

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, April 1, 2024**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, April 1, 2024, at 5:00 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Townsend, Stites, Burns, Lopez, and BPU Board Member Wakes. The following officials were also in attendance: Jeff Conway, Senior Attorney; Debbie Jonscher, Deputy Chief Financial Officer; 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 guidelines 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.

Public comments will be allowed during each agenda item. Public comment will be allowed during each agenda item and they should be limited to the item at hand and per the Commission Rules of Procedure. They should not include any rude or derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities.

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

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Roll call was taken and there were six “Ayes,” Wakes, Lopez, Burns, Stites, Townsend, Burroughs.

Chairman Burroughs said there are no revisions to tonight’s agenda.

III. APPROVAL OF STANDING COMMISSION MINUTES

No minutes available.

IV. COMMITTEE AGENDA

Item No. 1 – 213019...RESOLUTION: AUTHORIZING AMENDMENT TO 2024 MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

Synopsis: Approval of a resolution authorizing the Unified Government to amend its Master Equipment Lease Purchase Agreement with Banc of America Corp, submitted by Debbie Jonscher, Interim Chief Financial Officer.

Debbie Jonscher, Deputy Chief Financial Officer, said tonight we’re talking about amending the resolution authorizing the amendment to the 2024 Master Equipment Lease Purchase Agreement. This is an agreement that we have with Bank of America. Our current amendment expired last year on 12/31. So, this agreement, this amendment would extend the agreement to 12/31 of 2024, and it would also approve the list of equipment that was included in your packet. The Lease Finance Agreement is the financing tool that we use to purchase equipment that we purchase over a longer period of time. Usually, it’s anywhere from three to ten years. Although we’ve gotten away from the three years so it’s mainly five, seven, and ten year leases that we do on a lot of our equipment.

As I said, all the items that were included in the Annex one is the list of all the equipment. It was all approved in the budget as Leased Financed Equipment. We have equipment that was ordered in 2023 that has not—due to supply chains, has not been received yet. We don’t do the financing until we receive and pay for the equipment. So, we have items from 2023 that are carrying over as well as new items that were approved in the budget for 2024. We’ve also listed out on that sheet the interest rates that we’re and these are just estimates. The final rates would be set when we do the actual lease schedules later in the year once the equipment has been purchased. And so, with that, we’re asking for approval of the Master Lease Agreement.

Chairman Burroughs said committee any questions.

Commissioner Lopez said just a quick question about—I was going through the equipment, also breaking it down and it looks like we're buying trucks from Rush Truck for 175 a piece because they're at five times the money and then our spreaders are—looks like they're \$52,500 at five times of money as well. I found some spreaders that are—they're the manufacturer out of Ohio for \$18,000 a piece, so what I'm saying is if like they haven't built our trucks yet, can we come back and say hey, we can actually do this and not have to finance so much money. **Ms. Jonscher** said yeah, the items that we put in here, we put in at the budgeted amounts but that doesn't mean that they're going to pay that exact amount. Those are the estimates that we've received from the department so they could get them for less, and we would only finance what the actual cost was. We have had instances where departments have went to purchase something and they feel like they're getting a better deal with the vendor so they may want to do the lease with the vendor. Those have to come back to the Commission if they choose to go that route. If they're outside of the Master Lease Agreement, but that can be done, that would need to be done before—I don't know what the status of all the equipment is. I know there are a lot of supply chain issues where it's taking a lot longer to get our equipment, so they're trying to get their orders in as soon as they can.

Commissioner Lopez said is this something I bring up with Jeff Fisher or Fleet? **Ms. Jonscher** said probably Fleet, I'm guessing this probably—these are probably put in by Fleet. **Commissioner Lopez** said maybe I'll just do both, same page. **Ms. Jonscher** said yeah, and we put them in here because they're budgeted so we have the authority if they purchase them, but if they don't, we're not out anything if they didn't buy the spreaders. We're not out anything by not doing that. **Commissioner Lopez** said so they didn't ask for a deposit or anything? **Ms. Jonscher** said no. **Commissioner Lopez** said okay, great.

Chairman Burroughs said any other questions.

Stevie Wakes, BPU Board Member, said I have a question to his point regarding the budgeted amount. Is the budgeted amount always that extensive, more than the normal purchase price? **Ms. Jonscher** said no, usually the budget amount is an amount I think they have gotten from the

vendor. However, we set the budget. This budget was set last September, so there could have been price adjustments. They may build in price adjustments into their estimate but maybe when they go to purchase it this year maybe they've got one that doesn't have to be ordered. Maybe there's one on site that might come in cheaper, I don't know. That could happen, it may not happen. **Mr. Wakes** said who negotiates the price? **Ms. Jonscher** said the department, or I guess it would be the Fleet Manager. If the department's working with Fleet, then it would be the Fleet Manager that would negotiate that.

Chairman Burroughs said any other questions or comments.

Wendy Green, Deputy Chief Counsel, said though that would also have to follow our normal procurement processes too. So, if it's above a threshold amount, it has to go out for a bidding process as well.

Chairman Burroughs said I had one question Ms. Jonscher. In visiting today, Animal Services is something a lot of us get contacts about. Understand, we have five employees but only three vehicles and I know not all five are going to be in three vehicles, but we're budgeted for eight, but we only have three vehicles. Has there been a request for any type of Lease Agreement or Procurement for Animal Control vehicles? **Ms. Jonscher** said I'm not seeing anything through what was in the budget for Lease Finance. **Chairman Burroughs** said I appreciate that, that was brought to my attention this morning in a meeting. I just wanted to find out.

