

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL MEETING, THURSDAY, APRIL 10, 2025

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, April 10, 2025, with ten members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Burns, Commissioner Second District; Ramirez, Commissioner Third District; Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Garner, Mayor/CEO presiding. Townsend, Commissioner First District; was absent. The following officials were also in attendance: David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Chelsea Chism, Economic Development Director; Shelley Kneuvean, Chief Financial Officer; and Monica L. Sparks, Unified Government Clerk.

Mayor Garner said before I call the meeting to order I want to announce that we have individuals attending remotely as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure you announce yourself by name and title every time you speak so the public that is participating knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General Office. Please be sure to speak directly into the microphone to ensure your comments are heard and an accurate record can be made of this meeting.

Mayor Garner called the meeting to order.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, is scheduled to be conducted in a hybrid format on Thursday, April 10, 2025, at 5:00 p.m. in the Commission Chambers of the Municipal Office Building regarding 1. Ordinance approving execution of Second Amended & Restated STAR Bond Project Plan for the American Royal Project. 2. Resolution setting and giving notice of creating a Community Improvement District for the American Royal Project. 3. Resolution approving Amended & Restated

Development Agreement for the American Royal Project. Roll call was taken and there were ten “Ayes,” Lopez, Stites, Davis, Bynum, Burroughs, Burns, Ramirez, Hill, Kane, Garner.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Garner said tonight we are scheduled to discuss various aspects of the American Royal Economic Development Project. I’ll turn the meeting over to David Johnston, our County Administrator. He will open up with some remarks.

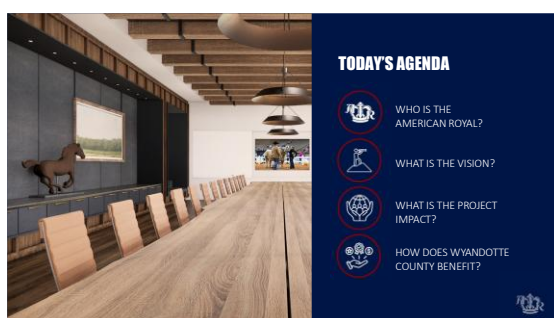
David Johnston, County Administrator, said we’ve been discussing with representatives of the American Royal team probably just over a year now and it’s getting to critical stages that it felt important to have members of their Board of Directors come and talk to us about their project and I’m going to turn my time over to our Economic Development Director, Chelsee Chism, and our Economic Development Legal Consultant, Todd LaSala.

Chelsee Chism, Economic Development Director, said tonight for our informational discussion we have several members here representing the American Royal. Walt George, Board of Directors Chairman; Gordon Lansford, Board of Directors First Vice Chairman; Lindsey Patterson Smith, Board of Directors Chair-Elect, and Jackie McClaskey. They will start us off with an introduction and talk to you about the history of the American Royal, evolution of the project, some of the financial impacts, and feasibility study information and then Todd LaSala will cover the development agreement deal points and we’re here to respond to any questions that the Commission may have as we move through the presentation this evening.

Walt George, Chairman of the Board of Directors for the American Royal, said I want to say thank you for this opportunity. We’re grateful to have an opportunity to present to you and we’re grateful for our partnership with Wyandotte County. We think that what we’re going to talk about tonight is a great opportunity for all of us. Chelsee introduced my colleagues that also will be

presenting tonight, but I'd also like to note and introduce Pat Macy, our Managing Director. We have several members of our Board of Directors with us this evening and friends of the American Royal and we appreciate them coming.

When I'm asked about the American Royal, what is the American Royal, I always respond first by saying that we are a mission-driven nonprofit focused on agriculture and food. We exist largely to the generosity of our volunteers. They give us their time and they give us their treasure and I hope that you'll see that tonight through much of what we talk about.



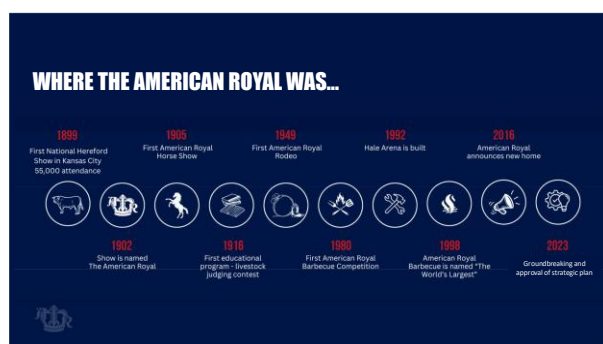
We're excited to share who we are as an organization, what our vision is, what our vision for the future is, the impact that the American Royal Project will have and how it will benefit Wyandotte County.



