' 47" West, 7.54 feet, on said East Right-of-Way line;

Thence North 02° 42' 33" West, 276.32 feet, to the POINT OF BEGINNING.

AND

TRACT 3:

A Tract of land being a part of Lot 1, KANSAS SPEEDWAY CORPORATION, a subdivision of land recorded October 29, 1999, in Plat Book 39, Page 10, and filed as Document Number 1312407, said Tract of land as surveyed by William C. Anderson, PS 1527, with BHC, CLS 175, being more particularly described by metes and bounds as follows:

(Note: For course orientation the bearings in this description are based on the North Right-of-Way line of Village West Parkway having a bearing of North 80° 28' 22" West as shown on recorded plat of KANSAS ENTERTAINMENT, LLC -LOT 1.)

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AND

TRACT 4:

A Tract of land, being part of Village West Parkway, lying and situated in Southwest Quarter of Section 11, Township 11 South, Range 23 East, said Tract as surveyed by William C. Anderson, LS-1527 with BHC CLS 175, being more particularly described by metes and bounds as follows:

(Note: For course orientation the bearings in this description are based on the North Right-of-Way line of Village West Parkway having a bearing of North 80° 28' 22" West as shown on the recorded plat of KANSAS ENTERTAINMENT, LLC -LOT 1.)

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[Balance of page intentionally left blank]

EXHIBIT B
MAP OF PROPERTY

AMENDED PARTIAL RELEASE OF MORTGAGE

Reference is hereby made to that certain Partial Release of Mortgage dated as of November 30, 2023 (the "Original Partial Release") by Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Security Bank of Kansas City (the "Bank"). The Original Partial Release included an error in the legal description attached thereto as Exhibit "A"; the purpose of this Amended Partial Release is to correct said legal description.

THIS AMENDED PARTIAL RELEASE OF MORTGAGE WITNESSETH, that the owner and holder of that certain Kansas Mortgage, Assignment of Rents and Security Agreement dated as of January 15, 1999, executed by Kansas International Speedway Corp. and recorded in the Office of the Register of Deeds of Wyandotte County, Kansas ("Register's Office") on January 22, 1999 as Document No. 1290488 in Book 4054, Page 457, as modified by that certain Amended and Restated Mortgage recorded on March 1, 1999 as Document No. 1293339 in Book 4064 at Page 891 (collectively, the "Mortgage"), for value received, does hereby release from the lien and effect of said Mortgage, that portion of the property legally described on Exhibit A attached hereto, situated in Wyandotte County, Kansas.

Provided, however, that this Amended Partial Release of Mortgage shall not prejudice the lien of said Mortgage on the remaining property therein described and the terms of the Mortgage shall continue in full force and effect with respect to such property.

Witness its hand this_____ day of __________________, 2025.

THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS

By:____

Printed Name:____________________________________

Title:____

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ______________________________, 2025, by ______________________, the ___________________________ of the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS.

____
Print Name:_____________________________
Notary Public in and for said County and State

My Appointment Expires:

____

SECURITY BANK OF KANSAS CITY

By:_______________________________________

Printed Name:______________________________

Title:_____________________________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _____________________________, 2025, by _____________________, the _____________________ of SECURITY BANK OF KANSAS CITY.

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Print Name:___________________________
Notary Public in and for said County and State

My Appointment Expires:

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EXHIBIT A
Legal Description of Released Property

TRACT 1:

A Tract of land being part of Lot 1, KANSAS SPEEDWAY CORPORATION, a subdivision of land recorded October 29, 1999, file as Document Number 1312407, in Plat Book 39 at Page 6, a subdivision in Kansas City, Wyandotte County, Kansas, said Tract as surveyed by William C. Anderson, LS-1527 of BHC, CLS 175, prepared on June 18, 2024, and being more particular described by metes and bounds as follows:

(Note: For course orientation the bearings in this description are based on the West line of the Southwest Quarter of Section 11, Township 11 South, Range 23 East, having a bearing of South 02° 06' 17" East, referenced to the Kansas State Plane Coordinate System, North Zone, NAD83.)

COMMENCING at the Northwest corner, of the Southwest Quarter, Section 11, Township 11 South, Range 23 East, monumented by a found 1/2-inch reinforcing rod with no cap;

Thence South 02° 06' 17" East, 272.23 feet, on the West line of said Southwest Quarter;

Thence North 87° 53' 43" East, 63.31 feet, to its intersection with the South Right-of-Way line of Village West Parkway, as established by a Deed in Book 4469, Page 329, and the POINT OF BEGINNING of the Tract of land herein described;

Thence North 79° 46' 40" East, 123.41 feet, on said South Right-of-Way line;

Thence Northeasterly on a tangent curve, having a radius of 1557.02 feet, to the right, an arc length of 536.69 feet, on said South Right-of-Way line, said curve having a chord bearing of North 89° 39' 09" East, and a chord length of 534.04 feet;

Thence South 80° 28' 22" East, 751.04 feet, on said South Right-of-Way line;

Thence Southeasterly on a tangent curve, having a radius of 2371.83 feet, to the left, an arc length of 342.73 feet, on said South Right-of-Way line, said curve having a chord bearing of South 84° 36' 45" East, and a chord length of 342.43 feet;

Thence departing said South Right-of-Way line, South 02° 28' 12" East, 325.57 feet, to a point on the North Right-of-Way line of Interstate 70;

Thence South 85° 25' 40" West, 1027.78 feet, on said North Right-of-Way line;

Thence South 89° 22' 59" West, 352.53 feet, on said North Right-of-Way line;

Thence North 01° 59' 49" West, 69.95 feet, on said North Right-of-Way line;

Thence South 87° 37' 36" West, 310.78 feet, on said North Right-of-Way line, to its intersection with the East Right-of-Way line of Speedway Boulevard;

Thence North 10° 57' 02" West, 213.42 feet, on said East Right-of-Way line;

Thence South 87° 53' 47" West, 7.54 feet, on said East Right-of-Way line;

Thence North 02° 42' 33" West, 276.32 feet, to the POINT OF BEGINNING, said Tract containing 819,350 square feet, or 18.8097 acres.

AND

TRACT 3:

A Tract of land being a part of Lot 1, KANSAS SPEEDWAY CORPORATION, a subdivision of land recorded October 29, 1999, in Plat Book 39, Page 10, and filed as Document Number 1312407, said Tract of land as surveyed by William C. Anderson, PS 1527, with BHC, CLS 175, being more particularly described by metes and bounds as follows:

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Witness its hand this_____ day of __________________, 2025.

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____

Printed Name:________________________________

Title:_______________________________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ______________________________, 2025, by ______________________, the ___________________________ of the UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS.

____
Print Name:_____________________________
Notary Public in and for said County and State

My Appointment Expires:

____

SECURITY BANK OF KANSAS CITY

By:____

Printed Name:________________________________

Title:_______________________________________

STATE OF KANSAS)
) ss.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ______________________________, 2025, by ______________________, the ______________________ of SECURITY BANK OF KANSAS CITY.

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Tracking ID: 2193

Report to
Full Commission

MEETING DATE	PRESENTER	DEPARTMENT
	Irene Caudillo, Chief of Staff Jeffrey Conway, Assistant Counsel icaudillo@wycokck.org, jconway@wycokck.org x5010, x5075	Administrator's Office

AGENDA ITEM #4.2.
RESOLUTION: AUTHORIZE COUNTY ADMINISTRATOR TO CALCULATE CERTAIN NEW REVENUE
BACKGROUND
A resolution to authorize the County Administrator to calculate certain new revenue for the purposes of recommending budgetary options to retire existing debt to the Board of Commissioners.
RECOMMENDATION
Approve
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS
unknown
IT/POLICY CONSIDERATIONS
PROCUREMENT CONSIDERATIONS
LEGAL CONSIDERATIONS
ATTACHMENTS
Resolution for 10% to debt reduction (5)

Approved by Mayor and/or Chair and Administrator to add to agenda.

RESOLUTION NO. R-__________

A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR TO CALCULATE CERTAIN NEW REVENUE FOR THE PURPOSES OF RECOMMENDING BUDGETARY OPTIONS TO RETIRE EXISTING DEBT TO THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/ KANSAS CITY, KANSAS

WHEREAS, it is the desire of the Board of Commissioners to empower the County Administrator to identify any new general fund revenue attributable to new residential and commercial buildings and to recommend corresponding budgetary options intended to reduce existing debt for the Unified Government.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/ KANSAS CITY, KANSAS AS FOLLOWS:

Section 1. (a) On and after the effective date of this resolution, the County Administrator shall be authorized to calculate an amount that is at least ten percent of any new revenue received in the city and county general funds, respectively, during the prior budget year. The County Administrator, in addition to the normal budget process of retiring existing debt, will also recommend to the Board of Commissioners any corresponding budgetary options for the ten percent as described above, to assist in retiring existing debt for the city or county, respectively, as part of the annual budget adoption process.

(b) For purposes of this resolution, "any new revenue" means certain general fund revenue derived solely from ad valorem taxes from new residential and commercial buildings.

Section 2. Effective Date. This resolution shall take effect and be in full force from and after its passage and approval, and publication in the official newspaper.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, THIS _____ DAY OF __________ 2025.

____

Tyrone A. Garner, Mayor/CEO

Attest:

____

Unified Government Clerk

Approved as to Form:

____

Unified Government Acting Chief Counsel

Tracking ID: 21134

Report to

MEETING DATE	PRESENTER	DEPARTMENT
MAR 0 3 2025	Chelsee Chism, Director cchism@wycokck.org X8046	Economic Development

AGENDA ITEM #

RESOLUTION: REDBUD RESERVE LLC (MARIAN PROJECT) INDUSTRIAL REVENUE BONDS

BACKGROUND

There are two items to be addressed:
1. Setting the Public Hearing regarding the proposed issuance of bonds for March 27, 2025.
2. Adoption of a resolution of intent to issue Industrial Revenue Bonds in the amount of $52,000,000 and approving the Performance Agreement for Redbud Reserve LLC located at 6909 State Avenue (Marian Project).

RECOMMENDATION

Approve

BUDGET IMPACTS / FINANCIAL CONSIDERATIONS

IT/POLICY CONSIDERATIONS

PROCUREMENT CONSIDERATIONS

LEGAL CONSIDERATIONS

ATTACHMENTS

Resolution of Intent - Redbud Reserve (UG), Notice of Public Hearing - Redbud Reserve (UG), Performance Agreement - Redbud Reserve (UG), REDLINE - Performance Agreement, UG IRB Application- Executed-c, CBA_6909_State_02112025_with_LMW

Approved by Mayor and/or Chair and Administrator to add to agenda.

D. Johnston By: mb with approval

Approved: [illegible]

RESOLUTION NO. R-__-25

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF NOT TO EXCEED $52,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A COMMERCIAL MULTIFAMILY FACILITY FOR THE BENEFIT OF REDBUD RESERVE, LLC AND ITS SUCCESSORS AND ASSIGNS

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), desires to promote, stimulate and develop the general welfare and economic prosperity of the Unified Government and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Unified Government is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, Redbud Reserve, LLC, a Kansas limited liability company (including any successors or assigns, the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing and equipping an approximately 192 unit commercial multifamily facility located generally at 6909 State Avenue, as more fully described in the Application (collectively, the "Project") through the issuance of its industrial revenue bonds in one or more series in the amount of not to exceed $52,000,000 (the "Bonds"), and to lease the Project to the Company, or its successors and assigns, in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of the Bonds under the Act in a principal amount of not to exceed $52,000,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company; and

WHEREAS, to set forth certain terms of the Project and the proposed property tax abatement, the Unified Government desires to approve the Performance Agreement between the Unified Government and Company (the "Performance Agreement") and authorize the Mayor/CEO's execution thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Approval of Project. The governing body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be generally located at 6909 State Avenue, in the corporate boundaries of the Unified Government, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed $52,000,000, to be issued pursuant to the Act.

Section 3. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct, improve and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Unified Government under Kansas law, including the school district's capital outlay levy) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as set forth on **Exhibit A** hereto, and such amounts shall be set forth in the Performance Agreement and subject to adjustment as set forth therein. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the Bonds are issued.

Section 4. Performance Agreement. The Mayor/CEO is authorized and directed to execute and deliver the Performance Agreement between the Unified Government and the Company on behalf of, and as the act and deed of the Unified Government, in substantially the same form as presented to the governing body on this date with such corrections or amendments thereto as the Mayor/CEO, upon recommendation of the Chief Counsel of the Unified Government, may approve.

Section 5. Provision for the Bonds. Subject to the conditions of this Resolution of Intent (this "Resolution"), the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be reasonably acceptable to the Company and determined by ordinance of the Unified Government (the "Ordinance"); (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 6. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policy relating to the issuance of industrial revenue bonds and ad valorem tax abatement; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 7. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be reasonably acceptable to the Unified Government.

Section 8. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a Lease Agreement (as defined in the Performance Agreement) with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Trust Indenture to be entered into between the Unified Government and the trustee for the Bonds (the "Indenture"). The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 9. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of the Bonds shall contain substantially the following disclaimer:

> NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED GOVERNMENT" AND "LITIGATION - THE UNIFIED GOVERNMENT" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 10. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Unified Government will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 11. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 12. Termination of Resolution. This Resolution shall terminate eighteen (18) months from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Unified Government for the Project, or as otherwise set forth in the Performance Agreement. The Unified Government, upon the written request of the Company, may extend this time period.

Section 13. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company or as otherwise provided in the Performance Agreement, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 14. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

Section 15. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

[Remainder of page intentionally blank.]

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON MARCH 27, 2025.

By:_____________________________________
Tyrone Garner, Mayor/CEO

[SEAL]

ATTEST:

By: ______________________________
Monica L. Sparks,
Unified Government Clerk

APPROVED AS TO FORM:

____
Office of Chief Counsel

EXHIBIT A

PAYMENT IN LIEU OF TAX SCHEDULE

Payments in lieu of tax ("PILOTs") shall be determined on a per-apartment-unit basis as further set forth in the Performance Agreement. Below is an approximate PILOT schedule based on 192 apartment units, which may be adjusted as set forth in the Performance Agreement.

Local, Minority, and Women Business Enterprise (L/M/W) goals are set forth in the Performance Agreement. PILOT payments do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Number of units	192
Annual Valuation Increase	2.00%
Annual Valuation Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**PILOT per Door**[b]	**Annual PILOT if L/M/WBE Failure**[b]	**PILOT per Door**[b]
1	$143,507	$747	$143,507	$747
2	146,102	761	148,696	774
3	148,748	775	154,092	803
4	151,447	789	159,704	832
5	154,200	803	165,541	862
6	157,008	818	171,611	894
7	159,873	833	177,924	927
8	162,794	848	184,489	961
9	165,774	863	191,317	996
10	168,814	879	198,418	1,033

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

(Published in *The Wyandotte Echo* on March 13, 2025)

NOTICE OF PUBLIC HEARING ON ISSUANCE OF INDUSTRIAL REVENUE BONDS

Public notice is hereby given that the Commission of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), will conduct a public hearing on **Thursday, March 27, 2025** at 7:00 p.m., or as soon thereafter as may be heard, regarding the proposed issuance by the Unified Government of its industrial revenue bonds in a principal amount not to exceed $52,000,000 (the "Bonds") and an exemption from ad valorem taxation for property constructed or purchased with the proceeds of such Bonds.

The public hearing will be held at City Hall, 701 N 7th Street, Kansas City, Kansas, 66101. Additional public hearing access information is available at www.wycokck.org/Departments/Clerks-Office/Engage-in-Public-Commission-Meeting or by contacting the Clerk's office via phone at (913) 573-5206 or via email at ugclerkrequest@wycokck.org. Public comment may also be submitted in advance of the public hearing by email to ugclerkrequest@wycokck.org, fax to (913) 573-5299, or mail to Unified Government Clerk's Office, 701 N. 7th Street, Suite 323, Kansas City, Kansas 66101.

The Bonds are proposed to be issued under authority of K.S.A. 12-1740 *et seq.*, as amended, to provide funds for acquiring, purchasing, constructing, installing and equipping an approximately 192-unit commercial multifamily facility located generally at 6909 State Avenue, Kansas City, Kansas 66102, in the City of Kansas City, Kansas. The Unified Government intends to base lease the facility and further intends to lease the facility to Redbud Reserve, LLC a Kansas limited liability company (the "Company"), or its successors and assigns.

The Company has requested a 10-year property tax abatement subject to certain payments in lieu of tax for the property constructed or purchased with the proceeds of the Bonds.

A copy of this Notice, together with a copy of the resolution of intent of the Unified Government to be considered for adoption, indicating the intent of the governing body of the Unified Government to issue the Bonds and a report analyzing the costs and benefits of such property tax exemption, are on file in the office of the Unified Government Clerk and available for public inspection during normal business hours.

All persons having an interest in this matter will be given an opportunity to be heard at the time and place above specified.

Dated: March 13, 2025.

Monica L. Sparks
Unified Government Clerk
701 North 7th Street, Suite 323
Kansas City, Kansas 66101
(913) 573-8039

PERFORMANCE AGREEMENT

Dated as of March 27, 2025

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

REDBUD RESERVE, LLC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of March 27, 2025 (this **"Agreement"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **REDBUD RESERVE, LLC** a Kansas limited liability company, or assigns (the **"Company"**);

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), to acquire, construct, improve, furnish, and equip a multifamily rental housing development and related facilities in the City of Kansas City, Kansas, for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities;

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the "Resolution") indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $52,000,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into this Agreement;

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the **"Abatement Statute"**) to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and this Agreement; and

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Company in consideration of the Company's desire to acquire, construct, improve, install, furnish and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth and in the Lease Agreement to be entered into between the Issuer and the Company relating to the Project (the **"Lease Agreement"**).

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. The following words and terms as used herein shall have the following meanings:

"Abatement Statute" means K.S.A. 79-201a, as amended.

"Ad valorem taxes" or **"ad valorem taxation"** means all property taxes imposed on real or personal property (including fixtures) and eligible for exemption pursuant to the Abatement Statute.

"Agreement" means this Performance Agreement between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

"Application" means the Application for Issuance of Industrial Revenue Bonds filed with the Issuer by the Company in connection with the request for the issuance of the Bonds, a copy of which is attached hereto as **Exhibit A**.

"Board of Tax Appeals" means the State of Kansas Board of Tax Appeals.

"Bond Financed Portion of the Project" means that portion of the Project financed in whole from the proceeds of the Bonds as evidenced by the requisitions submitted by the Company to the bond trustee in accordance with **Section 2.7** hereof.

"Bonds" means the Issuer's taxable industrial revenue bonds issued in relation to the Project in the maximum aggregate principal amount of $52,000,000.

"Company" means Redbud Reserve, LLC, a Kansas limited liability company, and its successors and assigns.

"Event of Default" means any Event of Default as described in **Section 5.1** hereof.

"Exempt Period" means the ten (10) calendar years beginning on the January 1 following the issuance of the Bonds.

"Exempt Property" means all Property that is exempt from taxation pursuant to K.S.A. 79-201(a) *Second* and/or *Twenty-Fourth* by reason that such property was constructed or purchased with the proceeds of the Bonds authorized by and in accordance with the Abatement Statute.