If there's no more questions, I'll ask the Clerk if there are any hands raised by the public who wish to speak. **Monica Sparks, UG Deputy Clerk**, said no hands are raised at this time. **Chairman Burroughs** said anybody present who would care to speak to this item? Let the record show no one stepped forward. I will now entertain a motion for approval.

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

Item No. 2 – 213028...RESOLUTION: ADOPTING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III

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Synopsis: A resolution adopting the Second Amendment to the Development Agreement for Village West Apartments III, to extend to completion date to March 31, 2025, submitted by Jeff Conway, Senior Attorney.

Chairman Burroughs said I see that I was supposed to recognize Jeff Conway but I see we have Wendy Green here this evening. So, Wendy, will you give us an overview in reference to the Amendment. **Wendy Green, Deputy Chief Counsel**, said actually the developer for this matter has a representative here and he will be giving an overview. **Chairman Burroughs** said okay, and would you give your name please.

Owen Hakes, NorthPoint Development, said our team wanted to just provide a brief presentation. One just to highlight some of the challenges that we've seen so far within the instruction process but then also highlight the progress that has been made as well despite some of those challenges, and I think we flip to the next slide that highlights it and starts this fairly well.



CURRENT PROJECT VISUAL



VIII-Presen latlon-03 ID#

This is a recent visual that was taken of our project, taken in the air from the northeast corner and as you can see all asphalt paving is down throughout the perimeter of sites. Each building, one through four, if you work your way around counterclockwise around the site, that is how the buildings are numbered, are topped out fully framed and recently all received TOP roof membrane as well. In addition to that, we also have siding that is going up as you can see kind of on this nearest side of the buildings as well. So, well progress that has gone on thus far despite some of those challenges that I'll hit on here in a moment.

VILLAGE WEST III "ASPIRE" APARTMENTS

P U B L I C I N F R A S T R U C T U R E I M P R O V E M E N T S



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The next item that I wanted to mention in regards to progress are the public improvements that are affiliated with our development agreement. The first of which is the picture to the right, which is the widening of Parallel Parkway and includes two added left turn lanes. One of which is for eastbound traffic, to turn left on North 114th Street and the second of which is for westbound traffic to turn left and be our future main entry into the apartment community. Again, this has been driven on since early 2023 and is currently being used by the public right now. On the left is the extension of Delaware Parkway and there were two previous extensions on the two previous phases as well and this will serve as a secondary entrance to our development and both of these I'd like to mention, in our development agreement there was a deadline of July 1st, 2023. As I mentioned, both are substantially complete and Parallel Parkway is turned over and being used by the public right now.

VILLAGE WEST III "ASPIRE" APARTMENTS

CONSTRUCTION CHALLENGES

- **March 2022** - Completed Application sent to BPU for service
- **May 2023** - BPU Anticipated Permanent Power Delivery (14 months from application)
- **March 2024** - Final Transformers Arrive for Permanent Power (24 months from application)
 - The lack of power resulted in the delay of many scopes including framing, interior finishes, and equipment start up

In addition to power, post-COVID material shortages were encountered at the beginning of the project. Several notable include:

- Site utility piping & manholes
- Electrical switchgear
- Roofing membrane

VWIII Presentation-03.DWG

The last in the basis of our request today and for the completion extension are challenges that we've seen notably with electrical infrastructure and getting power to our site. Discussions with BPU began in March of 2022. That's when initial load applications were forwarded and also when we began discussing with their design team. Shortly after the discussion was that in the summer of 2023 is when the site would be energized, all transformers, primary cable would be routed to our private site. After some challenges with sourcing that I know that I underwent after using a different vendor as well and like I mentioned, with primary cable sourcing challenges as well. Final transformers were not brought to our site until early in the first week of March of 2024, which marks 24 months after initial load applications were forwarded to their design team. This

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had a variety of impacts notably on schedule but not being able to have enough power for our construction staff inhibited progress notably on framing, and the large volume of tools needed for our large buildings and four of them in this case. Second of which, and one of the most notable are interior finish is finishing out drywall and also painting. Especially during winter months if we don't have the ability to heat the inside of our buildings, it's a challenge to have those dry so that progress was halted and then also like I mentioned, equipment startup on being able to condition the inside of our buildings.

But outside of even really just electrical infrastructure and power at the beginning of the project, we did see other challenges as well for sourcing. Some of that included electrical switch gear that is involved in each of our buildings and then also roofing membrane that was seen very much so during COVID as well. So, those were the primary reasons on our request today for extending our construction completion date to March 31st of 2025, that we're confident and we think it's a very realistic time frame for the way we are pacing with construction right now, but thank you very much. That's the end of this presentation.

Chairman Burroughs said thank you Mr. Hake. Any other comments? Committee, any questions or comments? This resolution extends the date for one more year from yesterday. So, it's a one-year extension, it's amendment number two. I'll ask the Clerk if there was anyone online who would care to speak to this project.

Ms. Sparks said no hands are raised at this time. **Chairman Burroughs** said I'll ask if there's anyone in the audience who wishes to speak on this item? Let the record show no one's come forward. Committee, I'd entertain a motion.

Action: **Commissioner Stites made a motion, seconded by BPU Board Member Wakes, to approve as submitted.** Roll call was taken and there were six "Ayes," Wakes, Lopez, Burns, Stites, Townsend, Burroughs.

Chairman Burroughs said I will entertain a motion to adjourn.

Action: Commissioner Burns made a motion, seconded by Commissioner Lopez, to adjourn.
Roll call was taken and there were six “Ayes,” Wakes, Lopez, Burns, Stites, Townsend, Burroughs.

Meeting adjourned at 5:23 p.m.

JG