At no other time in history has the human race been so disconnected from their food source, what they need to eat, their nutrition, and this drives and informs our purpose. We believe that food and agriculture needs a champion and to meet that purpose we will create a home for food agriculture,

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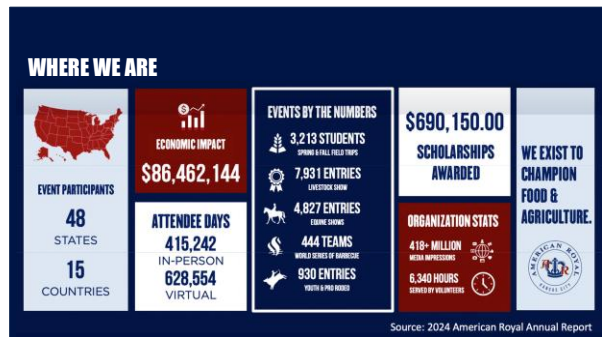
food education and food and agriculture events. We also want to be a place where people in the food and agriculture community can come be engaged. We're going to go into several examples of that in just a few minutes. We will recognize when we meet the purpose and mission when we truly become a place where food and agriculture are celebrated by generations to come. This is our purpose.



Many people think about the American Royal as the rodeo or the barbecue or the livestock show, but we are so much more and the demand for what we do is growing. This informs our need for a bigger campus. If you step back a minute and let's look at the American Royal in history, in our timeline, the American Royal was founded originally as the National Hereford Show and that was back in 1899. At the time they had 55,000 attendees and that was a crowd. We've transformed over many years and we continue to.

As you all know, the American Royal today is located in the West Bottoms. We're landlocked. We can't grow. If we are to meet our vision, we must move and we are convinced that Wyandotte County is a perfect place for us. We'll talk more about why that is in a minute and you'll see at the end of this chart that we broke ground in 2023 with a hope that we'll be in our new home in 2026. For us, this has been a 12-year project and as most of you know, we had an agreed to development agreement which was placed on hold when the worldwide pandemic broke out, but none of this—none of that would have been possible without Wyandotte County. None of this vision that I'm going to talk about tonight is possible without you. So, let's ground ourselves in where we are today.

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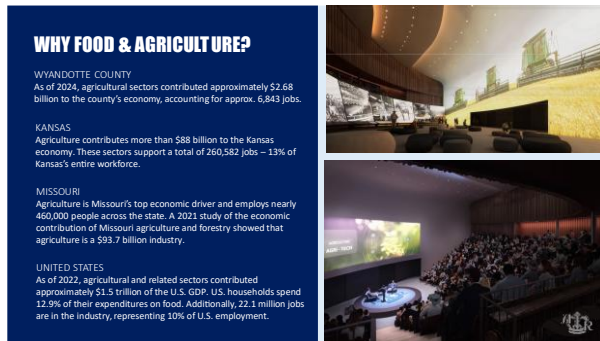


The American Royal is a global destination. Our events draw participants from 15 countries and 48 states. We have an economic impact on the Kansas City market greater than \$86M. We have over 400,000 in-person event days and we expect that number to grow by 5x when we get into our new facility. You see some of the events we hold and one of the most important things in achieving our vision is our distribution of scholarships. That's missional for us. This is an achievement and the statistics that I share are impactful, but the question from our leadership and our board is, is this enough. Can't we make a bigger impact locally, can't we make a bigger impact in the Midwest, in the US, and maybe globally. People and organizations come to us all the time to ask us to think bigger.



We engaged a graphic artist that helped us capture and visualize what the American Royal can be and I'll give you a minute to look at this, but it really is becoming that we will become the epicenter

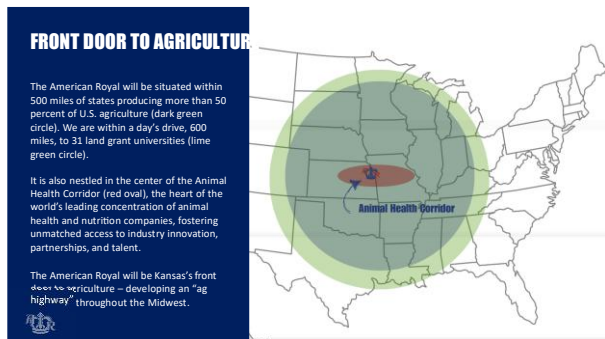
for agriculture and for food and you can see why when you look at this picture that we need to think bigger and we need to have bigger space. We need room to grow.



So the question is why food and agriculture. In 2024, the agricultural sectors in Wyandotte County contributed \$2.7B to the county's economy, accounting for approximately 6,800 jobs. Now, if we draw back out of that and let's look at the state of Kansas, agriculture is an \$88B industry that contributes to the Kansas economy. These sectors support over 260,000 jobs or 13% of the entire workforce in Kansas.

If we turn to Missouri, Missouri agriculture is the top economic driver for the state and it employs nearly 460,000 people. A 2021 study estimated the economic contribution of Missouri's agriculture and forestry showed that agriculture is a \$93.7B industry.