"Force Majeure" means acts of God, strikes, lockouts, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate government authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the Issuer to timely approve the plans or construction documents relating to the Project, war, terrorism, pandemic or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement.

"Future Facility Additions" means any additions, improvements or renovations to or equipping of the Bond Financed Portion of the Project following the receipt of a final certificate of occupancy for the final building comprising the Project. As used herein, **"Future Facility Additions"** shall never include any future additions, improvements or renovations to or equipping of the Project that are exempt from ad valorem taxes.

"Issuer" means the Unified Government of Wyandotte County/Kansas City, Kansas.

"Property" means all real and personal property subject to taxation pursuant to K.S.A. 79-101.

"Project" means acquiring, constructing, equipping, and furnishing an approximately 192-unit commercial multifamily facility, as further described in **Section 3.3**, including land, buildings, structures, improvements and fixtures, that will be generally located at 6909 State Avenue.

"Project Costs" means all costs and expenses of every nature paid from proceeds of the Bonds and relating to the acquisition, construction, improvement, installation, furnishing and equipping of the Project.

"Project Site" means all of the real property described in **Exhibit B** attached hereto and by this reference made a part hereof.

"Tax Payment" means a payment-in-lieu of taxes to be paid by the Company in the amounts set forth in **Section 2.3** and **Exhibit C** hereof.

ARTICLE II

EXEMPTION; PAYMENTS IN LIEU OF TAX

Section 2.1. Exempt Property. During the Exempt Period, and so long as the Bonds are outstanding and the Company remains in compliance with this Agreement, the Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be and remain Exempt Property.

Section 2.2 Agreement to Make Tax Payments. The Company covenants and agrees that, for each calendar year during the Exempt Period that the Bond Financed Portion of the Project is Exempt Property, the Company will make a Tax Payment in lieu of ad valorem taxes to the Issuer (or, if the Issuer shall direct, to the County Treasurer).

Section 2.3. Amount of Tax Payment. The Tax Payments shall be in the amounts shown in **Exhibit C**. The parties acknowledge that such Tax Payments do not include special assessments, if any, and the school district's capital outlay levy that cannot be abated under Kansas law and that the Tax Payments are subject to adjustment as set forth in **Exhibit C**.

For each such calendar year, 50% of the Tax Payment with respect to such calendar year shall be due and payable on or before the date that the first installment of *ad valorem* taxes for real property are due (and in any event, not later than December 20th), and the balance of such Tax Payment with respect to such calendar year shall be due and payable on or before the date that the second installment of *ad valorem* taxes for real property are due (and in any event, not later than May 10th of the immediately succeeding calendar year).

Section 2.4. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate upon the later of (i) the expiration of the Exempt Period or (ii) the date of the final Tax Payment.

Section 2.5. No Abatement of Special Assessments and Certain Property Taxes. The Issuer and the Company hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments and property taxes that cannot be abated under Kansas law. In the event special assessments are ever abated, the Company hereby agrees that 100% of the amount of such abated special assessments shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement.

Section 2.6. Obligation of Issuer to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property during the Exempt Period and agrees to make all filings required by the Issuer's Board of Commissioners or the Board of Tax Appeals;

provided, however, the Issuer shall not be liable for any failure of the Board of Tax Appeals to effect the exemption permitted by the Abatement Statute. The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Company in any related litigation. The Company agrees to pay to the Issuer the costs that the Issuer incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this Section.

Section 2.7. Compliance. Within ten (10) business days following the request of the Issuer, the Company shall provide the Issuer with (i) copies of the requisitions submitted by the Company to the bond trustee in accordance with the Lease Agreement for the preceding calendar year, (ii) a list containing a brief description and the amount of all costs of the Bond Financed Portion of the Project, and (iii) the total costs of the Project, all in such reasonable detail as the Issuer shall request.

Section 2.8. Value of the Project Not Determined by Bonds. The Issuer and the Company acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.9. Company's Right to Protest. Nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Company to utilize any provision of Kansas law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof.

Section 2.10. Credits for Tax Payments; No Duplicate Tax Liability. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive as a credit against its obligations to pay the Tax Payments, the amount of any ad valorem taxes (other than special assessments and property taxes that cannot be abated under Kansas law) paid by the Company to the County to the extent that the amounts paid to the County include any taxes due with respect to the Exempt Property.

Section 2.11. No Abatement on Appraised Value of Future Facility Additions. In the event any Future Facility Additions are determined to be Exempt Property as a result of the issuance of the Bonds, this Agreement or for any other reason, so long as this Agreement remains in effect, the Company hereby agrees that 100% of the amount of such abated ad valorem taxes attributable to the Future Facility Additions shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement. This provision shall not be construed as restricting the Company from applying to the Issuer or to any other governmental entity for any future tax abatement in connection with the Future Facility Additions.

Section 2.12. Tax Abatement Order; Adjustment of Tax Payment. The Issuer and the Company acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period must be obtained. In the event the Board of Tax Appeals issues an order stating that less than 100% of the Bond Financed Portion of the Project is Exempt Property, the parties agree that the Tax Payment shall be decreased by an amount necessary to result in the sum of the new Tax Payment plus the payment of ad valorem taxes by the Company with respect to the Bond Financed Portion of the Project is equal to the original Tax Payment. In the event the Board of Tax Appeals issues an order stating that none of the Bond Financed Portion of the Project is Exempt Property, then the Tax Payment shall be reduced to 0.

Notwithstanding the foregoing, if (i) the entire Bond Financed Portion of the Project is not determined to be Exempt Property, or (ii) the Board of Tax Appeals issues an order that less than 100% of the Bond Financed Portion of the Project is Exempt Property, and such determination or order is a result of the Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period), the Issuer shall be under no obligation to decrease the Tax Payment as provided in this Section. Furthermore, in no event shall the Issuer be under any obligation to make any payment to the Company as a result of the Board of Tax Appeals determining that less than 100% of the Bond Financed Portion of the Project is Exempt Property. Notwithstanding any provisions herein to the contrary, in no event shall the Company be liable for the payment of any amounts, including the Tax Payments, which are in the aggregate greater than the amount of ad valorem taxes on the Project in the event there is no abatement of the same.

Section 2.13. Determination of Appraised Value and Assessments. The Company acknowledges that the county appraiser independently determines the appraised value of Property. The Company further acknowledges that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

ARTICLE III

COVENANTS OF THE COMPANY

Section 3.1. Construction. The Project will be constructed, equipped and operated (or caused to be operated) in a manner that is consistent with the description of the Project herein. In the event the Project is constructed or operated in a manner that the Issuer determines, in its reasonable discretion, is materially inconsistent with the description of the Project herein, the Issuer reserves the right to declare an Event of Default in accordance with **Section 5.1** hereof.

Section 3.2. Completion Date. Subject only to Force Majeure, the Company agrees to commence construction on or before July 1, 2026, and substantially complete construction of the Project on or before July 1, 2028. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete" shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily facility, as evidenced by receipt by the Company of temporary certificate of occupancy. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, 2028.

Section 3.3. Development of Project. The Issuer and Company hereby agree that the Project shall be as described below. The Company covenants that the Project, including all buildings, parking facilities, and other improvements constituting the Project shall be developed, constructed, completed, and operated (or caused to be operated) on the Project Site in substantial accordance and compliance with the terms and conditions of this Agreement and the final site plan approval from the Issuer's Planning Commission. On and subject to the terms and provisions set forth in this Agreement, Company shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Project, and shall operate (or cause to be operated) and use the Project in the manner described herein. The parties further agree as follows:

(a) The Project shall be designed, developed, and constructed as a high-quality attainable apartment development that shall include approximately 192 apartment units, consisting of one-bedroom, two-bedroom, and three-bedroom units located within eight buildings, including site amenities and related infrastructure. Project amenities shall be suitable for a high-quality attainable apartment facility, including (i) in-unit balcony/patio; (ii) green space; (iii) a clubhouse; (iv) a picnic area; and (v) a playground, all as generally depicted in **Exhibit E** attached hereto, though the parties acknowledge the depiction in **Exhibit E** is subject to modification pursuant to the Issuer's planning process.

(b) Company stipulates and agrees that its signage shall be subject to all applicable laws and requirements of the Issuer and any special use permits granted by the Issuer's governing body.

(c) The Project shall include parking improvements approved by the Issuer as part of the Issuer's planning process pursuant to the Issuer's applicable laws and requirements.

(d) The Company's plans for landscaping on the Project Site shall be considered in accordance with all applicable laws and requirements of the Issuer and the Issuer's approval thereof will not be unreasonably withheld.

Section 3.4. Maintenance and Use. The Company shall cause the Project and the Project Site to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other similar facilities in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Company specifically understands and agrees that the Issuer shall not undertake or have any obligation under this Agreement for snow or ice removal on sidewalks located at or adjacent to the Project.

Section 3.5. Inspection. The Company agrees that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, including, but not limited to, inspections necessary to confirm compliance with **Section 3.3**.

Section 3.6. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations.

Section 3.7. Employment Certification. Beginning on March 1 in the calendar year following the issuance of Bonds, and on each March 1 thereafter and at any other time that the Issuer may request, for the term of this Agreement, the Company shall provide a written certification to the Issuer stating the total number of full-time employees employed at the Project.

Section 3.8. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Company agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects and the issuance of industrial revenue bonds. These fees include, but are not limited to, an initial application fee (which the Issuer agrees has been paid in full), a service fee that is due at the time of issuance of the Bonds and an annual administrative fee. The Company acknowledges receipt of a fee schedule from the Issuer and acknowledges that the fee schedule may be adjusted or amended by the Issuer at any time.

(b) The Company agrees to promptly reimburse the Issuer, within ten (10) business days following receipt by the Company of an invoice from the Issuer and reasonable supporting documentation, for any amounts that the Issuer pays to any other party as a result of the Issuer pursuing, obtaining or maintaining the tax abatement granted to the Company pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Board of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel. The Company agrees that the Issuer may, in lieu of seeking reimbursement from the Company, forward any invoice received by the Issuer to the Company, which invoice is for a cost which the Issuer could seek reimbursement from the Company pursuant to this paragraph, and the Company agrees to promptly pay such invoice and to promptly provide the Issuer with evidence of such payment.

Section 3.9. Abatement of Property. The Abatement Statute provides that, with certain exceptions, any property constructed or purchased in part with the proceeds of revenue bonds issued under the authority of the Act is exempt from taxation for a period of up to ten years to the extent of the value of that portion of the property financed by the revenue bonds. The tax abatement commences in the year following the year in which the Bonds are issued.

Company understands that property will be exempt under the Abatement Statute only if such property is purchased or reimbursed with the proceeds of the Bonds. In order to be purchased or reimbursed with Bond proceeds, the trustee for the Bonds must receive a requisition request from the Company and must make a draw on the Bonds and use the money to either (a) pay, or (b) reimburse the Company for the cost of the property, which the parties acknowledge and agree may be documented via book entry.

The Abatement Statute also provides that if property purchased with proceeds of the Bonds is used in any retail enterprise identified under the NAICS sectors 44 and 45 (**"Prohibited NAICS"**), the property will not be exempt from taxation, unless the property is a facility used exclusively to house the headquarters or back office operations of a prohibited retail enterprise.

The Abatement Statute further provides that property purchased with bond proceeds is not exempt from taxation if the property is (i) a swine production facility (as described in K.S.A. 12-1749b), (ii) property located in a redevelopment project area established under the authority of K.S.A. 12-1770 or (iii) a poultry or rabbit confinement facility (as described in K.S.A. 17-5903).

Company hereby represents that the NAICS code for the Project is not included within the list of Prohibited NAICS and agrees that during the term of the tax abatement, the property purchased with the proceeds of the Bonds will not be used in any of the Prohibited NAICS. Company understands that if any property purchased with the proceeds of the Bonds is used in a Prohibited NAICS, that property will not be subject to property tax abatement under Kansas law.

Company represents that the Project is not, and will not become, a swine production facility, a poultry or rabbit confinement facility, an owner-occupied housing facility, or inventory, and that the Project is not located in a redevelopment project area as defined in K.S.A. 12-1770 *et seq*.

Section 3.10. Solid Waste Services. Until termination of this Agreement, the Company agrees that it and all of its tenants, subtenants, operators and licensees shall exclusively use the solid waste services of the Unified Government for the Project.

Section 3.11. LBE/MBE/WBE Employment Opportunity Goals. The Company agrees to comply with the goals set forth on **Exhibit D** in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. The Company hereby understands and agrees that if it shall fail to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** for the Construction (as those terms are defined therein) of the Project, then the Tax Payments shall be increased as set forth in **Exhibit C**. The parties agree that failure to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** shall not cause an Event of Default hereunder, and the Issuer's sole remedy will be increasing the amount of Tax Payments as set forth in **Exhibit C**.

ARTICLE IV

SALE AND ASSIGNMENT

Except as otherwise provided herein, the Company will not, without the prior written consent of the Issuer, (a) assign, sell, lease, or otherwise transfer the Project Site, the Project, or equipment that comprises the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. The Issuer shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the Issuer as to whether the proposed assignee has sufficient financial wherewithal and experience to successfully complete and/or operate the Project according to the terms hereof. If an assignment is approved by the Issuer, the assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that the Company may do any of the following without written consent of the Issuer:

(a) The Company may lease the residential units within the Project in the ordinary course of its business.

(b) The Company may grant a mortgage, leasehold mortgage, or other security on the Project to a lender in order to finance construction of the Project, including, but not limited to, collateral assignment of all or any portion of its rights or obligations under this Agreement or any other documents entered into in connection with the Bonds.

(c) Once all occupancy permits have been issued for the Project, the Company may sell, lease, assign, transfer or mortgage the Project (and this Agreement and any other documents entered into in connection with the Bonds including without limitation the Resolution, in connection with the same) upon written request to the Issuer and the approval of the County Administrator; provided, if the County Administrator disapproves any such disposition, the Company will have the right to appeal such decision to the Issuer's governing body within a reasonable time. The consent of the Issuer to any such disposition described in this subsection shall not be unreasonably withheld or delayed.

(d) The Company may terminate this Agreement, and thereafter freely sell, assign, transfer or mortgage.

(e) The Company, upon written notice to the Issuer, may freely sell, assign, lease or transfer all or any portion of the Project or Project Site, and/or its rights or obligations under this Agreement and any other documents entered into in connection with the Bonds (including, without limitation, the Resolution), to an entity managed by or under common control of or by the Company or one or more of its principals.

Upon the sale, assignment, or transfer of the Project as set forth herein, the Company (as assignor) shall be relieved of all further liability occurring on and after the effective date of such disposition, except as may be otherwise set forth in the Lease Agreement.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) the Company shall fail to perform any of its obligations hereunder;

(b) the Company shall breach any covenant contained herein or any representation of the Company contained herein shall prove to be materially false or erroneous; or

(c) the Company shall be in default under the Lease Agreement or any land use restriction agreement entered into with respect to the Company's financing.

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Company shall be given 60 days (or such longer period as the Issuer and the Company may agree), following written notice by the Issuer to the Company of the occurrence of such Event of Default, to cure such Event of Default; provided that, if such Event of Default is of a nature that it cannot reasonably be cured within 60 days, then such occurrence will not constitute an Event of Default so long as Company: (a) commences to cure such failure within such 60-day period; and (b) diligently pursues such cure to completion. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Company from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, the Company shall make a payment to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) all due but unpaid Tax Payments attributed to prior calendar years, (ii) the pro rata total Tax Payments that would be due with respect to the current calendar year, (iii) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project was not Exempt Property, and (iv) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement.

Section 5.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Kansas law on overdue ad valorem taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem taxes that are not paid when due shall be subject to the same penalties imposed by Kansas law on overdue ad valorem taxes.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Notice and Waiver of Company. The Issuer reserves the right to grant tax abatement for projects that are located adjacent to or in the proximity of the Project or for projects that are located elsewhere within the Issuer but are similar to the Project in amounts that are above or below the amounts set forth herein. The Company acknowledges and agrees that the Tax Payment, the Exempt Period and the other terms of the tax abatement granted by the Issuer with respect to such other projects may be more favorable than the terms provided for in this Agreement. As a condition to the Issuer entering into this Agreement, the Company waives any claim it may have against the Issuer as a result of the Issuer granting tax abatement to other projects with terms that are more favorable than the terms provided for in this Agreement. Additionally, the Company agrees that it will not request that the Issuer modify this Agreement because the Issuer plans to grant or has granted tax abatement to another project or projects on terms that are more favorable than the terms provided for in this Agreement. Upon the occurrence of the Company's breach of its obligations set forth in this Section to waive any claim it may have against the Issuer as described above, the Issuer shall have the right to immediately terminate this Agreement and the associated tax abatement and require that the Company pay to the Issuer the amounts specified in **clauses (i)** through **(iv)** of **Section 5.2**.

Section 6.2. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 6.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 6.4. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Waiver. The Issuer and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the Issuer under the Lease Agreement. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 6.6. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be given to or filed with the Issuer and the Company as set forth below:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: 913-573-5260
Email: msparks@wycokck.org

with a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: 913-573-5060
Email: alawson@wycokck.org

And a copy to:

Gilmore & Bell, P.C.
Kevin Wempe
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Telephone: 816-221-1000
Email: kwempe@gilmorebell.com

and to the Company at:

Shelby Miles
Redbud Reserve, LLC
1801 Payne Street
Louisville, Kentucky 40206
Telephone: 502-297-8130
Email: shelby@themariangroup.com

with a copy to:

Curt Petersen
Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Telephone: 913-234-7458
Email: cpetersen@polsinelli.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

Section 6.7. Further Assurances. The parties each agree to do, execute, acknowledge and deliver any and all other documents and instruments and to take all such further action as shall be reasonably necessary or reasonably required in order to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

Section 6.8. Authority, etc. Each party to this Agreement represents and warrants to each other party as follows: (i) that such party has the requisite power and authority to enter into and perform this Agreement; (ii) that this Agreement has been duly authorized by all necessary action on the part of such party; (iii) that the execution and delivery and performance by each party of this Agreement will not conflict with or result in a violation of such party's organizational documents or any judgment, order or decree of any court or arbiter to which such party is bound; and (iv) that this Agreement constitutes the valid and binding obligation of such party, and is enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

Section 6.9. Electronic Storage and Transactions. The parties agree that the transactions described herein may be conducted and related documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By:___________________________________
Monica Sparks,
Unified Government Clerk

Approved as to form:

By: ______________________________
Office of Chief Counsel

REDBUD RESERVE, LLC
a Kansas limited liability company

By:____________________________________

Name: _________________________________

Title: __________________________________

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

EXHIBIT B

PROJECT SITE

TRACT 1:

A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE 6TH P.M., KANSAS CITY, WYANDOTTE COUNTY, KANSAS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID QUARTER SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 88 DEGREES 10' 11" EAST, 763.70 FEET ALONG THE NORTH LINE OF SAID QUARTER SECTION; THENCE SOUTH 01 DEGREE 49' 49" EAST, 108.07 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF US-24 HIGHWAY AS CONDEMNED IN DISTRICT COURT CASE NO. 94275-A, WYANDOTTE COUNTY AND THE POINT OF BEGINNING; FIRST COURSE, THENCE SOUTH 49 DEGREES 04' 52" WEST, 57.55 FEET ALONG SAID RIGHT OF WAY LINE; SECOND COURSE, THENCE SOUTH 01 DEGREE 50' 59" EAST, 1,178.07 FEET ALONG SAID RIGHT OF WAY LINE; THIRD COURSE, THENCE SOUTH 87 DEGREES 53' 07" WEST, 286.47 FEET ALONG SAID RIGHT OF WAY LINE; FOURTH COURSE, THENCE NORTH 12 DEGREES 18' 39" WEST, 1175.69 FEET; FIFTH COURSE, THENCE NORTH 81 DEGREES 54' 48" EAST, 547.85 FEET TO THE POINT OF BEGINNING; LESS AND EXCEPT ALL THAT PORTION THEREOF CONTAINED IN THE DESCRIPTION OF LAND FILED IN BOOK 1654, PAGE 291.

EXHIBIT C

TAX PAYMENT SCHEDULE

Tax Payments (or "PILOTs") shall be determined on a per-apartment-unit basis. Below is an approximate PILOT schedule based on 192 apartment units, and the parties acknowledge that the Tax Payments may be adjusted in accordance with the table below depending on the ultimate number of units constructed.

Tax Payments shown below do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Number of units	192
Annual Valuation Increase	2.00%
Annual Valuation Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**PILOT per Door**[b]	**Annual PILOT if L/M/WBE Failure**[b]	**PILOT per Door**[b]
1	$143,507	$747	$143,507	$747
2	146,102	761	148,696	774
3	148,748	775	154,092	803
4	151,447	789	159,704	832
5	154,200	803	165,541	862
6	157,008	818	171,611	894
7	159,873	833	177,924	927
8	162,794	848	184,489	961
9	165,774	863	191,317	996
10	168,814	879	198,418	1,033

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

EXHIBIT D

LBE/MBE/WBE PARTICIPATION AGREEMENT

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the "**Agreement**"), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**") and Redbud Reserve, LLC or assigns (the "**Developer**"), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of an approximately 192-unit, commercial multifamily project in Kansas City, Kansas (the "**Project**"), as defined below.

I. SCOPE

A. These procedures are applicable to the Construction (as defined below) of the Project, as further described in that certain Performance Agreement between the UG and Developer, dated December March 27, 2025 (the "**Performance Agreement"**), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. DEFINITIONS

A. "Construction" means all aspects of the construction of the Project including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) Specialized Services; and (ii) Professional Services.

B. "Contractor" means the Proposer selected by the Developer for the Project.

C. "Local Business Enterprise" (or "LBE") means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. "Minority Business Enterprise" (or "MBE") means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development and construction of the Project.

F. "Project" means the Construction of a new apartment complex and as legally described in Exhibit 1 to this Agreement.

G. **"Proposer"** means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. **"Specialized Services"** means expertise, services, or products that are only available through sole source providers or national vendors or are unique to the business of the Project.

H. "**Substantial Local Office**" means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. **"Women Business Enterprise" (or "WBE")** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. <u>GOALS FOR LBE/MBE/WBE PARTICIPATION.</u>

Developer and its Contractor will use Best Efforts to meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Construction of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	**Participation Percentage Goal – Percentage of Total Construction Cost for the Project**
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. <u>ELIGIBILITY FOR CREDIT</u>

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women's Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an "approved" business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

B. A joint venture involving an approved LBE, MBE, and/or WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount for which the approved LBE, MBE, and/or WBE is responsible; provided that if the LBE, MBE, and/or WBE is the majority partner in such joint venture, then the entire joint venture contract amount shall be counted, less any work subcontracted to the non LBE, MBE, and/or WBE joint venture partner. To receive credit, the approved LBE, MBE, and/or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

C. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE may also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE and the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. Solicitation Documents. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. Subcontractor Relations – Documentation of Subcontracting Agreements. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

C. Best Efforts. For each LBE/MBE/WBE participation percentage goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet such goal(s) if Developer shall have taken substantially all of the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities and/or informational meetings to approved LBEs, MBEs, and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE, MBE, and WBE participation, where feasible;

vi. Developer is or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work history;

viii. Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit or insurance required to perform the contract; and

ix. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers and any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs, and WBEs.

Failure by Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts. The parties acknowledge that all of the foregoing actions may not apply to every scope of the Project.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for using Best Efforts to meet the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

A. providing information and technical assistance regarding this Project to the Developer and its agents including the Contractor and any other contractors, subcontractors, LBEs, MBEs, WBEs, officials and other interested persons;

B. developing and maintaining a registry of approved LBE, MBE and WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating the Developer and its agents on current or proposed affirmative action legislation enacted by the UG that may affect the Project;

E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

G. conducting compliance reviews and audits of LBE, MBE, and WBE and participation;

H. assisting the Developer and its agents in addressing issues related to the goals and procedures set forth in this Agreement;

I. reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and

J. assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. **Records.** Developer shall maintain those records as may reasonably be required to demonstrate compliance (and/or its Best Efforts to comply) with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. **Construction Utilization Plan Reports.** Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include for each LBE, MBE, or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE, and/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. **Remedies.** If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement for the Construction of the Project have not been met, and that the Best Efforts described herein have not been met, then the UG shall have, as its sole and exclusive remedies: such remedy as set forth in Section 3.11 of the Performance Agreement; and (ii) UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects undertaken by the Company in the UG.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________
David Johnston,
County Administrator

Date: ______________________________

REDBUD RESERVE, LLC

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

EXHIBIT 1
Legal Description

TRACT 1:

A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE 6TH P.M., KANSAS CITY, WYANDOTTE COUNTY, KANSAS DESCRIBED AS FOLLOWS:

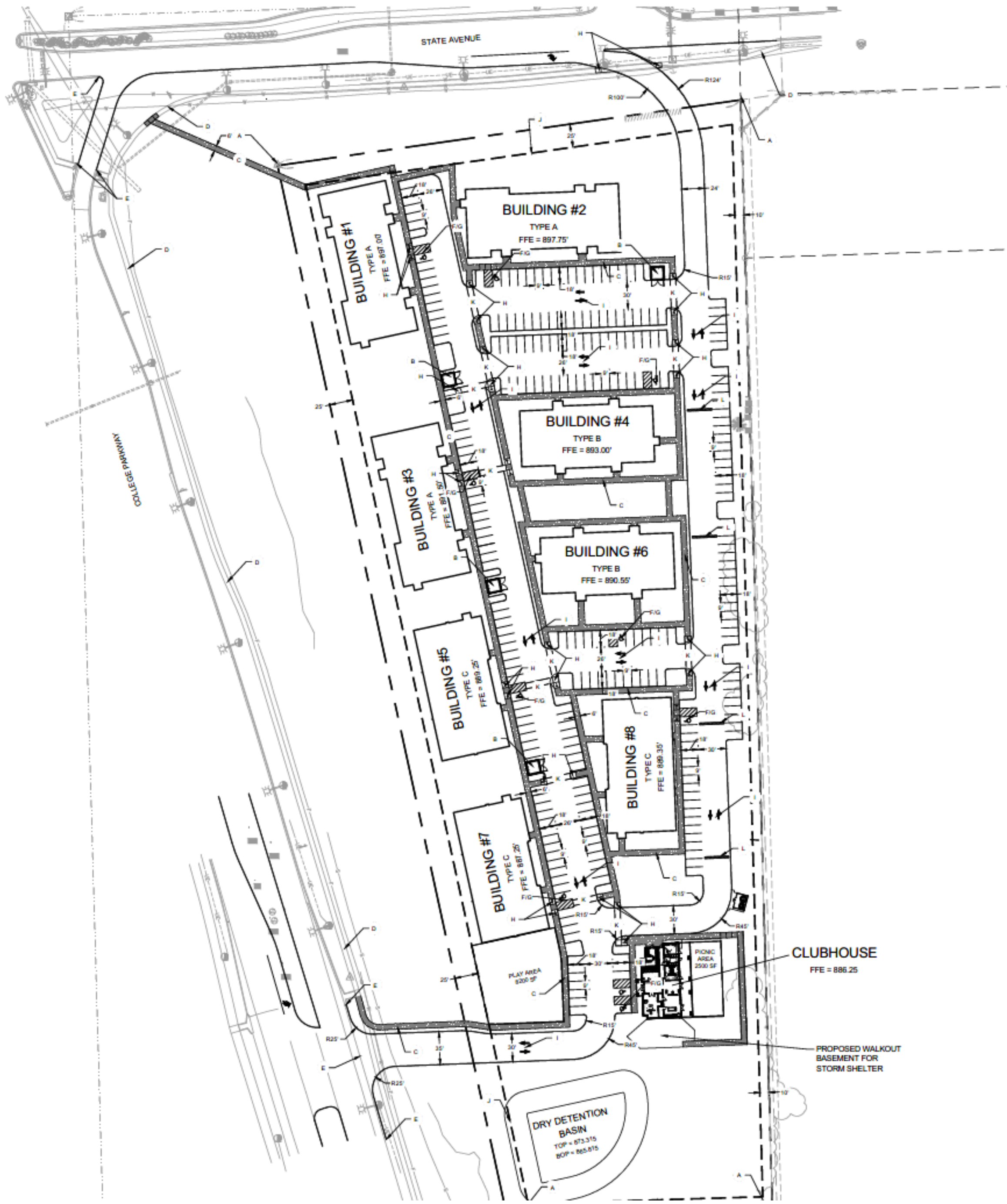
COMMENCING AT THE NORTHWEST CORNER OF SAID QUARTER SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 88 DEGREES 10' 11" EAST, 763.70 FEET ALONG THE NORTH LINE OF SAID QUARTER SECTION; THENCE SOUTH 01 DEGREE 49' 49" EAST, 108.07 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF US-24 HIGHWAY AS CONDEMNED IN DISTRICT COURT CASE NO. 94275-A, WYANDOTTE COUNTY AND THE POINT OF BEGINNING; FIRST COURSE, THENCE SOUTH 49 DEGREES 04' 52" WEST, 57.55 FEET ALONG SAID RIGHT OF WAY LINE; SECOND COURSE, THENCE SOUTH 01 DEGREE 50' 59" EAST, 1,178.07 FEET ALONG SAID RIGHT OF WAY LINE; THIRD COURSE, THENCE SOUTH 87 DEGREES 53' 07" WEST, 286.47 FEET ALONG SAID RIGHT OF WAY LINE; FOURTH COURSE, THENCE NORTH 12 DEGREES 18' 39" WEST, 1175.69 FEET; FIFTH COURSE, THENCE NORTH 81 DEGREES 54' 48" EAST, 547.85 FEET TO THE POINT OF BEGINNING; LESS AND EXCEPT ALL THAT PORTION THEREOF CONTAINED IN THE DESCRIPTION OF LAND FILED IN BOOK 1654, PAGE 291.

EXHIBIT 2

Construction Utilization Plan

EXHIBIT E

PRELIMINARY SITE PLAN AND RENDERING



~~DRAFT: February 11, 2025~~

PERFORMANCE AGREEMENT

Dated as of March 27, 2025

BETWEEN THE

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

AND

REDBUD RESERVE, LLC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of March 27, 2025 (this **"Agreement"**), between the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS,** a municipal corporation organized and existing under the laws of the State of Kansas (the **"Issuer"**), and **REDBUD RESERVE, LLC** a Kansas limited liability company, or assigns (the **"Company"**);

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the **"Act"**), to acquire, construct ~~and~~, improve ~~certain facilities~~, furnish, and equip a multifamily rental housing development and related facilities in the City of Kansas City, Kansas, for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities;

WHEREAS, pursuant to such authorization, the governing body of the Issuer has adopted a Resolution (the "Resolution") indicating the Issuer's intent to issue one or more series of taxable industrial revenue bonds in the principal amount of not to exceed $52,000,000 (the **"Bonds"**), for the purpose of acquiring, constructing, improving, installing, furnishing and equipping the Project and authorizing the Issuer to enter into this Agreement;

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the **"Abatement Statute"**) to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and this Agreement; and

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Company in consideration of the Company's desire to acquire, construct, improve, install, furnish and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth and in the Lease Agreement to be entered into between the Issuer and the Company relating to the Project (the **"Lease Agreement"**).

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. The following words and terms as used herein shall have the following meanings:

"Abatement Statute" means K.S.A. 79-201a, as amended.

"Ad valorem taxes" or **"ad valorem taxation"** means all property taxes imposed on real or personal property (including fixtures) and eligible for exemption pursuant to the Abatement Statute.

"Agreement" means this Performance Agreement between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

"Application" means the Application for Issuance of Industrial Revenue Bonds filed with the Issuer by the Company in connection with the request for the issuance of the Bonds, a copy of which is attached hereto as **Exhibit A**.

"Board of Tax Appeals" means the State of Kansas Board of Tax Appeals.

"Bond Financed Portion of the Project" means that portion of the Project financed in whole from the proceeds of the Bonds as evidenced by the requisitions submitted by the Company to the bond trustee in accordance with **Section 2.7** hereof.

"Bonds" means the Issuer's taxable industrial revenue bonds issued in relation to the Project in the maximum aggregate principal amount of $52,000,000.

"Company" means Redbud Reserve, LLC, a Kansas limited liability company, and its successors and assigns.

"Event of Default" means any Event of Default as described in **Section 5.1** hereof.

"Exempt Period" means the ten (10) calendar years beginning on the January 1 following the issuance of the Bonds.

"Exempt Property" means all Property that is exempt from taxation pursuant to K.S.A. 79-201(a) *Second* and/or *Twenty-Fourth* by reason that such property was constructed or purchased with the proceeds of the Bonds authorized by and in accordance with the Abatement Statute.

"Force Majeure" means acts of God, strikes, lockouts, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate government authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the Issuer to timely approve the plans or construction documents relating to the Project, war, terrorism, pandemic or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement.

"Future Facility Additions" means any additions, improvements or renovations to or equipping of the Bond Financed Portion of the Project following the receipt of a final certificate of occupancy for the final building comprising the Project. As used herein, **"Future Facility Additions"** shall never include any future additions, improvements or renovations to or equipping of the Project that are exempt from ad valorem taxes.

"Issuer" means the Unified Government of Wyandotte County/Kansas City, Kansas.

"Property" means all real and personal property subject to taxation pursuant to K.S.A. 79-101.

"Project" means acquiring ~~and~~, constructing, equipping, and furnishing an approximately 192-unit commercial multifamily facility, as further described in **Section 3.3**, including land, buildings, structures, improvements and fixtures, that will be generally located at 6909 State Avenue.

"Project Costs" means all costs and expenses of every nature paid from proceeds of the Bonds and relating to the acquisition, construction, improvement, installation, furnishing and equipping of the Project.

"Project Site" means all of the real property described in **Exhibit B** attached hereto and by this reference made a part hereof.

"Tax Payment" means a payment-in-lieu of taxes to be paid by the Company in the amounts set forth in **Section 2.3** and **Exhibit C** hereof.

ARTICLE II

EXEMPTION; PAYMENTS IN LIEU OF TAX

Section 2.1. Exempt Property. During the Exempt Period, and so long as the Bonds are outstanding and the Company remains in compliance with this Agreement, the Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be and remain Exempt Property.

Section 2.2 Agreement to Make Tax Payments. The Company covenants and agrees that, for each calendar year during the Exempt Period that the Bond Financed Portion of the Project is Exempt Property, the Company will make a Tax Payment in lieu of ad valorem taxes to the Issuer (or, if the Issuer shall direct, to the County Treasurer).

Section 2.3. Amount of Tax Payment. The Tax Payments shall be in the amounts shown in **Exhibit C**. The parties acknowledge that such Tax Payments do not include special assessments, if any, and the school district's capital outlay levy that cannot be abated under Kansas law and that the Tax Payments are subject to adjustment as set forth in **Exhibit C**.

For each such calendar year, 50% of the Tax Payment with respect to such calendar year shall be due and payable on or before the date that the first installment of *ad valorem* taxes for real property are due (and in any event, not later than December 20th), and the balance of such Tax Payment with respect to such calendar year shall be due and payable on or before the date that the second installment of *ad valorem* taxes for real property are due (and in any event, not later than May 10th of the immediately succeeding calendar year).

Section 2.4. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate upon the later of (i) the expiration of the Exempt Period or (ii) the date of the final Tax Payment.

Section 2.5. No Abatement of Special Assessments and Certain Property Taxes. The Issuer and the Company hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments and property taxes that cannot be abated under Kansas law. In the event special assessments are ever abated, the Company hereby agrees that 100% of the amount of such abated special assessments shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement.

Section 2.6. Obligation of Issuer to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property during the Exempt Period and agrees to make all filings required by the Issuer's Board of Commissioners or the Board of Tax Appeals;

provided, however, the Issuer shall not be liable for any failure of the Board of Tax Appeals to effect the exemption permitted by the Abatement Statute. The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Company in any related litigation. The Company agrees to pay to the Issuer the costs that the Issuer incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this Section.

Section 2.7. Compliance. Within ten (10) business days following the request of the Issuer, the Company shall provide the Issuer with (i) copies of the requisitions submitted by the Company to the bond trustee in accordance with the Lease Agreement for the preceding calendar year, (ii) a list containing a brief description and the amount of all costs of the Bond Financed Portion of the Project, and (iii) the total costs of the Project, all in such reasonable detail as the Issuer shall request.

Section 2.8. Value of the Project Not Determined by Bonds. The Issuer and the Company acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.9. Company's Right to Protest. Nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Company to utilize any provision of Kansas law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof.

Section 2.10. Credits for Tax Payments; No Duplicate Tax Liability. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive as a credit against its obligations to pay the Tax Payments**,** the amount of any ad valorem taxes (other than special assessments and property taxes that cannot be abated under Kansas law) paid by the Company to the County to the extent that the amounts paid to the County include any taxes due with respect to the Exempt Property.

Section 2.11. No Abatement on Appraised Value of Future Facility Additions. In the event any Future Facility Additions are determined to be Exempt Property as a result of the issuance of the Bonds, this Agreement or for any other reason, so long as this Agreement remains in effect, the Company hereby agrees that 100% of the amount of such abated ad valorem taxes attributable to the Future Facility Additions shall be paid to the Issuer at the times and in the manner that Tax Payments are paid to the Issuer pursuant to this Agreement. This provision shall not be construed as restricting the Company from applying to the Issuer or to any other governmental entity for any future tax abatement in connection with the Future Facility Additions.

Section 2.12. Tax Abatement Order; Adjustment of Tax Payment. The Issuer and the Company acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, an order from the Board of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period must be obtained. In the event the Board of Tax Appeals issues an order stating that less than 100% of the Bond Financed Portion of the Project is Exempt Property, the parties agree that the Tax Payment shall be decreased by an amount necessary to result in the sum of the new Tax Payment plus the payment of ad valorem taxes by the Company with respect to the Bond Financed Portion of the Project is equal to the original Tax Payment. In the event the Board of Tax Appeals issues an order stating that none of the Bond Financed Portion of the Project is Exempt Property, then the Tax Payment shall be reduced to 0.