Then, if we want to think bigger, what's our impact in the United States. In 2022, agriculture and its related sectors contributed \$1.5 trillion to the GDP. US households spend more than 13% of their expenses on food and additionally there's 22M jobs estimated in the industry, representing 10% of the US employment. That's why we believe food and agriculture needs a champion.



Now, let's look a little bit differently. If you just look at us geographically, the American Royal located in Wyandotte County will be situated within 500 miles of states producing more than 50% of the US agricultural output. It's also within a day's drive, 600 miles to 31 different land grant universities. It's nestled in the center of the animal health corridor, that red circle, the heart of the world's leading concentration of animal health and nutrition companies, fostering unmatched access to industry, innovation partnership, and talent. The American Royal and Wyandotte County is the front door to agriculture. There is an agricultural highway that runs throughout the Midwest.



The American Royal is creating what has never existed, the Epicenter of Agriculture. The Royal will be a year-round events destination and this is very important for Wyandotte County, we are not seasonal. We are a place for industry leaders to discuss hot topics and we will create a talent pipeline for industry. We are a place for intentional and unintentional learning, the global hub and more.



I want to leave you with this as our path to get there. First, it is our mission that drives us. It's our campus and community partners, our programming, our commitment to education and building talent. And because we are a not-for-profit, we have an uncompromised voice to influence industry. Now, I'd like to turn this over to Lindsey to talk a little bit more about the future state.

Lindsey Patterson Smith, Vice Chair and Chair-Elect for the American Royal Board of Directors, said thank you to the members of the Commission. I'm thrilled to be here. Walt talked to you a little bit about the American Royal, our history and our vision for the future and I want to talk to you today a little bit about what we are building and why and how it fits into our strategic plan.

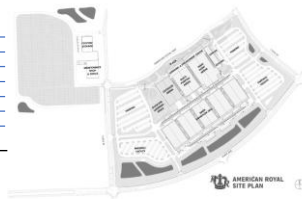
THE NEW AMERICAN ROYAL

PHASE ONE

Barn & Exhibition Hall – 390,000 sq. ft.
Main Arena – 125,000 sq. ft. | 5,000-8,000 seats
Multi-Purpose Arena – 90,000 sq. ft. | 3,500 seats
Outdoor Arena – 75,000 sq. ft. | 3,200 seats
Outdoor Plaza – 270,000 sq. ft.
Learning & Engagement Center – 80,000 sq. ft.
Administration Space & Community/Commercial Kitchen – 20,000 sq. ft.
Event Support Storage Facilities – 70,000 sq. ft.

PHASE TWO

Festival Grounds - 120 acres



12

You've probably noticed a large facility, 390 sq. ft. of barn space that has gone up on State Avenue. This is the expedition and barn space that is a part of the American Royal campus. This building

is seven football fields of conditioned space all under one roof and all on one level. To put that into perspective, Bartle Hall is 388,000 sq. ft. on a secondary level, not on the ground level. To find another space of this size, you would have to go to Chicago, Atlanta, Las Vegas or Dallas. So, this is truly a unique asset. This one building on the campus alone that will put this community and Wyandotte County on the map.

Additionally, there are three barns that can hold events all simultaneously, sorry three arenas. The main arena holds 5,000 seats and permanent seating with the ability to flex to 8,000 seats. The multi-purpose arena is designed to take advantage of a full 90,000 sq. ft. while accommodating up to 3,500 seats. There's an outdoor arena that's similar in size but is open air with a roof. All of these can host events at the same time in addition to the events that can be hosted in the barn and then there's the outdoor plaza. This is what we see as the town square for Wyandotte County and can hold anything from global sporting event watch parties to farmer markets on Sunday afternoon.

There's a community kitchen that will be used as a commissary and part of our commercial kitchen space, but one of the things we're most excited about in this facility is the Learning and Engagement Center. It's 80,000 sq. ft. of dedicated learning space that doubles as the entry into our campus, so we see this as a way that everybody who walks through our doors will leave with some intentional or unintentional learning about agriculture and how that fits into their lives.



You'll see phase one of this map, so you see State Avenue and so this is all phase one. Here's the large barns. There's five gables, but it's all under one roof, the three arenas, the community

outdoor space, community garden, and parking. There's also an addition part of phase one are some storage buildings and green space.



Then, part of phase two that will turn into our festival grounds.



If you look at these renderings, you'll see a lot of different types of events. These renderings show events that are all held in really mostly two of the same arenas.



I note this to show the diversity and the ability to flex these spaces into many different types of events for the community. Some of these are events that are on the American Royal calendar today. You're going to host a rodeo, a livestock show, but then there's things that are net new and added for the community. Here we show a volleyball and youth sports. There's ability to host banquet dinners and beyond.