Notwithstanding the foregoing, if (i) the entire Bond Financed Portion of the Project is not determined to be Exempt Property, or (ii) the Board of Tax Appeals issues an order that less than 100% of the Bond Financed Portion of the Project is Exempt Property, and such determination or order is a result of the Company's failure to comply with the terms and provisions of this Agreement (after any applicable notice and cure period), the Issuer shall be under no obligation to decrease the Tax Payment as provided in this Section. Furthermore, in no event shall the Issuer be under any obligation to make any payment to the Company as a result of the Board of Tax Appeals determining that less than 100% of the Bond Financed Portion of the Project is Exempt Property. Notwithstanding any provisions herein to the contrary, in no event shall the Company be liable for the payment of any amounts, including the Tax Payments, which are in the aggregate greater than the amount of ad valorem taxes on the Project in the event there is no abatement of the same.

Section 2.13. Determination of Appraised Value and Assessments. The Company acknowledges that the county appraiser independently determines the appraised value of Property. The Company further acknowledges that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

ARTICLE III

COVENANTS OF THE COMPANY

Section 3.1. Construction. The Project will be constructed, equipped and operated (or caused to be operated) in a manner that is consistent with the description of the Project herein. In the event the Project is constructed or operated in a manner that the Issuer determines, in its reasonable discretion, is materially inconsistent with the description of the Project herein, the Issuer reserves the right to declare an Event of Default in accordance with **Section 5.1** hereof.

Section 3.2. Completion Date. Subject only to Force Majeure, the Company agrees to commence construction on or before ~~[__________, 202_],~~July 1, 2026, and substantially complete construction of the Project on or before ~~[__________, 202_].~~July 1, 2028. "Commence construction" shall mean that the Company has entered into a contract with a licensed contractor for the construction of the Project and the Issuer has issued a building permit therefor. "Substantially complete" shall mean that the Project can be occupied or utilized for its intended purpose as a multifamily facility, as evidenced by receipt by the Company of temporary certificate of occupancy. The parties agree that the governing body of the Issuer will consider an ordinance authorizing the issuance of the Bonds on or about such time, but in no event will the Bonds be issued later than December 31, ~~202[_].~~2028.

Section 3.3. **Development of Project.** The Issuer and Company hereby agree that the Project shall be as described below. The Company covenants that the Project, including all buildings, parking facilities, and other improvements constituting the Project shall be developed, constructed, completed, and operated (or caused to be operated) on the Project Site in substantial accordance and compliance with the terms and conditions of this Agreement and the final site plan approval from the Issuer's Planning Commission. On and subject to the terms and provisions set forth in this Agreement, Company shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Project, and shall operate (or cause to be operated) and use the Project in the manner described herein. The parties further agree as follows:

(a) The Project shall be designed, developed, and constructed as a high-quality attainable apartment development that shall include approximately 192 apartment units, consisting of one-bedroom, two-bedroom, and three-bedroom units located within eight buildings, including site amenities and related infrastructure. Project amenities shall be suitable for a high-quality attainable apartment facility, including (i) in-unit balcony/patio; (ii) green space; (iii) a clubhouse; (iv) a ~~recreation center; (v) a~~ picnic area; and (~~vi~~v) a playground, all as generally depicted in **Exhibit E** attached hereto, though the parties acknowledge the depiction in **Exhibit E** is subject to modification pursuant to the Issuer's planning process.

(b) Company stipulates and agrees that its signage shall be subject to all applicable laws and requirements of the Issuer and any special use permits granted by the Issuer's governing body.

(c) The Project shall include parking improvements ~~containing at least the number of spaces required~~approved by the Issuer as part of the Issuer's planning process pursuant to the Issuer's applicable laws and requirements.

(d) The Company's plans for landscaping on the Project Site shall be considered in accordance with all applicable laws and requirements of the Issuer and the Issuer's approval thereof will not be unreasonably withheld.

Section 3.4. **Maintenance and Use.** The Company shall cause the Project and the Project Site to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other similar facilities in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Company specifically understands and agrees that the Issuer shall not undertake or have any obligation under this Agreement for snow or ice removal on sidewalks located at or adjacent to the Project.

Section 3.5. **Inspection.** The Company agrees that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, including, but not limited to, inspections necessary to confirm compliance with **Section 3.3**.

Section 3.6. **Compliance with Laws.** The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations.

Section 3.7. Employment Certification. Beginning on March 1 in the calendar year following the issuance of Bonds, and on each March 1 thereafter and at any other time that the Issuer may request, for the term of this Agreement, the Company shall provide a written certification to the Issuer stating the total number of full-time employees employed at the Project.

Section 3.8. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Company agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects and the issuance of industrial revenue bonds. These fees include, but are not limited to, an initial application fee (which the Issuer agrees has been paid in full), a service fee that is due at the time of issuance of the Bonds and an annual administrative fee. The Company acknowledges receipt of a fee schedule from the Issuer and acknowledges that the fee schedule may be adjusted or amended by the Issuer at any time.

(b) The Company agrees to promptly reimburse the Issuer, within ten (10) business days following receipt by the Company of an invoice from the Issuer and reasonable supporting documentation, for any amounts that the Issuer pays to any other party as a result of the Issuer pursuing, obtaining or maintaining the tax abatement granted to the Company pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Board of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel. The Company agrees that the Issuer may, in lieu of seeking reimbursement from the Company, forward any invoice received by the Issuer to the Company, which invoice is for a cost which the Issuer could seek reimbursement from the Company pursuant to this paragraph, and the Company agrees to promptly pay such invoice and to promptly provide the Issuer with evidence of such payment.

Section 3.9. Abatement of Property. The Abatement Statute provides that, with certain exceptions, any property constructed or purchased in part with the proceeds of revenue bonds issued under the authority of the Act is exempt from taxation for a period of up to ten years to the extent of the value of that portion of the property financed by the revenue bonds. The tax abatement commences in the year following the year in which the Bonds are issued.

Company understands that property will be exempt under the Abatement Statute only if such property is purchased or reimbursed with the proceeds of the Bonds. In order to be purchased or reimbursed with Bond proceeds, the trustee for the Bonds must receive a requisition request from the Company and must make a draw on the Bonds and use the money to either (a) pay, or (b) reimburse the Company for the cost of the property, which the parties acknowledge and agree may be documented via book entry.

The Abatement Statute also provides that if property purchased with proceeds of the Bonds is used in any retail enterprise identified under the NAICS sectors 44 and 45 (**"Prohibited NAICS"**), the property will not be exempt from taxation, unless the property is a facility used exclusively to house the headquarters or back office operations of a prohibited retail enterprise.

The Abatement Statute further provides that property purchased with bond proceeds is not exempt from taxation if the property is (i) a swine production facility (as described in K.S.A. 12-1749b), (ii) property located in a redevelopment project area established under the authority of K.S.A. 12-1770 or (iii) a poultry or rabbit confinement facility (as described in K.S.A. 17-5903).

Company hereby represents that the NAICS code for the Project is not included within the list of Prohibited NAICS and agrees that during the term of the tax abatement, the property purchased with the proceeds of the Bonds will not be used in any of the Prohibited NAICS. Company understands that if any property purchased with the proceeds of the Bonds is used in a Prohibited NAICS, that property will not be subject to property tax abatement under Kansas law.

Company represents that the Project is not, and will not become, a swine production facility, a poultry or rabbit confinement facility, an owner-occupied housing facility, or inventory, and that the Project is not located in a redevelopment project area as defined in K.S.A. 12-1770 *et seq*.

Section 3.10. Solid Waste Services. Until termination of this Agreement, the Company agrees that it and all of its tenants, subtenants, operators and licensees shall exclusively use the solid waste services of the Unified Government for the Project.

Section 3.11. LBE/MBE/WBE Employment Opportunity Goals. The Company agrees to comply with the goals set forth on **Exhibit D** in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. The Company hereby understands and agrees that if it shall fail to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** for the Construction (as those terms are defined therein) of the Project, then the Tax Payments shall be increased as set forth in **Exhibit C**. The parties agree that failure to use Best Efforts to meet the LBE/MBE/WBE goals set forth on **Exhibit D** shall not cause an Event of Default hereunder, and the Issuer's sole remedy will be increasing the amount of Tax Payments as set forth in **Exhibit C**.

ARTICLE IV

SALE AND ASSIGNMENT

Except as otherwise provided herein, the Company will not, without the prior written consent of the Issuer, (a) assign, sell, lease, or otherwise transfer the Project Site, the Project, or equipment that comprises the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. The Issuer shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the Issuer as to whether the proposed assignee has sufficient financial wherewithal and experience to successfully complete and/or operate the Project according to the terms hereof. If an assignment is approved by the Issuer, the assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that the Company may do any of the following without written consent of the Issuer:

(a) The Company may lease the residential units within the Project in the ordinary course of its business.

(b) The Company may grant a mortgage, leasehold mortgage, or other security on the Project to a lender in order to finance construction of the Project, including, but not limited to, collateral assignment of all or any portion of its rights or obligations under this Agreement or any other documents entered into in connection with the Bonds.

(c) Once all occupancy permits have been issued for the Project, the Company may sell, lease, assign, transfer or mortgage the Project (and this Agreement and any other documents entered into in connection with the Bonds including without limitation the Resolution, in connection with the same) upon written request to the Issuer and the approval of the County Administrator; provided, if the County Administrator disapproves any such disposition, the Company will have the right to appeal such decision to the Issuer's governing body within a reasonable time. The consent of the Issuer to any such disposition described in this subsection shall not be unreasonably withheld or delayed.

(d) The Company may terminate this Agreement, and thereafter freely sell, assign, transfer or mortgage.

(e) The Company, upon written notice to the Issuer, may freely sell, assign, lease or transfer all or any portion of the Project or Project Site, and/or its rights or obligations under this Agreement and any other documents entered into in connection with the Bonds (including, without limitation, the Resolution), to an entity managed by or under common control of or by the Company or one or more of its principals.

Upon the sale, assignment, or transfer of the Project as set forth herein, the Company (as assignor) shall be relieved of all further liability occurring on and after the effective date of such disposition, except as may be otherwise set forth in the Lease Agreement.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) the Company shall fail to perform any of its obligations hereunder;

(b) the Company shall breach any covenant contained herein or any representation of the Company contained herein shall prove to be materially false or erroneous; or

(c) the Company shall be in default under the Lease Agreement or any land use restriction agreement entered into with respect to the Company's financing.

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Company shall be given 60 days (or such longer period as the Issuer and the Company may agree), following written notice by the Issuer to the Company of the occurrence of such Event of Default, to cure such Event of Default; provided that, if such Event of Default is of a nature that it cannot reasonably be cured within 60 days, then such occurrence will not constitute an Event of Default so long as Company: (a) commences to cure such failure within such 60-day period; and (b) diligently pursues such cure to completion. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Company from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, the Company shall make a payment to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) all due but unpaid Tax Payments attributed to prior calendar years, (ii) the pro rata total Tax Payments that would be due with respect to the current calendar year, (iii) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project was not Exempt Property, and (iv) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement.

Section 5.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Kansas law on overdue ad valorem taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem taxes that are not paid when due shall be subject to the same penalties imposed by Kansas law on overdue ad valorem taxes.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Notice and Waiver of Company. The Issuer reserves the right to grant tax abatement for projects that are located adjacent to or in the proximity of the Project or for projects that are located elsewhere within the Issuer but are similar to the Project in amounts that are above or below the amounts set forth herein. The Company acknowledges and agrees that the Tax Payment, the Exempt Period and the other terms of the tax abatement granted by the Issuer with respect to such other projects may be more favorable than the terms provided for in this Agreement. As a condition to the Issuer entering into this Agreement, the Company waives any claim it may have against the Issuer as a result of the Issuer granting tax abatement to other projects with terms that are more favorable than the terms provided for in this Agreement. Additionally, the Company agrees that it will not request that the Issuer modify this Agreement because the Issuer plans to grant or has granted tax abatement to another project or projects on terms that are more favorable than the terms provided for in this Agreement. Upon the occurrence of the Company's breach of its obligations set forth in this Section to waive any claim it may have against the Issuer as described above, the Issuer shall have the right to immediately terminate this Agreement and the associated tax abatement and require that the Company pay to the Issuer the amounts specified in **clauses (i)** through **(iv)** of **Section 5.2**.

Section 6.2. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 6.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 6.4. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Waiver. The Issuer and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the Issuer under the Lease Agreement. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 6.6. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be given to or filed with the Issuer and the Company as set forth below:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: 913-573-5260
Email: msparks@wycokck.org

with a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: 913-573-5060
Email: alawson@wycokck.org

And a copy to:

Gilmore & Bell, P.C.
Kevin Wempe
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Telephone: 816-221-1000
Email: kwempe@gilmorebell.com

and to the Company at:

Shelby Miles
Redbud Reserve, LLC
1801 Payne Street
Louisville, Kentucky 40206
Telephone: 502-297-8130
Email: ~~[_____]~~ shelby@themariangroup.com

with a copy to:

Curt Petersen
Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Telephone: 913-234-7458
Email: cpetersen@polsinelli.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

Section 6.7. Further Assurances. The parties each agree to do, execute, acknowledge and deliver any and all other documents and instruments and to take all such further action as shall be reasonably necessary or reasonably required in order to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

Section 6.8. Authority, etc. Each party to this Agreement represents and warrants to each other party as follows: (i) that such party has the requisite power and authority to enter into and perform this Agreement; (ii) that this Agreement has been duly authorized by all necessary action on the part of such party; (iii) that the execution and delivery and performance by each party of this Agreement will not conflict with or result in a violation of such party's organizational documents or any judgment, order or decree of any court or arbiter to which such party is bound; and (iv) that this Agreement constitutes the valid and binding obligation of such party, and is enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

Section 6.9. Electronic Storage and Transactions. The parties agree that the transactions described herein may be conducted and related documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

(SEAL)

By:____
Tyrone Garner, Mayor/CEO

ATTEST:

By:____________________________________
Monica Sparks,
Unified Government Clerk

Approved as to form:

By: ______________________________
Office of Chief Counsel

REDBUD RESERVE, LLC
a Kansas limited liability company

By:____________________________________

Name: _________________________________

Title: __________________________________

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

EXHIBIT B

PROJECT SITE

TRACT 1:

A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE 6TH P.M., KANSAS CITY, WYANDOTTE COUNTY, KANSAS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID QUARTER SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 88 DEGREES 10' 11" EAST, 763.70 FEET ALONG THE NORTH LINE OF SAID QUARTER SECTION; THENCE SOUTH 01 DEGREE 49' 49" EAST, 108.07 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF US-24 HIGHWAY AS CONDEMNED IN DISTRICT COURT CASE NO. 94275-A, WYANDOTTE COUNTY AND THE POINT OF BEGINNING; FIRST COURSE, THENCE SOUTH 49 DEGREES 04' 52" WEST, 57.55 FEET ALONG SAID RIGHT OF WAY LINE; SECOND COURSE, THENCE SOUTH 01 DEGREE 50' 59" EAST, 1,178.07 FEET ALONG SAID RIGHT OF WAY LINE; THIRD COURSE, THENCE SOUTH 87 DEGREES 53' 07" WEST, 286.47 FEET ALONG SAID RIGHT OF WAY LINE; FOURTH COURSE, THENCE NORTH 12 DEGREES 18' 39" WEST, 1175.69 FEET; FIFTH COURSE, THENCE NORTH 81 DEGREES 54' 48" EAST, 547.85 FEET TO THE POINT OF BEGINNING; LESS AND EXCEPT ALL THAT PORTION THEREOF CONTAINED IN THE DESCRIPTION OF LAND FILED IN BOOK 1654, PAGE 291.

TRACT 1:

A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE 6TH P.M., KANSAS CITY, WYANDOTTE COUNTY, KANSAS DESCRIBED AS FOLLOWS:

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EXHIBIT C

TAX PAYMENT SCHEDULE

Tax Payments (or "PILOTs") shall be determined on a per-apartment-unit basis. Below is an approximate PILOT schedule based on 192 apartment units, and the parties acknowledge that the Tax Payments may be adjusted in accordance with the table below depending on the ultimate number of units constructed.

Tax Payments shown below do not include the school district's capital outlay levy that cannot be abated under Kansas law.

Number of units	192
~~**Year 1 PILOT**~~	~~$~~
~~**Year 1 PILOT per unit**~~	~~$~~
Annual Valuation Increase	2.00%
Annual Valuation Increase if LMW Failure	4.00%

Year[a]	**Annual PILOT**[b]	**PILOT per Door**[b]	**Annual PILOT if L/M/WBE Failure**[b]	**PILOT per Door**[b]
1	$143,507	$747	$143,507	$747
2	146,102	761	148,696	774
3	148,748	775	154,092	803
4	151,447	789	159,704	832
5	154,200	803	165,541	862
6	157,008	818	171,611	894
7	159,873	833	177,924	927
8	162,794	848	184,489	961
9	165,774	863	191,317	996
10	168,814	879	198,418	1,033

Business Category	Participation Percentage Goal Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

[a] Year 1 refers to calendar year beginning January 1 after issuance of Bonds.
[b] Does not include school district capital outlay levy.

EXHIBIT D

LBE/MBE/WBE PARTICIPATION AGREEMENT

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the "**Agreement**"), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "**UG**") and Redbud Reserve, LLC or assigns (the "**Developer**"), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of an approximately 192-unit, commercial multifamily project in Kansas City, Kansas (the "**Project**"), as defined below.

I. SCOPE

A. These procedures are applicable to the Construction (as defined below) of the Project, as further described in that certain Performance Agreement between the UG and Developer, dated December March 27, 2025 (the "**Performance Agreement"**), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. DEFINITIONS

A. "Construction" means all aspects of the construction of the Project including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) Specialized Services; and (ii) Professional Services.

B. "Contractor" means the Proposer selected by the Developer for the Project.

C. "Local Business Enterprise" (or "LBE") means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. "Minority Business Enterprise" (or "MBE") means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development and construction of the Project.

F. "Project" means the Construction of a new apartment complex and as legally described in Exhibit 1 to this Agreement.

G. **"Proposer"** means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. **"Specialized Services"** means expertise, services, or products that are only available through sole source providers or national vendors or are unique to the business of the Project.

H. "**Substantial Local Office**" means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. **"Women Business Enterprise" (or "WBE")** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. GOALS FOR LBE/MBE/WBE PARTICIPATION.

Developer and its Contractor will use Best Efforts to meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Construction of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. ELIGIBILITY FOR CREDIT

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women's Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an "approved" business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

B. A joint venture involving an approved LBE, MBE, and/or WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount for which the approved LBE, MBE, and/or WBE is responsible; provided that if the LBE, MBE, and/or WBE is the majority partner in such joint venture, then the entire joint venture contract amount shall be counted, less any work subcontracted to the non LBE, MBE, and/or WBE joint venture partner. To receive credit, the approved LBE, MBE, and/or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

C. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE <u>may</u> also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE <u>and</u> the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. <u>Solicitation Documents</u>. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. <u>Subcontractor Relations – Documentation of Subcontracting Agreements</u>. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

C. <u>Best Efforts</u>. For each LBE/MBE/WBE participation percentage goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet such goal(s) if Developer shall have taken substantially all of the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities and/or informational meetings to approved LBEs, MBEs, and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE, MBE, and WBE participation, where feasible;

vi. Developer is or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work history;

viii. Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit or insurance required to perform the contract; and

ix. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers and any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs, and WBEs.