This isn't just the Royals venue. We don't see this as just ours. We see this as the community's venue. We've started and look forward to conversations with several Wyandotte County community partners including all five districts of the Wyandotte County school systems, the county fair, the Unified Government and civic organizations such as Visit KCK and the KCK Chamber of Commerce and, of course, our friends at the Ag Hall of Fame, and Research and Extension.



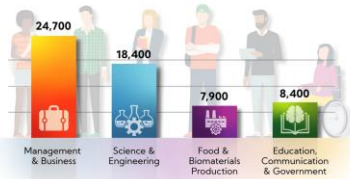
Really at the end of the day, this is all about more than a building and about a venue. This is about a place where people can connect, collaborate, and celebrate all centered around agriculture. That's something the American Royal has been doing for 125 years, and we look forward to growing that reach. This is a place where the Royal is education at the center of everything we do. We'll focus on the opportunities for the Wyandotte County youth and families to educate and inspire residents in careers in agriculture.



Educational Programming at the Royal has developed and shifted over those 125 years. With the opening of this facility, we look forward to expanding that reach into the Wyandotte community. The Royal educates all ages, but we are especially excited to work closely with the Wyandotte County schools to provide exposure to agricultural learning and industry careers.

EMPLOYMENT OPPORTUNITIES IN FOOD & AGRICULTURE

On an Annual Basis, Expect 59,400 Job Opportunities for New College Graduates



According to USDA, "employment opportunities will remain strong for new college graduates with interest and expertise in food, agriculture, renewable natural resources and the environment."

Key numbers:

- 59,400 annual job opportunities
- Concentration of jobs in Midwest
- Average salaries:
 - Ag/Food Scientist - \$76,400
 - Farm Managers - \$83,770
 - Agronomist - \$98,000
 - Vet - \$122,688
 - Food Scientist - \$52,941
 - Ag Engineer - \$59,518
 - Ag Equipment Tech - \$91,492

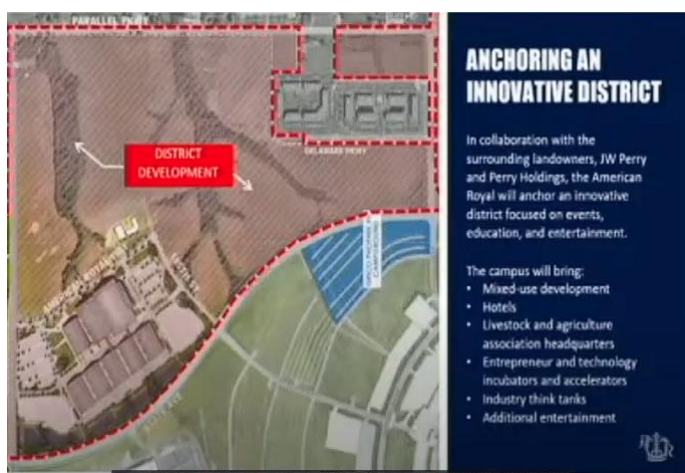
This focus and exposure on industry is not just because we believe in agriculture and the industry of it, but it's because there's an ever growing and ever present need for youth to get into the careers of agriculture. This chart shows a demand of almost 60,000 job opportunities annually needed within the agricultural industry and these are jobs that have all levels of degrees, everything from trades to graduate level degrees. So, there's something for everybody in there. As you can see, it's kind of small on here, but the average salaries for these careers are good quality wages that will add to the community.



While the Royal is known as an organization focused on youth, we're also interested in connecting with lifelong learners of all ages. We believe strongly that everybody needs to understand food and agriculture literacy as a means to creating healthier and stronger communities and we look forward to working with the Wyandotte County Research and Extension and the SNAP Program

to reach the right audience with this right message. With that, I will hand this over to my colleague, Gordon.

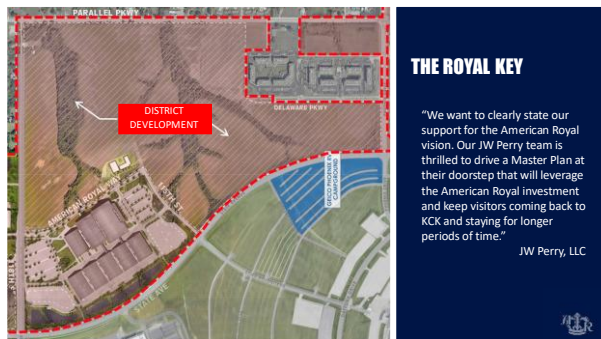
Gordon Lansford, First Vice Chairman of the Board of Governors of the American Royal and also recent Chair of the Board of Directors of the American Royal, said thank you for the opportunity to have us tonight to tell our story. We're excited to tell our story, you've heard a lot about it. I think I get the fun part because I get to talk about the impact that our organization and our campus will have on your community for the benefit of your residents and your taxpayers.