Failure by Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts. The parties acknowledge that all of the foregoing actions may not apply to every scope of the Project.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for using Best Efforts to meet the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

A. providing information and technical assistance regarding this Project to the Developer and its agents including the Contractor and any other contractors, subcontractors, LBEs, MBEs, WBEs, officials and other interested persons;

B. developing and maintaining a registry of approved LBE, MBE and WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating the Developer and its agents on current or proposed affirmative action legislation enacted by the UG that may affect the Project;

E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

G. conducting compliance reviews and audits of LBE, MBE, and WBE and participation;

H. assisting the Developer and its agents in addressing issues related to the goals and procedures set forth in this Agreement;

I. reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and

J. assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. Records. Developer shall maintain those records as may reasonably be required to demonstrate compliance (and/or its Best Efforts to comply) with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. Construction Utilization Plan Reports. Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include for each LBE, MBE, or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE, and/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. Remedies. If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement for the Construction of the Project have not been met, and that the Best Efforts described herein have not been met, then the UG shall have, as its sole and exclusive remedies: such remedy as set forth in Section 3.11 of the Performance Agreement; and (ii) UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects undertaken by the Company in the UG.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ________________________________
David Johnston,
County Administrator

Date: ________________________________

REDBUD RESERVE, LLC

By: ________________________________

Name: ________________________________

Title: ________________________________

Date: ________________________________

EXHIBIT 1
Legal Description

TRACT 1:

A TRACT OF LAND IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE 6TH P.M., KANSAS CITY, WYANDOTTE COUNTY, KANSAS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID QUARTER SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 88 DEGREES 10' 11" EAST, 763.70 FEET ALONG THE NORTH LINE OF SAID QUARTER SECTION; THENCE SOUTH 01 DEGREE 49' 49" EAST, 108.07 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF US-24 HIGHWAY AS CONDEMNED IN DISTRICT COURT CASE NO. 94275-A, WYANDOTTE COUNTY AND THE POINT OF BEGINNING; FIRST COURSE, THENCE SOUTH 49 DEGREES 04' 52" WEST, 57.55 FEET ALONG SAID RIGHT OF WAY LINE; SECOND COURSE, THENCE SOUTH 01 DEGREE 50' 59" EAST, 1,178.07 FEET ALONG SAID RIGHT OF WAY LINE; THIRD COURSE, THENCE SOUTH 87 DEGREES 53' 07" WEST, 286.47 FEET ALONG SAID RIGHT OF WAY LINE; FOURTH COURSE, THENCE NORTH 12 DEGREES 18' 39" WEST, 1175.69 FEET; FIFTH COURSE, THENCE NORTH 81 DEGREES 54' 48" EAST, 547.85 FEET TO THE POINT OF BEGINNING; LESS AND EXCEPT ALL THAT PORTION THEREOF CONTAINED IN THE DESCRIPTION OF LAND FILED IN BOOK 1654, PAGE 291.

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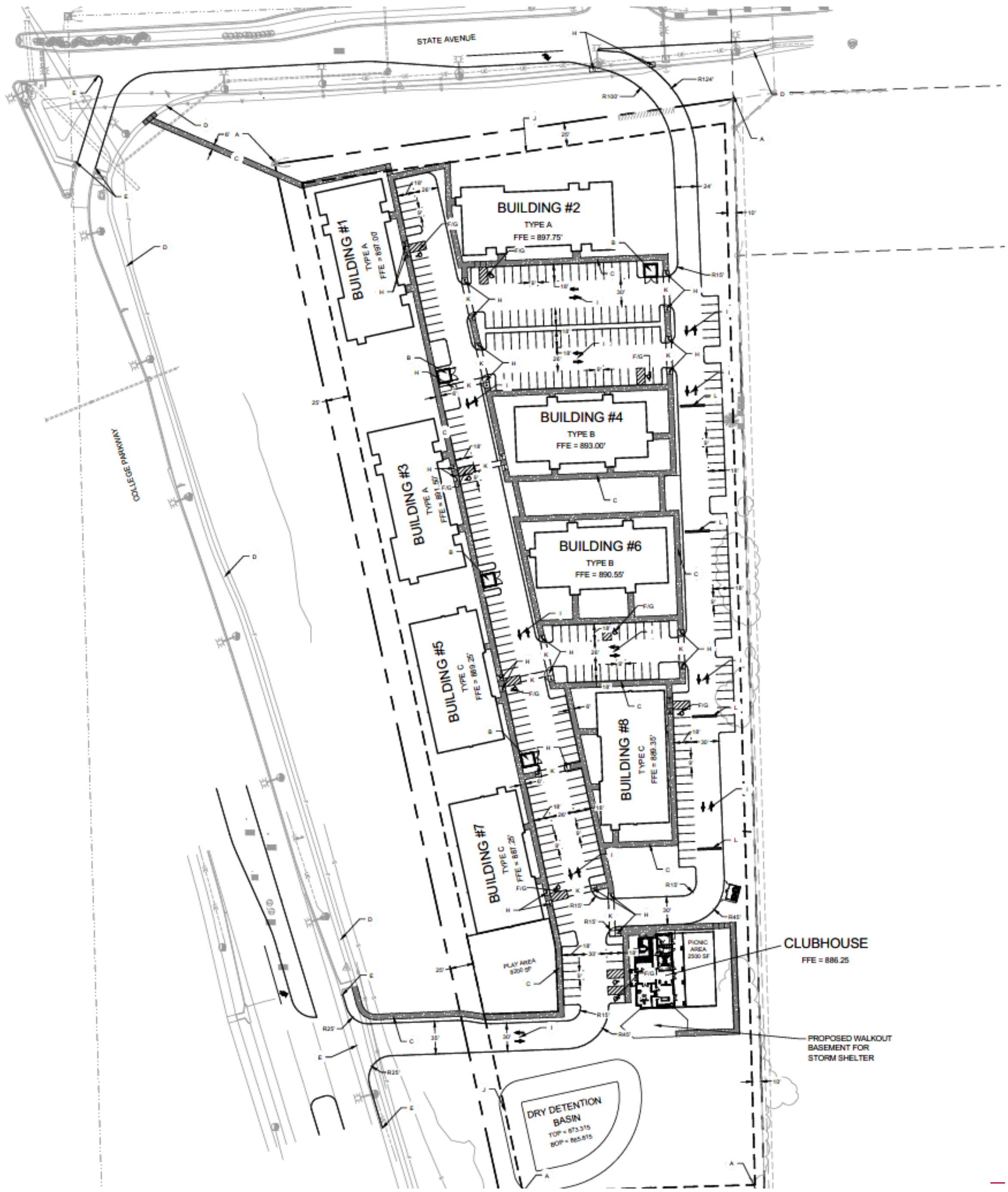
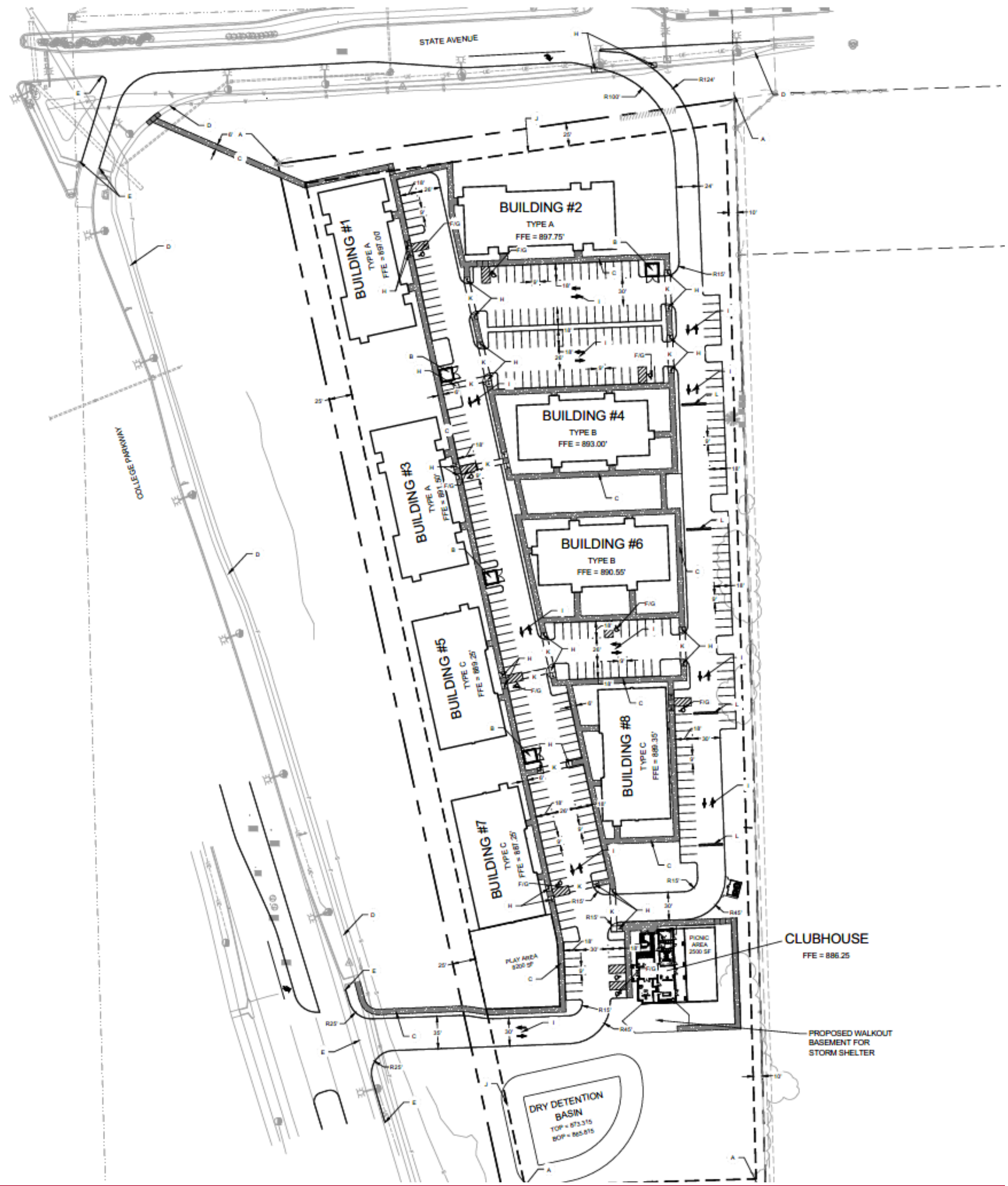
EXHIBIT 2

Construction Utilization Plan

EXHIBIT E

PRELIMINARY SITE PLAN AND RENDERING




STATE AVENUE
COLLEGE PARKWAY
BUILDING #1
TYPE A
FFE = 897.00'
BUILDING #2
TYPE A
FFE = 897.75'
BUILDING #3
TYPE A
BUILDING #4
TYPE B
FFE = 893.00'
BUILDING #5
TYPE C
FFE = 889.25'
BUILDING #6
TYPE B
FFE = 890.55'
BUILDING #7
TYPE C
FFE = 887.25'
BUILDING #8
TYPE C
FFE = 889.35'
PLAY AREA
8200 SF
CLUBHOUSE
FFE = 886.25
PICNIC
AREA
2500 SF
PROPOSED WALKOUT
BASEMENT FOR
STORM SHELTER
DRY DETENTION
BASIN
TOP = 873.315
BOP = 865.815

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

(A non-refundable application fee of $1,000 must accompany this application when filed with the Unified Clerk's Office)

The undersigned hereby agrees that the submission of this Application to the Unified Government, and the Unified Government's adoption of a Resolution indicating an intent to issue the Bonds to provide funds for the Project will not give rise to an obligation by the Unified Government to fund such Project in the amount requested or in any amount. The undersigned further understands and agrees that there is no assurance that Bonds will be issued by the Unified Government or that Bond proceeds will be sufficient to fund the Project as hereby requested.

February 3, 2025
Date of Application

Redbud Reserve, LLC (or assigns, "**Applicant**")
Applicant (Firm Name or Name of Individual)

Telephone Number (502) 297-8130
Fax Number
E-mail Address

11701 Commonwealth Drive, Louisville, Kentucky 40299
Address

Shelby Miles
Name of Responsible Officer

Developer
Title

11701 Commonwealth Drive, Louisville, Kentucky 40299
Address

Curt Petersen
Attorney for Applicant

Telephone Number (913) 234-7458
Fax Number
E-mail Address cpetersen@polsinelli.com

900 West 48th Place, Suite 900, Kansas City, Missouri 64112
Address

Applicant or its lender will purchase bonds
Underwriter or Purchaser of Bonds (If known)

Telephone Number
Fax Number
E-mail Address

Address

Amount of Bonds Requested: $52,000,000

Nature of Project:
- [ ] Industrial
- [ ] Commercial
- [ ] Agricultural
- [ ] Pollution Control
- [X] Other (please specify) Multifamily Residential

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

I. Corporate or Business Entity Information

A. In what line or lines of business is the applicant engaged?

Multifamily real estate development.

B. Is the Applicant a proprietorship, partnership, limited liability company or corporation?

Limited liability company

C. Year and state of incorporation or formation of business entity?

2024, Kansas

If proprietorship, partnership, limited liability company or closed corporation, list the names and owners and the approximate amounts owned by each of its principal stockholders:

D. If applicant is subsidiary of another business entity, state name and address of parent:

E. List the name and titles of the principal officers of the applicant firm:

Jake Brown - Founder and Chief Executive Officer

James Mueller - Chief Financial Officer

Katherine Smith - President

F. List the name of the certified public accounting firm (or firms) which has performed audits of the applicant firm (or its parent books and records for the past five years:

Cohn Reznick

If the applicant corporation or its parent is a publicly held corporation and regularly files annual and quarterly reports on Form 10-K and Form 10-Q, respectively, attach as a part of this application, copies of the most recent Form 10-K and Form 10-Q, the applicant's most recent report to shareholders, as well as any reports on Form 8-K filed within the past fiscal year.

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

II. The Project

A. Type of project (check one)

- [X] New business
- [ ] Establishment of branch plant/business
- [ ] Acquisition of existing business
- [ ] Expansion of existing business

B. Briefly describe the nature of the proposed project, including detailed information as to the structure itself (size of building, amount of land to be purchased, etc.), and what products or services are to be manufactured or provided:

The proposed project is an attainable multifamily housing community consisting of one hundred ninety-two (192) residential units spread over eight residential buildings and will be comprised of a mixture of one-bedroom, two-bedroom, and three-bedroom units. Each unit will have a balcony/patio and will boast luxury vinyl plank flooring and energy efficient appliances. The exterior of the proposed project will be constructed with a combination of brick facade and hardy board siding. Moreover, the proposed project will feature a generous amount of green space through the utilization of "pocket-parks" and a large central green feature between the eight residential buildings to promote security by design. The proposed project will also contain a clubhouse, recreation area, picnic area, and a playground.

C. Will the facility engage in direct retail sales? If so, are any of the retail sales catalog or on-line sales, and if so, how much:

No.

D. What is the street address or location of the proposed project?

6909 State Avenue, Kansas City, Kansas 66102.

E. Legal description of the property (attach separate sheet if necessary):

See attached separate sheet.

F. Appraised value of property to be acquired from County Appraiser:

Real Estate	$731,260
Improvements	$
Equipment	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

G. Will the applicant be in direct competition with other local firm(s)? If so, name the firm(s):

No, there are not new, high-quality apartments in the area.

Describe the nature of the competition:

H. Does the applicant have a single or a multiple plant business or operation?

Single.

I. Does the applicant or its parent presently have facilities located in Kansas City, Kansas and/or Wyandotte County? If so, describe and provide location:

No.

J. Will the Kansas City Kansas/Wyandotte County facility be the main operation of the applicant? If ot, where is the main operation located?

No, the applicant's headquarters is in Louisville, Kentucky.

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

III. Nature of Improvements

A. Approximate amount requested:

Land	$	2,000,000
Buildings	$	33,600,000
Machinery and Equipment	$	100,000
Financing Costs	$	
Other (specify)	$	15,300,000
Total	$	51,000,000

B. What type of machinery and equipment is proposed to be financed?

C. Name, address and telephone number of contractor, architect, engineer:

Contractor - TBD

Architect - WBCS; 1122 Rogers Street, Louisville, Kentucky 40204

Engineer - Kimley-Horn; 805 Pennsylvania Avenue, Suite 150, Kansas City, Kansas 64105

D. How many persons will be employed at the project?

5

How many new jobs will be created initially?

5

How many new jobs will created ultimately?

5

E. Briefly describe the approximate numbers of persons to be employed at the project at all levels (management, office, skilled, and unskilled, for example):

1 Resident Manager, 1 Assistant Manager, 1 Maintenance Manager, and 2 Maintenance Assistants.

F. What dollar amount or percentage of the applicant's total projected annual sales is expected to be generated by the project?

100%

G. What were applicant's total assets at all locations at the end of the last fiscal year?

N/A

H. Is the prospective location properly zoned?

Yes (and it has an approved preliminary development plan).

If a zoning change is pending, cite application number and present status. If application has not been make, briefly describe what change will be need and plans for submitting application:

I. Is there likelihood for expansion of the proposed facility within 3 years?

No

Is such expansion contemplated in this application for the resolution of intent?

No

J. What is the estimated date for operations to begin at the project?

Q2 - 2027

IV. The Financing

A. Will the applicant pledge any assets other than the project itself to secure the bonds? If so, what?

No.

B. What other person, firm or corporation will guarantee the payment of the bonds?

N/A

SUBMIT AS AN ATTACHMENT, THE SAME FINANCIAL INFORMATION WITH RESPECT TO THE GUARANTOR AS IS REQUESTED FOR THE APPLICANT UNDER PART III ABOVE.

C. What portion of the project will be financed from funds other than bond proceeds?

What is the source of such funds?

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

D. Has the applicant consulted a prospective purchaser or underwriter to determine whether the bonds are marketable?

If so, state the name, address and principal contact of the prospective underwriter:

E. If the bonds are to be privately placed, please attach the letter of intent or commitment letter relating to such sale:

F. Has the applicant considered conventional financing?

G. Does the applicant or its parent intend to purchase all or any part of the proposed bond issue?

V. Tax Abatement

Is the applicant requesting any tax abatement for the project in accordance with the Unified Government's policy? Describe estimated amount of tax abatement?

Yes, Applicant is requesting fixed PILOT schedule for 10 years, calculated assuming $75,000/unit appraised.

VI. Appraiser's Statement

Attach as a part of this application, a letter signed by the County Appraiser stating the estimated amount of ad valorem taxes payable for the land and improvements to be financed through the proceeds of the proposed bonds.

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

VI. Certification of Applicant

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this application contains no information or data, contained herein or in the exhibits or attachments, that is false or incorrect and that it is truly descriptive of the property which is intended as the security for the proposed bonds.

A check in the amount of $1,000 representing the non-refundable application fee is enclosed.

The undersigned acknowledges and agrees to pay a bond origination fee calculated on the schedule set forth below (less the $1,000 application fee) to the Unified Government simultaneously with the issuance of the bonds.