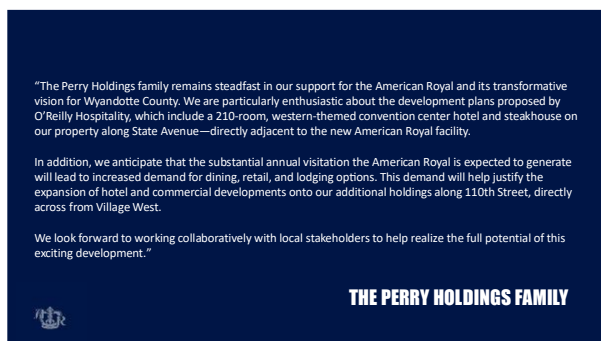
I think a key point here is if you think about our campus, it's really the anchor project or the catalyst to an innovative agricultural district. With that, it'll bring mixed-use development, hotels, livestock and Ag Association Headquarters as well as Corporate Headquarters, entrepreneur and technology incubators and accelerators, industry think tanks, as well as additional entertainment opportunities.

I think you all know that we've worked hand and glove with our partners. The adjoining property owners, the JW Perry and Perry Holdings Association and their projects will not proceed as planned without the completion of our project. Their design is seamless with ours. They've made the statement several times that you won't know when you step off of our property and on to theirs. We worked hand in hand with them and I think you all are familiar with some of the great development opportunities that they're going to create that will create additional revenues, taxes, etc., again, for your community and your taxpayers.

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I've got a couple of quotes here. The first one is from the JW Perry. "We want to clearly state our support for the American Royal vision. Our JW Perry team is thrilled to drive a Master Plan at their doorstep that will leverage the American Royal investment and keep visitors coming back to KCK and staying for longer periods of time."



Our other partners, the Perry Holdings family, I won't read this whole thing because it's a little longer, but the Perry Holdings family remains steadfast in our support for the American Royal and its transformative vision for Wyandotte County. We are particularly enthusiastic about the development plans proposed by O'Reilly Hospitality, which includes a 210-room hotel, western themed convention center and steakhouse on our property. They go on to say that in addition we anticipate with the growth of this campus that it will drive tremendous demand for increased lodging, dining, retail and entertainment venues.



So, why did the American Royal choose Wyandotte County, why are we here. I think this map goes a long way in explaining that. First of all, if you zoom out and think about what Walt said, we're in the center of the country. You're in the center of the country. And when you think about agriculture and you think about our states to the north of Iowa and Nebraska to the south, Oklahoma and Arkansas, obviously Kansas and Missouri, but we're not only in the center of the country, but we're at the center of agriculture and the percentage of Ag GDP that comes in the surrounding states is significant.

The other reason we chose this area is because if you look at the map and you all are very familiar with this because you made it happen, all the infrastructure that's here, all the amenities, the hotels, the restaurants, the entertainment venues, the sports teams. Our guests want to come here and they want to partake in all these other venues. It's also a very safe environment, which is important in our world today. It's also a very family-friendly environment and oh, by the way, you're 20 minutes from a great new airport, which is our front door to the region.

LOCAL EVENT PARTNERS



We've been very fortunate to have so many great partners, many of which are in the room today and you're familiar with all of them, Kansas Speedway, EPIC Resort Destinations on the Mattel Project, Sporting KC, Homefield, Legends Outlet, Wyandotte County Fair, the Ag Hall of Fame, and Visit KCK. I do want to give a special shoutout to Visit KCK and Mindy Lallier specifically who happens to be on our Board of Directors. She has been, and that whole organization, has been lining up events to use this facility. I'll talk about some of those here on the next slide, but there is pent up demand for people to come use this facility in your backyard. They just need to know when we're going to restart because that will tell them when we're going to finish and we can start booking those events.

LOCAL, NATIONAL, GLOBAL EVENTS

These interested hosted events provide significant benefit to Wyandotte County and Kansas. These events are multi-day (often up to a week) and bring people from across the nation.

These families need the

- Hotel rooms
- Restaurants
- Grocery stores
- Gas
- Entertainment
- RV Spaces
- Retail needs
- And more



When you think about these events, you see a bubble diagram here that talks about the type of events, but I want to reiterate something my colleague, Lindsey, said. We have 400,000 sq. ft. of conditioned space, single level, ample parking, concrete floor, and all the amenities to go with it.

So, if you start to use your imagination, these barns can have dirt, which they will a lot with our activities. You can put courts in there, you could put ice in there, you could put carpet in there. There's not much you can't do in this unique facility that's in your backyard. Again, I want to reiterate the convenience of the parking, not to mention the attachment of the performance arenas with that big 400,000 sq. ft. and not only the amenities that are here now in your community, but those that will come because of our growth and your growth.

So, when you start to think about some of these bubble diagrams, you think about the Auto Show, you think about the Home Show, you think about youth volleyball tournaments, soccer tournaments, basketball tournaments. Those are all events that drive a lot of people into your economy and I'll talk later about some of the numbers and the attendance we expect to have through there.

I want to talk about a couple of examples of events and I picked two because they're very different. The first one is the Kansas Dental Association. They want to use our facility to come into your community and offer free dental checks for your residents. That's just one small example.



Another much bigger example in terms of impact is the National High School Rodeo Finals. You can see some statistics on your screen. That generates about \$13M for that event, 91,000 visitor days, close to 2,000 contestants, a lot of animals of all shapes and sizes, and a large Western Trade Show. When you think about where that event has been, it's been in Gillette, Wyoming; Rock Springs, Wyoming; Lincoln, Nebraska. those are all great places, but think about the amenities that you offer. A lot of times when they host those events in those places, they have to build the

infrastructure that you have and your business owners have provided. So, this particular event lasts about 11 days. You can see all the numbers up there, but all these participants and their families, they'll come here and they stay in the hotels, they'll eat at the restaurants, they'll go to Dave and Busters in their downtime. They may catch a Sporting game or a Monarchs game or whatever happens to be in season, but again, they want to come to a convenient, safe place, and they want to stay here and spend their money.



Walt started off talking about our economic impact today, which at \$86M is nice, but it pales in comparison to the economic impact we believe we will create. If you look at this chart, there's a lot of numbers on here, so I'll unpack these a little bit. The graph on the top left, that represents the number of individual events that we anticipate we will host by 2030.

The bottom where it talks about event days, let me explain that because it can be a little bit confusing, but again, if you think about the National High School Rodeo I talked about, that's 11 event days and you go, well, in 2026 you're showing 635, there only 365 days in the year, how's that possible. We anticipate many days where there's more than one event going on our campus. There may be a High School Rodeo going on, but my company J.E. Dunn might be having an executive retreat in the Education Center, so that's how we get to those number of event days.

The chart on the top right talks about total attendance and you can see that we would go from about 400,000 in 2023 to a projected 1.7M by 2030 and then 2.3M by 2045. So, I think the key point on this slide is that number on the bottom right, which is \$526M of average annual

impact over the next 20 years that we believe our organization, plus our facility creates, not to mention the impact of our neighbors.

THE BUDGET

Expense Item		Sources	
Land costs	\$ 10,000,000	STAR bond revenues	\$ 155,000,000
Sitework	\$ 23,000,000	Other public funds	\$ 10,500,000
Infrastructure	\$ 12,000,000	Private funds	\$209,500,000
Construction	\$ 277,500,000	TOTAL	\$375,000,000
Design & entitlements	\$ 34,000,000		
Other soft costs	\$ 13,500,000		
Contingency	\$ 5,000,000		
TOTAL	\$375,000,000		

I'm going to wrap up my portion just talking a little bit about the dollars and cents. On the left is our budget for the project. I think you all are familiar with this, but we show a total project of about \$375M investment. It breaks down to land \$10M, sitework 23, infrastructure 12, construction 277, design 34, soft costs 13, contingency 5.

What we really need your help on is what's on the right and that's how we pay for this project, pay to complete it and create all those opportunities I just talked about. So, as you know, we're hopeful to receive \$155M in STAR Bonds. We've got some other public support from the state of about \$10M and then we anticipate about \$210M of private funding for this project. It was always anticipated that this would be a public/private partnership as many development growth opportunities like this are.

I do want to take an opportunity to call out Lindsey Patterson Smith and her foundation, the Patterson Family Foundation, because they're a big part of that bottom number, but it was never their intent, nor their ability, nor can they or should they do more than they've already done. One of our holdups in raising more dollars is to have certainty of the completion of the project and have a signed development agreement. So, we really need your help with that top number and frankly that bottom number because we have a lot of pent-up demand until we're able to reach a STAR Bond deal that's so important to this project.

With that, I'm going to turn it over to our friends at Polsinelli to talk a little bit about the details of the deal with you.

Korb Maxwell, Polsinelli, said I've been honored to represent the American Royal for going on 12 years plus now on our journey to this new campus and no time has it been more real than us standing before you right now. Walt, Lindsey, Gordon did a great job of telling you about the project, the numbers, the civics, the education, all of those components about it. I want to go down to just the pure dollars and cents and the pure dollars and cents is why we've all needed to work so hard on this for a long time. But what we've brought before you through a lot of negotiation with your staff, your Administrator, your outside counsel and all of you is what I think all of us can stand behind. The process makes these things better. This process has been long, it's been arduous, but I think what you as a government have asked us to do, we've risen to the task and now I think you've created probably one of the highest bars for us ever to jump over in the development community and you've really crafted something that you all should be very proud of as we move this forward.

To start that and kind of explain that the nut of this has really been Plaza at the Speedway. So, if I can, we're going to talk a little bit about Plaza at the Speedway. What was the financing of Plaza at the Speedway, how did it come about, and what will the American Royal mean as it interacts with Plaza at the Speedway and the use of STAR Bonds out there.