APPLICANT NAME: Katherine Smith

SIGNATURE: [signature]

TITLE: Authorized Representative, Redbud Reserve, LLC

Bond Origination Fee: .400% of principal amount of bonds issued up to $10,000,000

.250% of principal amount of bonds issued $10,000,000 -- $25,000,000

.125% of principal amount of bonds issued $25,000,000 and over

Dated this 3rd day of February, 2025.

Katherine Smith
Applicant Name

By: [signature]

Title: Authorized Representative, Redbud Reserve, LLC

FIRM DATA SHEET
(To be completed by the Firm)

Firm and Its Employees

Name of Firm: Marian Development Group, LLC

Description of the Firm's location or expansion in the community:
See section II.B. above.

SIC ______

Market Value of the Firm's initial new or additional investment in:

Land	$ 2,000,000
Building and improvements	$33,600,000
Furniture, fixtures and equipment	$100,000

Projected expansions:

Expansion 2:

Year of expansion:	
Additional investment in:	
Land	$
Buildings and improvements	$
Furniture, fixtures and equipment	$

Expansion 3:

Year of expansion	
Additional investment in:	
Land	$
Buildings and improvements	$
Furniture, fixtures and equipment	$

Expansion 4:

Year of expansion	
Additional investment in:	
Land	$
Buildings and improvements	$
Furniture, fixtures and equipment	$

FIRM DATA SHEET
(To be completed by the Firm)

New or additional sales of the firm

Year	
1	$ N/A
2	$ N/A
3	$ N/A
4	$ N/A
5	$ N/A
6	$ N/A
7	$ N/A
8	$ N/A
9	$ N/A
10	$ N/A

Percent of sales subject to sales taxes in the:

City	N/A	%
County	N/A	%
State	N/A	%

Annual net taxable income, as a percent or sales, on which state corporate income taxes will be computed: N/A %

Annual purchases of the firm:

Year	
1	$ 78,300
2	$ 80,649
3	$ 83,068
4	$ 85,561
5	$ 88,127
6	$ 90,771
7	$ 93,494
8	$ 96,299
9	$ 99,188
10	$ 102,164

Percent of purchases subject to sales taxes in the:

City		%
County		%
State		%

FIRM DATA SHEET
(To be completed by the Firm)

Annual utilities that will be used by the firm:

Water	$	56,550
Wastewater	$	56,550
Telephone	$	48,859
Electricity	$	26,100
Gas	$	0
Garbage	$	17,400
Cable	$	48,859
Other	$	
	$	
	$	
	$	

Year		
1	$	254,318
2	$	261,948
3	$	269,806
4	$	277,900
5	$	286,237
6	$	294,824
7	$	303,669
8	$	312,779
9	$	322,162
10	$	331,827

Number of new employees moving to the county each year:

Year	From out-of state	Total
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
7	0	0
8	0	0
9	0	0
10	0	0

FIRM DATA SHEET
(To be completed by the Firm)

Average Annual Salaries of employees:

Year		
1	$	57,000
2	$	57,000
3	$	57,000
4	$	57,000
5	$	57,000
6	$	57,000
7	$	57,000
8	$	57,000
9	$	57,000
10	$	57,000

Household size of a typical new worker: 4

Number of school age children in the household of a typical new worker: 2

Construction

Initial construction or expansion:

Cost of construction at the firm's new or expanded facility:	$	33,600,000
If construction is by an outside contractor, estimated percent profit on the cost of construction:		5%
Amount of taxable construction materials purchased in:		
Kansas	$	11,350,000
The County	$	6,000,000
The City	$	6,000,000
Amount of taxable furniture, fixtures and equipment purchased in:		
Kansas	$	
The County	$	
The City	$	
Total construction salaries:	$	16,000,000
Amount paid to an average construction worker during the construction period	$	
Household size of an average construction worker:		3
Number of construction workers:		250

FIRM DATA SHEET
(To be completed by the Firm)

Expansion 2:

Expansion construction costs:	$	______
If construction is by an outside contractor, estimated percent profit on the cost of construction:	$	
Amount of taxable construction materials purchased in:		
Kansas	$	______
The County	$	______
The City	$	______
Amount of taxable furniture, fixtures and equipment purchase in:		
Kansas	$	______
The County	$	______
The City	$	______
Total construction salaries:	$	______
Amount paid to an average construction worker during the construction period:	$	______
Number of construction workers:		______

Expansion 3:

Expansion construction costs:	$	______
If construction is by an outside contractor, estimated percent profit on the cost of construction:	$	
Amount of taxable construction materials purchased in:		
Kansas	$	______
The County	$	______
The City	$	______
Amount of taxable furniture, fixtures and equipment purchase in:		
Kansas	$	______
The County	$	______
The City	$	______
Total construction salaries:	$	______
Amount paid to an average construction worker during the construction period:	$	______
Number of construction workers:		______

FIRM DATA SHEET
(To be completed by the Firm)

Expansion 4:

Expansion construction costs: $ ____________

If construction is by an outside contractor, estimated percent profit on the cost of construction: $

Amount of taxable construction materials purchased in:

- Kansas $ ____________
- The County $ ____________
- The City $ ____________

Amount of taxable furniture, fixtures and equipment purchase in:

- Kansas $ ____________
- The County $ ____________
- The City $ ____________

Total construction salaries: $ ____________

Amount paid to an average construction worker during the construction period: $ ____________

Number of construction workers: ____________

Visitors

Number of out-of -town visitors expected at the firm:

Year	
1	$ 0
2	$ 0
3	$ 0
4	$ 0
5	$ 0
6	$ 0
7	$ 0
8	$ 0
9	$ 0
10	$ 0

Number of days that each visitor will stay in area: 0

Number of nights that a typical visitor will stay in a local hotel or motel:

In the City: 0

Anywhere in the county: 0

A Tax Abatement Cost-Benefit Analysis of
Marian Development Group, LLC
for the Unified Government of Kansas City/Wyandotte County

Completed by

Municipal Consulting , LLC

CONTENTS:

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized on pages 4 and 5. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions.

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.

- **Net Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents an acceptable investment opportunity.

- **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	2.79	18%
Wyandotte County	2.62	16%
Kansas City USD 500	8.53	75%
USD 500 Library	3.66	18%
KC Community College	4.16	32%
State of Kansas	2.73	17%

Each of the taxing entities has a positive benefit-to-cost ratio. This report assumes that the Unified Government will approve a 50% property tax abatement for 10 years. A graduated PILOT payment has been considered in this analysis. This report assumes that the firm will obtain a sales tax exemption on construction materials and FFE and that the existing sales tax rates for the city, county and state will remain the same. We point out that the main economic benefits of this project are from new residents rather than new jobs.

We used conservative assumptions that the apartments would be 50% leased in Year 2, 75% in Year 3 and 95% in Year 4, and that only 65% of the new residents would come from outside the city.

If you have any questions or comments, you may reach me with the contact information below.

Steve Robb

R. Steven Robb
Sole Owner
Municipal Consulting, LLC
Cell: 620-704-6495 E-Mail: steverobb@ckt.net
2207 N. Free King Hwy, Pittsburg, KS 66762-8418

COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:		**Marian/6909 State**			
DATE:			2/11/2025		(With L/M/W)
OWNER (If different from above.)			Redbud Reserve LLC		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			**City of Kansas City**		
COUNTY:			**Wyandotte County**		
SCHOOL DISTRICT:			**Kansas City USD 500**		
SPECIAL TAXING DISTRICT #1			**KC Community College**		
SPECIAL TAXING DISTRICT #2			**USD 500 Library**		
STATE:			**State of Kansas**		
INFLATION RATE:		2.00%	DISCOUNT RATE:		7.50%

The proposed project is a multi-family housing community with 192 residential units spread over eight buildings with luxury flooring and energy-efficient appliances. It will feature a generous amount of green space, a clubhouse, recreation area, picnic area and playground. The developer is requesting a 100% property tax abatement with a graduated PILOT Payment. The project is expected to bring 318 new residents to the city over the first three years. We assumed that these new residents would have retail spending equal to the county per capita retail spending.

Marian/6909 State

Community Data Inputs:						
	City of Kansas City	Wyandotte County	Kansas City USD 500	KC Community College	USD 500 Library	State
Mill Levy	34.462000	33.459000	50.310000	24.073000	11.509000	1.500
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	0.00%
Utility Revenue/HsHld	$0.93	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$512.25	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	$70.47	$71.38	n/a	$247.57	$97.94	$2,462.21
Marg. Cost/Res./Student	$102.67	$36.11	$2,229.65	$22.86	$16.27	$942.66
Other Revenues/Worker	$65.70	$66.55	n/a	$230.82	$91.32	$2,086.08
Marginal Cost/New Worker	$95.73	$33.67	n/a	$21.31	$15.17	$798.66
State Funding/Pupil	n/a	n/a	$13,012.28	n/a	n/a	$10,800
Federal Funding/Pupil	n/a	n/a	$9,284.27	n/a	n/a	$6,197
Visitor Daily Spending	$50.00	$50.00		Total Mill Levy	Total Mill Levy	$75.00
Average Hotel Room Rate	$125	$125		155.313	167.470438	n/a
Retail Pull Factor	0.94	0.96				n/a
Percent of County Share	90.50%	100.00%				n/a
Ann. Local Per Capita Sales/Use Tax	$211	$184				n/a
Ann. State Per Capita Sales/Use Tax	$983	$1,075				$1,779
Annual Per Capita Retail Sales	$15,117	$16,535				$27,367
Average Household Size	2.68	2.67				2.49
Avg. Wage-All Occupations	$59,721	$59,721				$56,270

Marian/6909 State

Firm Data Inputs:			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land			$2,000,000										
Investment in Building			$33,600,000										
Investment in Furniture, Fixtures & Equip.			$100,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$100,000
Contingencies, soft costs			$15,300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15,300,000
Total Project Investment			$51,000,000										
City Sales Tax Exemption on Materials & FFE:			$286,813	County Sales Tax Exemption:		$176,520	State Sales Tax Exemption:		$1,147,380				$1,610,713
	Growth Rate	Construction Period	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Yr. 6**	**Yr. 7**	**Yr. 8**	**Yr. 9**	**Yr. 10**	**Total**
Taxable Sales	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxable Purchases	0.00%		$78,300	$80,649	$83,068	$85,561	$88,127	$90,771	$93,494	$96,299	$99,188	$102,164	$897,621
Net City Util. Revenue	2.00%	$0	$63	$128	$160	$188	$192	$196	$200	$204	$208	$212	$1,751
Franchise Fees	2.00%	$0	$4,336	$39,638	$57,059	$71,768	$73,204	$74,668	$76,161	$77,685	$79,238	$80,823	$634,580
PILOT- City		$0	$33,572	$34,179	$34,798	$35,429	$36,073	$36,730	$37,400	$38,084	$38,781	$39,492	$364,537
PILOT - County		$0	$32,595	$33,184	$33,785	$34,398	$35,023	$35,661	$36,312	$36,975	$37,652	$38,342	$353,927
PILOT - State		$0	$1,461	$1,488	$1,515	$1,542	$1,570	$1,599	$1,628	$1,658	$1,688	$1,719	$15,867
PILOT - School		$0	$41,217	$41,962	$42,722	$43,497	$44,288	$45,095	$45,917	$46,756	$47,612	$48,485	$447,552
PILOT - Comm. Coll.		$0	$23,451	$23,875	$24,307	$24,749	$25,198	$25,657	$26,125	$26,603	$27,090	$27,587	$254,643
PILOT - USD Library		$0	$11,212	$11,414	$11,621	$11,832	$12,047	$12,266	$12,490	$12,718	$12,951	$13,189	$121,741
Total PILOT			$143,507	$146,102	$148,748	$151,447	$154,200	$157,008	$159,873	$162,794	$165,774	$168,814	$1,436,526
New Resident Households²		0	0	96	48	38	0	0	0	0	0	0	182
Households new to the city		65%	0.0	62.4	31.2	25.0	0.0	0.0	0.0	0.0	0.0	0.0	119.0
Households new to the county		33%	0.0	31.2	15.6	12.5	0.0	0.0	0.0	0.0	0.0	0.0	59.0
Households new to the state		5.0%	0.0	4.8	2.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0	9.2
New students in K-12		50%	0.0	31.2	15.6	12.5	0.0	0.0	0.0	0.0	0.0	0.0	59.8
New Employees			0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
Average New Household Income			$59,721	$60,915	$62,134	$63,376	$64,644	$65,937	$67,256	$68,601	$69,973	$71,372	
New employee average salary		3.00%	$57,000	$57,000	$57,000	$57,000	$57,000	$57,000	$57,000	$57,000	$57,000	$57,000	N/A
Tax Abatement-Land			50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	N/A
Tax Abatement-Bldg.			50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	N/A
Visitors	0.0%	0	0	0	0	0	0	0	0	0	0	0	0

	City	County	State
Percentage of sales taxable in the	0%	0%	0%
Percentage of purchases taxable in the	5%	5%	5%
Assumed Inflation Rate	2.00%		

¹ Fixtures, furniture and equipment costs are exempt from sales taxes, but are included here to reflect the firm's total investments.

² Assumption is that apartments will be 50% leased in Year 2, 75% in Year 3 and 95% by Year 4 and thereafter.

COST-BENEFIT ANALYSIS PROJECT SUMMARY

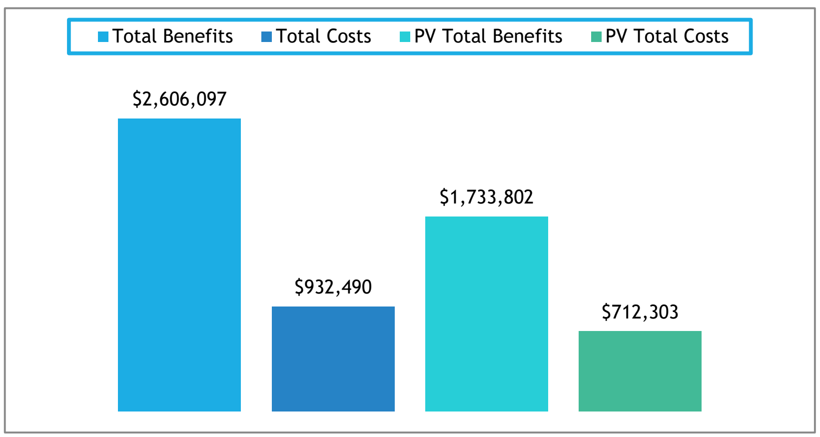
PROJECT NAME: **Marian/6909 State**

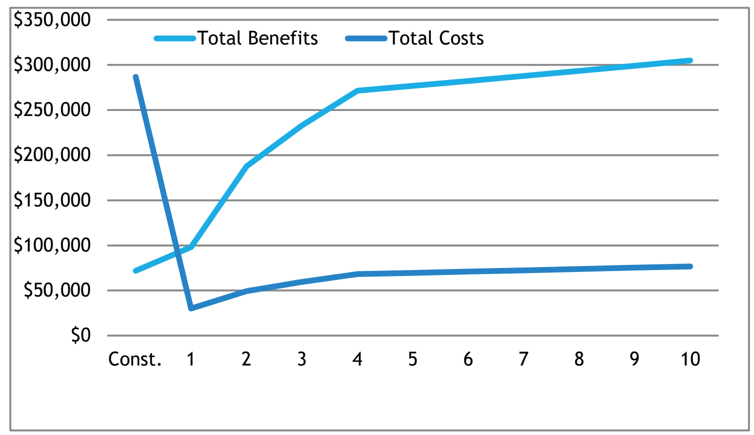
DATE: 2/11/2025 (With L/M/W)

Entity	Total Benefits	Total Costs & Incentives	Net Benefits	Net Present Value of Net Benefits	NPV of Incentives & Taxes Abated	Ratio of NPV of Net Benefits to NPV of Incentives and Taxes Abated	Actual Benefit to Actual Cost Ratio	Avg. Annual Rate of Return
City of Kansas City	$2,606,097	$932,490	$1,673,608	$1,021,499	$510,077	2.00	2.79	18%
Wyandotte County	$1,445,808	$551,684	$894,124	$550,911	$393,287	1.40	2.62	16%
Kansas City USD 500	$13,875,747	$1,626,339	$12,249,408	$7,860,441	$274,109	28.68	8.53	75%
KC Community College	$1,106,755	$266,114	$840,641	$556,506	$155,959	3.57	4.16	32%
USD 500 Library	$496,769	$135,697	$361,072	$239,961	$74,562	3.22	3.66	18%
State of Kansas	$5,202,282	$1,902,491	$3,299,791	$1,863,883	$1,157,098	1.61	2.73	17%

SUMMARY OF COSTS AND BENEFITS FOR:	City of Kansas City	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**2.79**
PROJECT: Marian/6909 State	(With L/M/W)	**Ratio of Present Value of Total Benefits to Present Value of Total Costs**	**2.43**
DATE: 2/11/2025	**DISCOUNT RATE:** 7.50%	(Typical desired ratio would be 1.3 to 1) **Average ROI**	**17.95%**

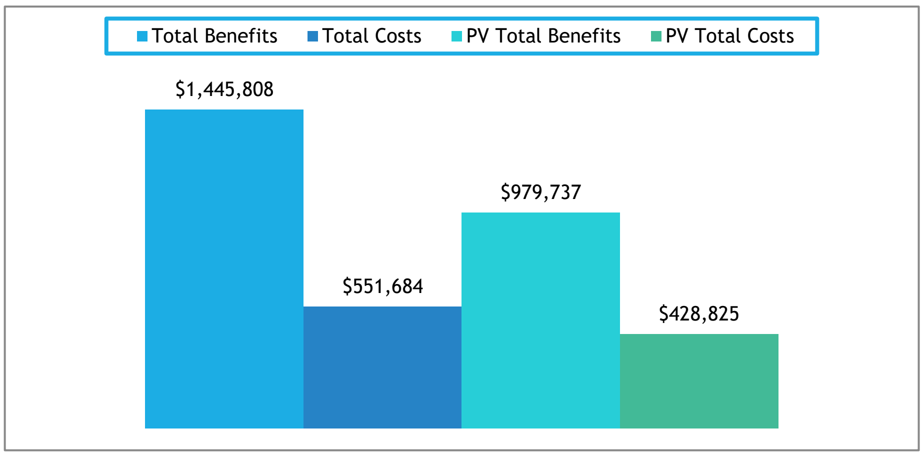
Year	Sales and Transient Guest Taxes	New Property Taxes	Utilities and Franchise Fees	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various City Services	Incentives and Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	$71,854	$0	$0	$0	$0	$71,854	$71,854	$0	$286,813	$286,813	$286,813	-$214,959	-$214,959	-$214,959	$286,813
1	$64	$60,113	$4,398	$33,572	$0	$98,146	$91,299	$0	$30,056	$30,056	$27,959	$68,090	-$146,869	$63,339	$27,959
2	$39,530	$61,315	$39,766	$34,179	$12,883	$187,673	$162,399	$18,771	$30,658	$49,428	$42,772	$138,244	-$8,625	$119,627	$26,529
3	$58,989	$62,541	$57,219	$34,798	$19,394	$232,941	$187,508	$28,257	$31,271	$59,528	$47,917	$173,413	$164,788	$139,591	$25,172
4	$75,392	$63,792	$71,957	$35,429	$24,884	$271,454	$203,265	$36,256	$31,896	$68,152	$51,033	$203,301	$368,090	$152,232	$23,884
5	$76,845	$65,068	$73,396	$36,073	$25,382	$276,764	$192,782	$36,982	$32,534	$69,516	$48,422	$207,249	$575,338	$144,361	$22,662
6	$78,328	$66,369	$74,864	$36,730	$25,889	$282,180	$182,842	$37,721	$33,185	$70,906	$45,944	$211,275	$786,613	$136,898	$21,502
7	$79,840	$67,697	$76,361	$37,400	$26,407	$287,705	$173,416	$38,476	$33,848	$72,324	$43,594	$215,381	$1,001,994	$129,822	$20,402
8	$81,383	$69,051	$77,888	$38,084	$26,935	$293,340	$164,477	$39,245	$34,525	$73,770	$41,363	$219,570	$1,221,564	$123,113	$19,358
9	$82,956	$70,432	$79,446	$38,781	$27,474	$299,088	$156,000	$40,030	$35,216	$75,246	$39,247	$223,843	$1,445,407	$116,753	$18,368
10	$84,561	$71,840	$81,035	$39,492	$28,023	$304,952	$147,961	$40,831	$35,920	$76,751	$37,239	$228,201	$1,673,608	$110,722	$17,428
Total	$729,741	$658,218	$636,331	$364,537	$217,271	$2,606,097	$1,733,802	$316,568	$615,921	$932,490	$712,303	$1,673,608	$1,673,608	$1,021,499	$510,077