PLAZA AT THE SPEEDWAY REMAINS THE SOURCE OF SIGNIFICANT NEW REVENUES FLOWING TO THE UG		
Time Period	Development Milestone	Annual Revenue to the UG ¹
2006	Plaza at the Speedway TIF created	N/A
2009-2013	Wal-Mart, Sam's Club, other retail open Local sales tax increment committed to pay-go TIF	
2013-Present	TIF bonds issued, including a pledged: ² 80% of local sales tax increment (2013-2018) 84.5% of local sales tax increment (2019-Present)	< \$500k / yr
Current Status	2013 TIF Bonds repaid in full	
STAR Bond Term	2025 STAR bond issuance; does <u>not</u> include: \$142M of base year sales \$10M of property tax increment over term	\$3,137,500 / yr \$501,495 / yr

¹ Estimated from ~1.82% Local Collection rate
² Per 2020 UG Economic Development Incentives Report

> 7x Increase
from PA TIS alone

And so, we took it all through a little bit of history and then we also sort of put the pictures around it. Most of you all have been here the whole time and know these pictures as well as anyone, but the picture up above is when we just had the Speedway, roughly 2003, 2004. You can kind of see Cabela's being drafted there. The Plaza at the Speedway TIF was first created in 2006 and as many know, what that TIF did was captured the property taxes and the sales taxes of the future

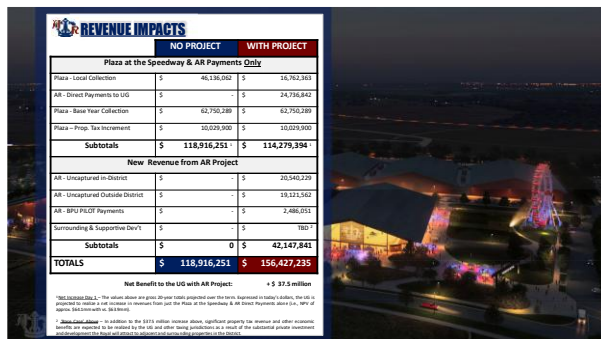
development that happened there, mainly the Walmart and the Sam's and they used that to change that picture from the fields that it was to put in all of the tens of millions of dollars of infrastructure that then brought us that Walmart and that Sam's and the other development around it, but principally those as the drivers.

As many of you know from basically 2013 to now you issued TIF Bonds on that that were backed by those property tax streams and so because of those TIF Bonds the majority of the revenue, property taxes and sales taxes, have gone to those bonds that paid for that development and they haven't gone into your General Fund. What's been going into your General Fund has been less than a half a million dollars a year. When we went and did our first STAR Bond deal approval for the American Royal because we were under that TIF regime at that time, none of this money—that Plaza at the Speedway money was collected. The STAR Bond Act says that the local government is supposed to put in that money, but we didn't have to because it was already previously committed under that bond issuance. Time has gone on, time has passed and here we all are now.

What we are asking through both the Project Plan, STAR Bond Plan, and new development agreement is we need to capture that local sales tax as part of the STAR Bond Project because that's what state law says. That's what the Secretary of Commerce says. That is what is being told to all of us of the way to move forward here.

I'm going to go through what all those numbers look like. There are some interesting things that occur even in that. When we reset this project plan, we will terminate the TIF and that will release substantial money back into the General Fund on an annual basis for all of the citizens of Wyandotte County and you as their elected to be able to place. We will set the base at \$162M. That is the base sales in 2016 approximately when we created the STAR Bond District. So, all of the revenues below \$162M that pay sales taxes, all of those revenues will be uncaptured and will go into the Unified Government's General Fund. That is that representation of \$3.1M on an annual basis and that will continue for all time that this happens.

So, by terminating that TIF, \$3.1M will start to flow into the UG's General Fund. There will also be property tax increment. We will be terminating that Property Tax TIF on Plaza at the Speedway and all of that property tax will flow in to the Unified Government General Fund. That's approximately a half million dollars a year. So, that's just setting the baseline.



	NO PROJECT	WITH PROJECT
Plaza at the Speedway & AR Payments Only		
Plaza - Local Collection	\$ 46,136,032	\$ 16,762,363
AR - Direct Payments to UG	\$ -	\$ 24,768,842
Plaza - Base Year Collection	\$ 62,750,288	\$ 62,750,288
Plaza - Prop. Tax Increment	\$ 10,029,900	\$ 10,029,900
Subtotals	\$ 118,916,251	\$ 114,279,394
New Revenue from AR Project		
AR - Uncaptured in District	\$ -	\$ 20,540,229
AR - Uncaptured Outside District	\$ -	\$ 18,111,542
AR - BPU PLOF Payments	\$ -	\$ 2,488,051
Surrounding & Supportive Dev't	\$ -	\$ 180
Subtotals	\$ 0	\$ 42,147,841
TOTALS	\$ 118,916,251	\$ 156,427,235
Net Benefit to the UG with AR Project: + \$ 37.5 million		

*NO DISTRICT DEDUCT - The value above the gross AR value represents what the state, dependent on the value, would be expected to receive as a net increase in revenue from just the Plaza at the Speedway & AR Direct Payments alone (i.e., 90% of gross AR value minus the District).