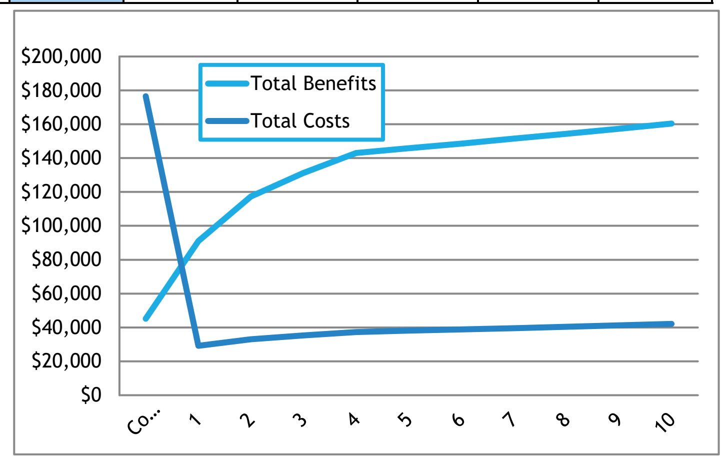




SUMMARY OF COSTS AND BENEFITS FOR:	Wyandotte County	Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.62
PROJECT: Marian/6909 State	(With L/M/W)	Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.28
DATE: 2/11/2025	DISCOUNT RATE: 7.50%	Average ROI	16.21%

Year	Sales and Transient Guest Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Incentives and Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	$45,158	$0	$0	$0	$45,158	$45,158	$0	$176,520	$176,520	$176,520	-$131,362	-$131,362	-$131,362	$176,520
1	$39	$58,363	$32,595	$0	$90,997	$84,648	$0	$29,182	$29,182	$27,146	$61,815	-$69,546	$57,503	$27,146
2	$18,463	$59,530	$33,184	$6,210	$117,388	$101,579	$3,297	$29,765	$33,063	$28,610	$84,325	$14,779	$72,969	$25,757
3	$26,956	$60,721	$33,785	$9,810	$131,272	$105,669	$4,965	$30,361	$35,326	$28,436	$95,946	$110,724	$77,233	$24,439
4	$34,114	$61,935	$34,398	$12,591	$143,038	$107,107	$6,372	$30,968	$37,340	$27,960	$105,699	$216,423	$79,147	$23,189
5	$34,749	$63,174	$35,023	$12,842	$145,789	$101,550	$6,499	$31,587	$38,086	$26,529	$107,702	$324,125	$75,021	$22,002
6	$35,396	$64,438	$35,661	$13,099	$148,594	$96,283	$6,629	$32,219	$38,848	$25,172	$109,746	$433,871	$71,111	$20,877
7	$36,057	$65,726	$36,312	$13,361	$151,456	$91,291	$6,762	$32,863	$39,625	$23,884	$111,831	$545,702	$67,407	$19,808
8	$36,730	$67,041	$36,975	$13,628	$154,375	$86,558	$6,897	$33,520	$40,418	$22,662	$113,957	$659,659	$63,896	$18,795
9	$37,417	$68,382	$37,652	$13,901	$157,352	$82,072	$7,035	$34,191	$41,226	$21,503	$116,126	$775,785	$60,569	$17,833
10	$38,118	$69,749	$38,342	$14,179	$160,389	$77,820	$7,176	$34,875	$42,051	$20,403	$118,338	$894,124	$57,417	$16,921
Total	$343,198	$639,061	$353,927	$109,622	$1,445,808	$979,737	$55,634	$496,050	$551,684	$428,825	$894,124	$894,124	$550,911	$393,287





SUMMARY OF COSTS AND BENEFITS FOR: Kansas City USD 500

PROJECT: Marian/6909 State (With L/M/W)

DATE: 2/11/2025

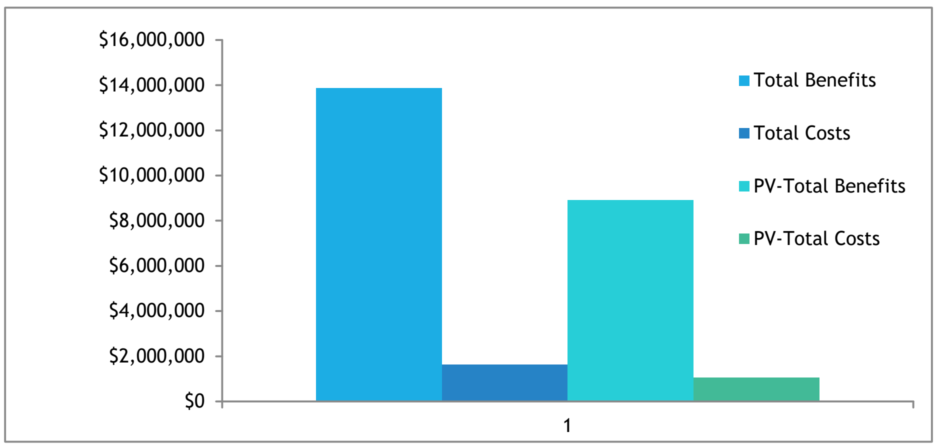
DISCOUNT RATE: 7.50%

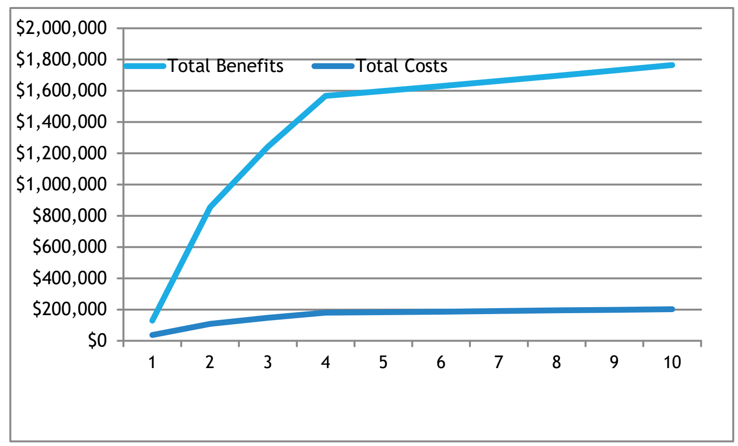
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 8.53

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 8.45

(Typical desired ratio would be 1.3 to 1) Average ROI 75.32%

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$73,802	$41,217	$13,955	$0	$128,974	$119,975	$0	$36,901	$36,901	$34,327	$92,073	$92,073	$85,649	$34,327
2	$75,278	$41,962	$14,234	$723,757	$855,231	$740,059	$70,957	$37,639	$108,596	$93,971	$746,635	$838,708	$646,088	$32,570
3	$76,784	$42,722	$14,518	$1,107,348	$1,241,372	$999,255	$108,563	$38,392	$146,955	$118,293	$1,094,417	$1,933,124	$880,962	$30,904
4	$78,319	$43,497	$14,809	$1,430,693	$1,567,319	$1,173,609	$140,264	$39,160	$179,424	$134,353	$1,387,895	$3,321,019	$1,039,256	$29,323
5	$79,886	$44,288	$15,105	$1,459,307	$1,598,586	$1,113,509	$143,069	$39,943	$183,012	$127,479	$1,415,574	$4,736,593	$986,030	$27,823
6	$81,484	$45,095	$15,407	$1,488,493	$1,630,478	$1,056,487	$145,931	$40,742	$186,672	$120,957	$1,443,806	$6,180,398	$935,531	$26,399
7	$83,113	$45,917	$15,715	$1,518,263	$1,663,009	$1,002,387	$148,849	$41,557	$190,406	$114,768	$1,472,603	$7,653,001	$887,619	$25,048
8	$84,776	$46,756	$16,029	$1,548,628	$1,696,190	$951,057	$151,826	$42,388	$194,214	$108,896	$1,501,976	$9,154,977	$842,161	$23,767
9	$86,471	$47,612	$16,350	$1,579,601	$1,730,034	$902,357	$154,863	$43,236	$198,098	$103,325	$1,531,936	$10,686,912	$799,032	$22,551
10	$88,200	$48,485	$16,677	$1,611,193	$1,764,556	$856,152	$157,960	$44,100	$202,060	$98,038	$1,562,495	$12,249,408	$758,113	$21,397
Total	$808,113	$447,552	$152,799	$12,467,283	$13,875,747	$8,914,848	$1,222,283	$404,057	$1,626,339	$1,054,407	$12,249,408	$12,249,408	$7,860,441	$274,109





SUMMARY OF COSTS AND BENEFITS FOR: KC Community College

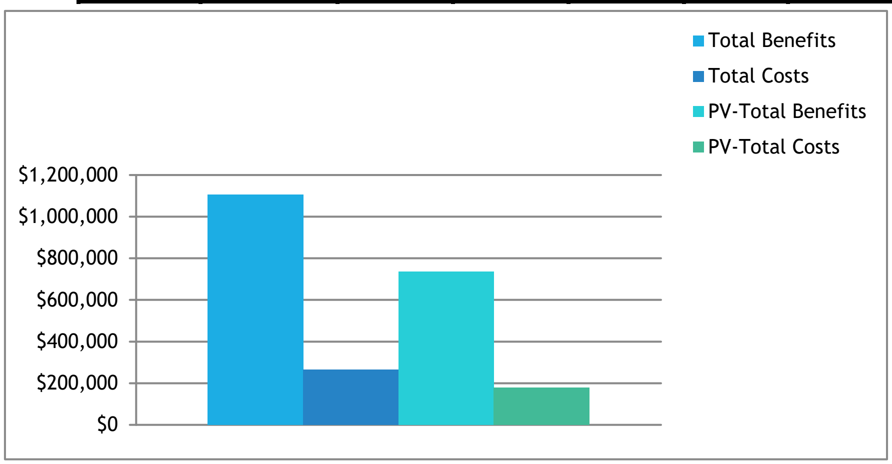
PROJECT: Marian/6909 State (With L/M/W)

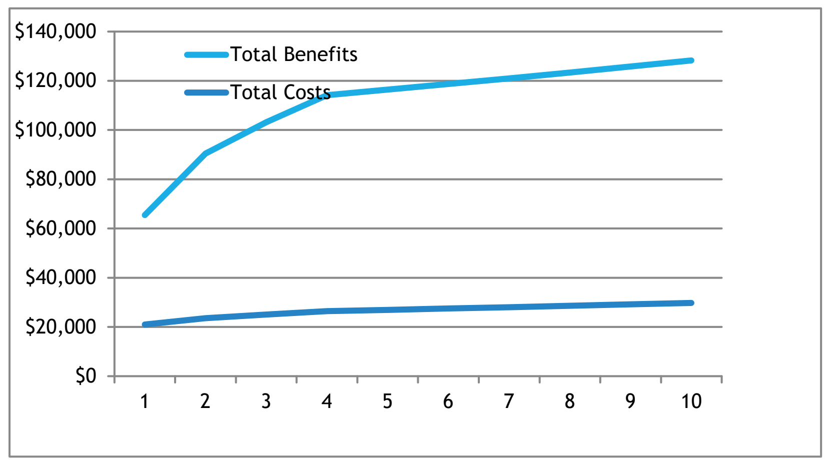
DATE: 2/11/2025

DISCOUNT RATE: 7.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	4.16
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	4.11
(Typical desired ratio would be 1.3 to 1) Average ROI	31.59%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$41,991	$23,451	$0	$65,442	$60,876	$0	$20,996	$20,996	$19,531	$44,447	$44,447	$41,346	$19,531
2	$42,831	$23,875	$23,724	$90,430	$78,252	$2,190	$21,415	$23,606	$20,427	$66,824	$111,271	$57,825	$18,531
3	$43,687	$24,307	$35,182	$103,177	$83,053	$3,248	$21,844	$25,092	$20,198	$78,085	$189,356	$62,856	$17,583
4	$44,561	$24,749	$44,849	$114,158	$85,482	$4,140	$22,281	$26,421	$19,784	$87,737	$277,093	$65,698	$16,684
5	$45,452	$25,198	$45,746	$116,396	$81,077	$4,223	$22,726	$26,949	$18,772	$89,447	$366,540	$62,305	$15,830
6	$46,361	$25,657	$46,660	$118,679	$76,900	$4,308	$23,181	$27,488	$17,811	$91,191	$457,731	$59,088	$15,020
7	$47,289	$26,125	$47,594	$121,008	$72,938	$4,394	$23,644	$28,038	$16,900	$92,970	$550,701	$56,038	$14,252
8	$48,234	$26,603	$48,546	$123,383	$69,181	$4,482	$24,117	$28,599	$16,036	$94,784	$645,484	$53,146	$13,523
9	$49,199	$27,090	$49,516	$125,805	$65,618	$4,571	$24,600	$29,171	$15,215	$96,634	$742,119	$50,403	$12,831
10	$50,183	$27,587	$50,507	$128,276	$62,239	$4,663	$25,092	$29,754	$14,437	$98,522	$840,641	$47,802	$12,174
Total	$459,790	$254,643	$392,323	$1,106,755	$735,616	$36,219	$229,895	$266,114	$179,110	$840,641	$840,641	$556,506	$155,959





SUMMARY OF COSTS AND BENEFITS FOR: USD 500 Library

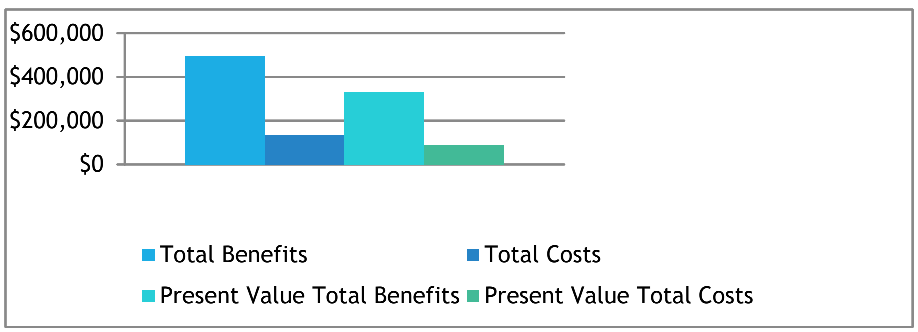
PROJECT: Marian/6909 State

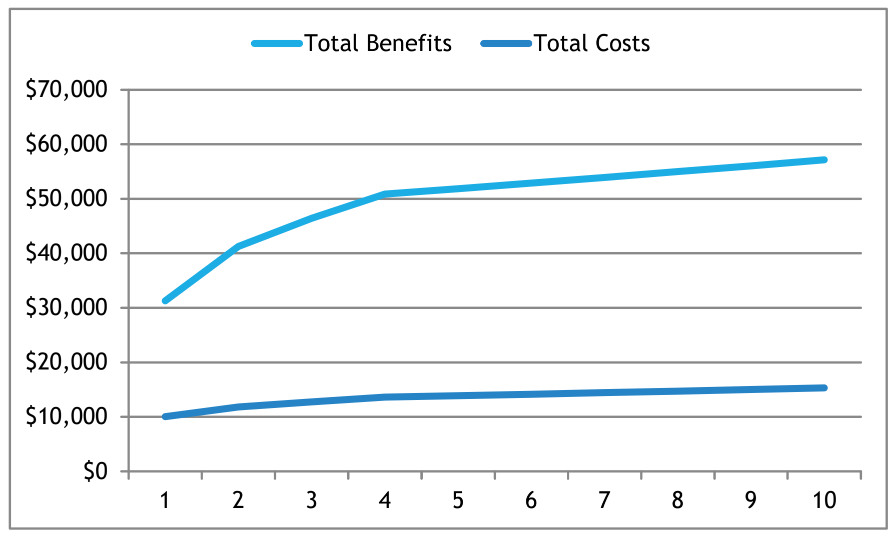
DATE: 2/11/2025

DISCOUNT RATE: 7.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	3.66
Ratio of Present Value of Total Benefits to Present Value of Total C	3.64
(Typical desired ratio would be 1.3 to 1) Average ROI	17.74%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$20,075	$11,212	$0	$31,287	$29,104	$0	$10,038	$10,038	$9,337	$21,249	$21,249	$19,767	$9,337
2	$20,477	$11,414	$9,385	$41,277	$35,718	$1,559	$10,238	$11,798	$10,209	$29,479	$50,728	$25,509	$8,860
3	$20,886	$11,621	$13,918	$46,426	$37,371	$2,313	$10,443	$12,756	$10,268	$33,670	$84,398	$27,103	$8,406
4	$21,304	$11,832	$17,743	$50,879	$38,098	$2,948	$10,652	$13,600	$10,184	$37,279	$121,677	$27,914	$7,976
5	$21,730	$12,047	$18,097	$51,875	$36,134	$3,007	$10,865	$13,872	$9,663	$38,003	$159,680	$26,471	$7,568
6	$22,165	$12,266	$18,459	$52,891	$34,271	$3,067	$11,082	$14,149	$9,168	$38,741	$198,421	$25,103	$7,181
7	$22,608	$12,490	$18,829	$53,927	$32,505	$3,128	$11,304	$14,432	$8,699	$39,495	$237,916	$23,806	$6,814
8	$23,060	$12,718	$19,205	$54,984	$30,830	$3,191	$11,530	$14,721	$8,254	$40,263	$278,179	$22,576	$6,465
9	$23,522	$12,951	$19,589	$56,062	$29,241	$3,255	$11,761	$15,015	$7,832	$41,047	$319,226	$21,409	$6,134
10	$23,992	$13,189	$19,981	$57,162	$27,735	$3,320	$11,996	$15,316	$7,431	$41,846	$361,072	$20,303	$5,820
Total	$219,820	$121,741	$155,207	$496,769	$331,006	$25,787	$109,910	$135,697	$91,045	$361,072	$361,072	$239,961	$74,562

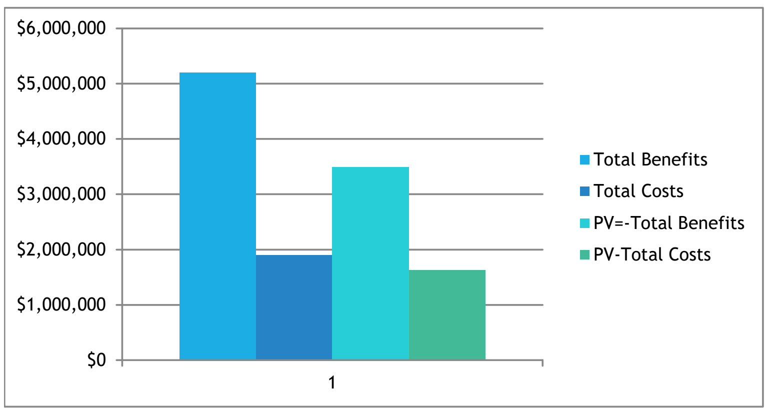


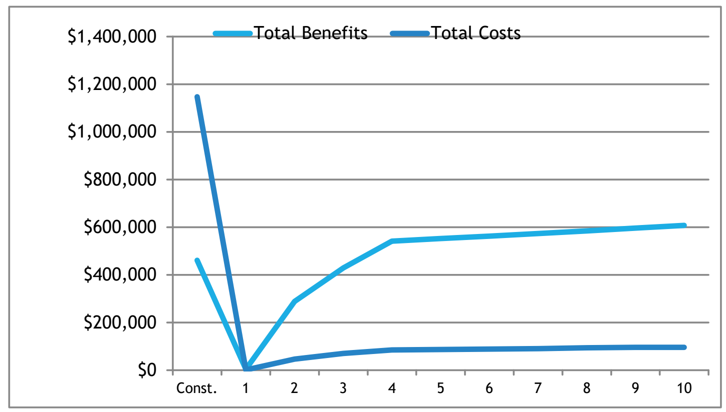


SUMMARY OF COSTS AND BENEFITS FOR: State of Kansas
PROJECT: Marian/6909 State (With L/M/W)
DATE: 2/11/2025
DISCOUNT RATE: 7.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.73
Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.14
(Typical desired ratio would be 1.3 to 1) Average ROI 17.34%

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	$293,530	$0	$168,000	$0	$0	$461,530	$461,530	$0	$0	$0	$1,147,380	$1,147,380	$1,147,380	-$685,850	-$685,850	-$685,850	$1,147,380
1	$254	$2,616	$0	$1,461	$0	$4,332	$4,030	$0	$0	$1,308	$0	$1,308	$1,217	$3,024	-$682,826	$2,813	$1,217
2	$184,048	$2,669	$85,809	$1,488	$14,437	$288,450	$249,605	$12,616	$32,491	$1,334	$0	$46,442	$40,188	$242,008	-$440,819	$209,417	$1,155
3	$274,668	$2,722	$128,115	$1,515	$22,088	$429,108	$345,415	$19,303	$49,711	$1,361	$0	$70,375	$56,649	$358,733	-$82,086	$288,766	$1,096
4	$351,057	$2,777	$163,777	$1,542	$22,530	$541,683	$405,613	$19,689	$64,227	$1,388	$0	$85,304	$63,876	$456,379	$374,293	$341,737	$1,040
5	$357,825	$2,832	$166,933	$1,570	$22,981	$552,141	$384,598	$20,083	$65,512	$1,416	$0	$87,010	$60,608	$465,130	$839,423	$323,990	$986
6	$364,728	$2,889	$170,152	$1,599	$23,440	$562,807	$364,678	$20,484	$66,822	$1,444	$0	$88,751	$57,507	$474,057	$1,313,480	$307,171	$936
7	$371,769	$2,947	$173,435	$1,628	$23,909	$573,688	$345,793	$20,894	$68,158	$1,473	$0	$90,526	$54,565	$483,162	$1,796,642	$291,228	$888
8	$378,951	$3,006	$176,784	$1,658	$24,387	$584,786	$327,891	$21,312	$70,912	$1,503	$0	$93,727	$52,553	$491,059	$2,287,701	$275,338	$843
9	$386,277	$3,066	$180,200	$1,688	$24,875	$596,106	$310,919	$21,738	$72,330	$1,533	$0	$95,601	$49,864	$500,504	$2,788,206	$261,055	$799
10	$393,749	$3,127	$183,684	$1,719	$25,373	$607,652	$294,829	$22,173	$72,330	$1,563	$0	$96,067	$46,611	$511,585	$3,299,791	$248,218	$759
Total	$3,356,854	$28,650	$1,596,889	$15,867	$204,022	$5,202,282	$3,494,900	$178,292	$562,494	$14,325	$1,147,380	$1,902,491	$1,631,017	$3,299,791	$3,299,791	$1,863,883	$1,157,098





Marian/6909 State 0

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	0	5
Construction jobs created	128	0
Number of New Residents in the Community	0	318
Number of Additional Students in the Local School District	0	60
Increase in Local Personal Incomes	$0	$68,042,348
Increase in Local Retail Sales	$22,075,675	$70,052,573
Increase in the Community's Property Tax Base	$33,600,000	$33,600,000

Estimated new annual tax revenues after 10 years:		Property Taxes
	City	$73,277
	County	$71,144
	School	$106,975
	Comm. Coll.	$51,187
	Library	$24,472
	State	$3,189
	Totals	**$330,245**

Marian/6909 State

0

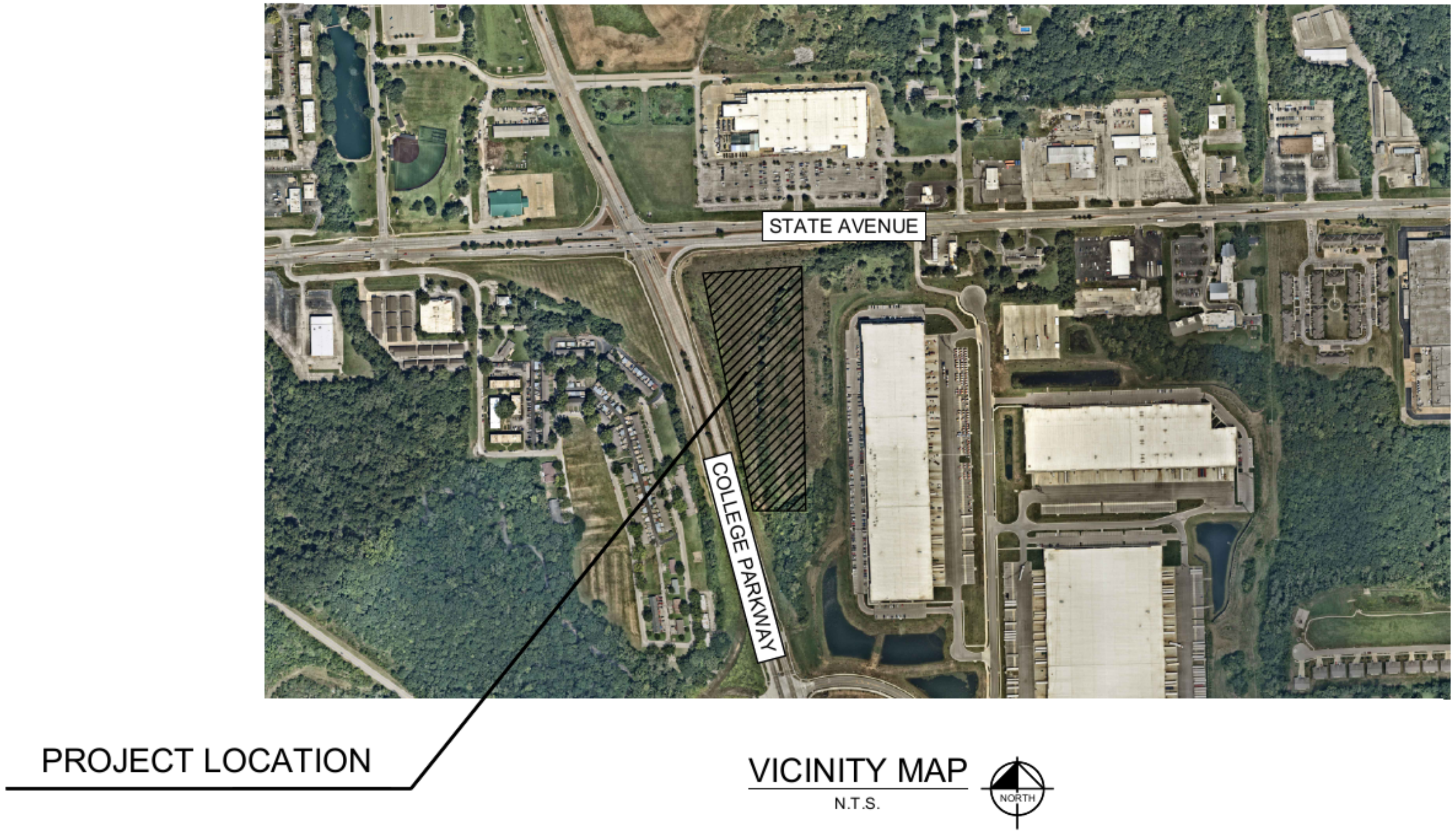
OVERALL COST-BENEFIT SUMMARY

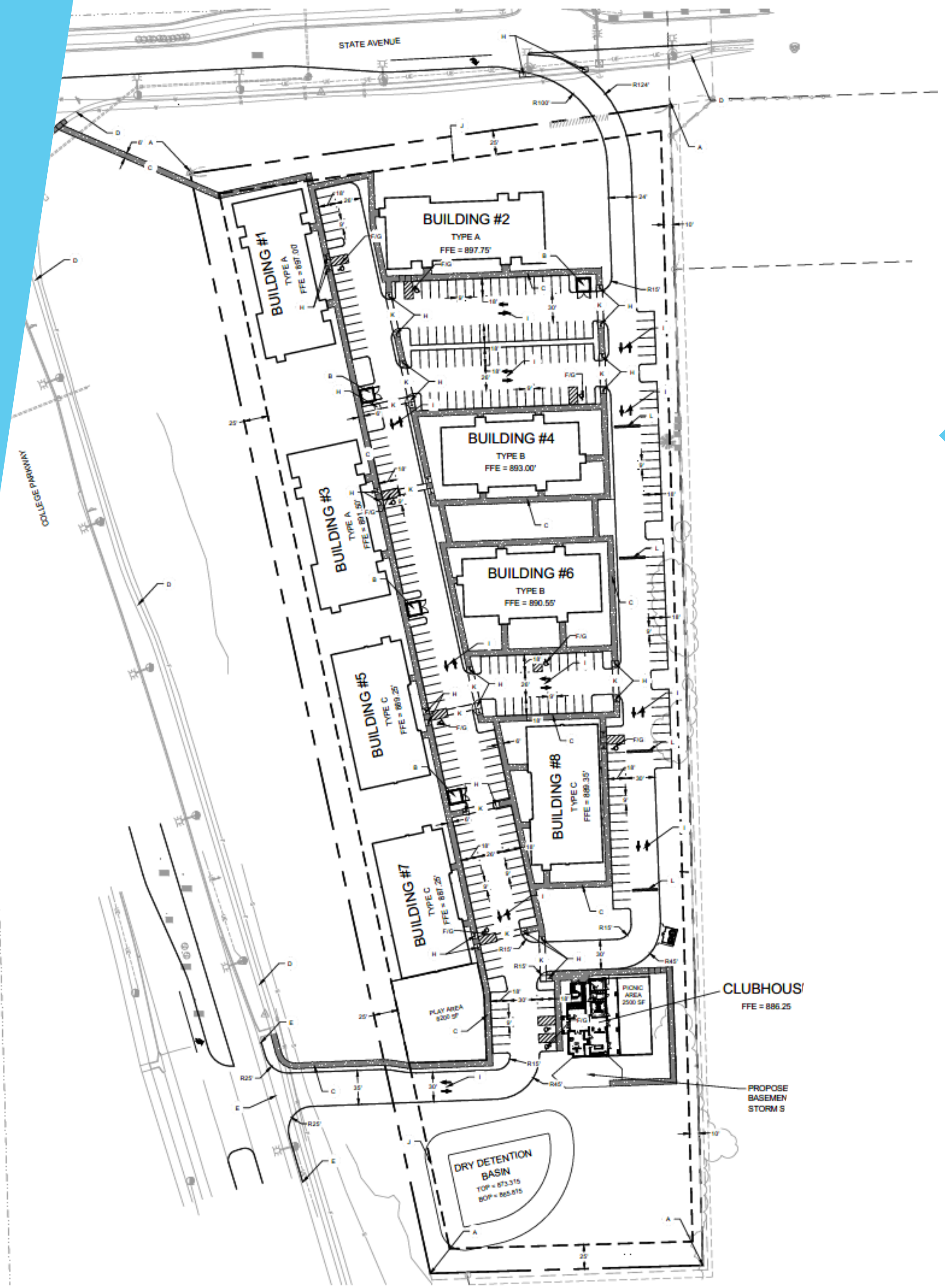
(With L/M/W)

TAXING ENTITY	DIRECT REVENUES: Guest & Sales Taxes	DIRECT REVENUES: PILOT Payment	DIRECT REVENUES: New Property Taxes	DIRECT REVENUES: School Federal & State Funding	DIRECT REVENUES: Corporate & Personal Income Taxes	DIRECT REVENUES: City Utilities & Franchise Fees	TOTAL DIRECT REVENUES	ALL INDIRECT REVENUES	TOTAL ALL REVENUES	DIRECT COSTS: PROPERTY TAXES ABATED	INDIRECT COSTS: ALL INDIRECT COSTS	TOTAL COSTS	NET BENEFITS
City of Kansas City	$729,741	$364,537	$658,218			$636,331	$2,388,826	$217,271	**$2,606,097**	$615,921	$316,568	**$932,490**	$1,673,608
Wyandotte County	$343,198	$353,927	$639,061				$1,336,186	$109,622	**$1,445,808**	$496,050	$55,634	**$551,684**	$894,124
Kansas City USD 500		$447,552	$960,912	$12,467,283			$13,875,747	$0	**$13,875,747**	$404,057	$1,222,283	**$1,626,339**	$12,249,408
KC Community College		$254,643	$459,790				$714,432	$392,323	**$1,106,755**	$229,895	$178,292	**$408,187**	$698,569
USD 500 Library		$121,741	$219,820				$341,561	$155,207	**$496,769**	$109,910	$25,787	**$135,697**	$361,072
State of Kansas	$3,356,854	$15,867	$28,650		$1,596,889		$4,998,260	$204,022	**$5,202,282**	$14,325	$178,292	**$192,617**	$5,009,665
TOTALS	$4,429,793	$1,558,267	$2,966,450	$12,467,283	$1,596,889	$636,331	$23,655,013	$1,078,445	**$24,733,458**	$1,870,158	$1,976,855	**$3,847,013**	$20,886,445

ED&F Committee
March 3, 2025

Marian Development
6909 State Avenue


STATE AVENUE
COLLEGE PARKWAY
PROJECT LOCATION
VICINITY MAP
N.T.S.
NORTH



STATE AVENUE
COLLEGE PARKWAY
BUILDING #1
BUILDING #2
TYPE A
FFE = 897.75'
BUILDING #3
BUILDING #4
TYPE B
FFE = 893.00'
BUILDING #5
BUILDING #6
TYPE B
FFE = 890.55'
BUILDING #7
BUILDING #8
PLAY AREA
CLUBHOUS
FFE = 886.25
DRY DETENTION BASIN

- Site Plan

PROJECT YEAR	CALENDAR YEAR	PROJECTED ASSESSED VALUE (WITHOUT PROJECT)	PROJECTED REAL PROPERTY TAXES (WITHOUT PROJECT)	PROJECTED ASSESSED VALUE (WITH PROJECT)	PROJECTED CONTRIBUTION IN LIEU OF REAL PROPERTY TAXES	8 MILLS FOR SCHOOL CAPITAL (YEARS 1 - 10); TOTAL REAL PROPERTY TAXES (YEARS 11-20)	TOTAL CONTRIBUTIONS + PROPERTY TAXES PAID	INCREASE TO REAL ESTATE TAXES PAID (WITH PROJECT v. WITHOUT PROJECT)
1	2026	$ 87,751	$ 14,964	$ 87,751	$ 14,325	$ 639	$ 14,964	$ -
2	2027	$ 89,506	$ 15,263	$ 872,160	$ 71,712	$ 6,352	$ 78,064	$ 62,801
3	2028	$ 91,296	$ 15,568	$ 1,744,320	$ 143,424	$ 12,704	$ 156,128	$ 140,560
4	2029	$ 93,122	$ 15,880	$ 1,779,206	$ 146,292	$ 12,958	$ 159,250	$ 143,371
5	2030	$ 94,985	$ 16,197	$ 1,814,791	$ 149,218	$ 13,217	$ 162,435	$ 146,238
6	2031	$ 96,884	$ 16,521	$ 1,851,086	$ 152,203	$ 13,481	$ 165,684	$ 149,163
7	2032	$ 98,822	$ 16,852	$ 1,888,108	$ 155,247	$ 13,751	$ 168,998	$ 152,146
8	2033	$ 100,799	$ 17,189	$ 1,925,870	$ 158,352	$ 14,026	$ 172,378	$ 155,189
9	2034	$ 102,815	$ 17,532	$ 1,964,388	$ 161,519	$ 14,307	$ 175,825	$ 158,293
10	2035	$ 104,871	$ 17,883	$ 2,003,675	$ 164,749	$ 14,593	$ 179,342	$ 161,459
11	2036	$ 106,968	$ 18,241	$ 2,043,749		$ 348,508	$ 348,508	$ 330,268
12	2037	$ 109,108	$ 18,605	$ 2,084,624		$ 355,479	$ 355,479	$ 336,873
13	2038	$ 111,290	$ 18,978	$ 2,126,316		$ 362,588	$ 362,588	$ 343,611
14	2039	$ 113,516	$ 19,357	$ 2,168,843		$ 369,840	$ 369,840	$ 350,483
15	2040	$ 115,786	$ 19,744	$ 2,212,220		$ 377,237	$ 377,237	$ 357,492
16	2041	$ 118,102	$ 20,139	$ 2,256,464		$ 384,781	$ 384,781	$ 364,642
17	2042	$ 120,464	$ 20,542	$ 2,301,593		$ 392,477	$ 392,477	$ 371,935
18	2043	$ 122,873	$ 20,953	$ 2,347,625		$ 400,327	$ 400,327	$ 379,374
19	2044	$ 125,330	$ 21,372	$ 2,394,578		$ 408,333	$ 408,333	$ 386,961
20	2045	$ 127,837	$ 21,799	$ 2,442,469		$ 416,500	$ 416,500	$ 394,701
	Totals		$363,578		$1,317,040	$3,932,098	$5,249,138	$4,885,560
	NPV		$200,766		$922,635	$1,634,662	$2,557,297	$2,356,532