*Base Case Assumptions - In addition to the \$100 million increase above, significant property tax revenue and other economic benefits are expected to be realized by the city and other taxing jurisdictions as a result of the additional property investment and the new jobs and activity generated by the development of the Plaza at the Speedway & AR.

Now, and this is a little bit hard to read. Hopefully everybody can see it. There are—what we tried to do here was now compare. When you look at those components and other components on a gross basis, what do the pure numbers look like of the Royal. What is this deal we've been negotiating and I think what this deal shows is that you've cut an incredible deal because at the end of the day, I'm going to go to the last number, the Unified Government and your citizens are \$37M plus to the good by doing this project.

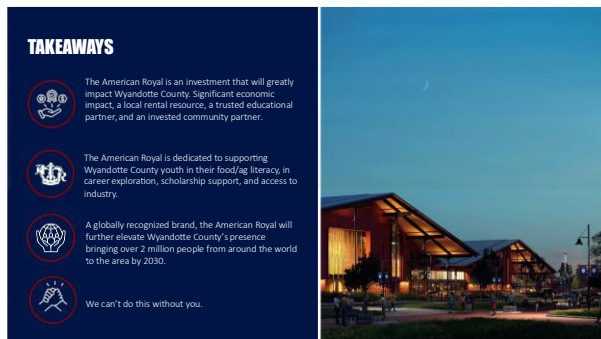
Now, let me take it through kind of a point by point. First, on the Plaza—well, first the Plaza from the local collections, if you don't do the project, the UG would see \$46M. If you do the project, you would only see 16. That's that capture of the increment from Plaza at the Speedway, but we're going to make all that up. We're going to make the vast majority of that up. This is gross numbers. We're going to make that up through the origination fee that's being paid and the annual contribution that the American Royal will pay to the Unified Government of \$1.3M. So on a gross basis, when you look at that, we're about \$4M short. On a net basis, when you take it out over time and you look at the cost of money and you look at it over 20 years, it's actually positive. There's more money guaranteed coming to the Unified Government through that. You'd collect the base with both of them. You'd collect the property tax with both of them, but on a gross basis, we're \$4M-ish short. You could stop the analysis there, but I think what's important is taking the analysis to the next level and saying, what's the American Royal bringing. Beyond all the civic, beyond all the activity, beyond all of that, what are we bringing and what we're bringing is substantial additional revenues to the Unified Government.

The first is in all of these runs, all of these numbers, taking it through the formulas of state law and STAR Bonds, there are still sales taxes that cannot be captured. Those sales taxes

are your EMS Fund and your Public Safety Fund. It adds up to about .6, .625. When you take that out, that's \$20M that will still be flowing from the American Royal Project into specified accounts of the Unified Government. There will also be uncaptured sales. We were describing all of those events. Those events that are going to come to our campus. They're not just going to only shop at our campus or at Plaza at the Speedway. They're going to shop more broadly in Wyandotte County. They're going to shop at the Legend's, they're going to shop at other places in Wyandotte County. They're going to shop in Edwardsville, they're going to shop in Bonner. They're going to go and have activity, that uncaptured activity and this has all been done through a third-party study and report that has analyzed all of this. That also equals \$20M.

Then, as everybody whose residents know, there is a PILOT that's paid with the BPU and the Unified Government. That will not be captured in any of these STAR Bond payments. That equals about \$2.5M and then the TBD number that we put here, all of that development that Gordon talked about, all of the different things that we could win, Ag Headquarters, different kinds of Ag business, office, mixed-use development, other things that the Royal creates in and around the property around us, there's all of those property taxes. There's all of those increments. I don't know how to calculate those today because I don't know when they're coming, but I know that the American Royal is the anchor that brings them. But even with not being able to calculate that, what we see, what we come to when you just look at no project or project on a gross basis, the Unified Government's \$37M to the better.

We can answer any questions on those as this moves forward and at the end, happy to get into the details. I know Todd and Chelsea have information as well that they can provide, but what that has told us is this rigorous negotiation process we've been through has been worth it at the end of the day for all the citizens of Wyandotte County because you've cut a really good deal. With that, I think I'm going to turn it back over to Walt, but we'd be happy to stand for questions later.



Mr. George said I'm going to just wrap up very quickly and I won't go through the chart, but what I would say is we view this as a partnership and in a partnership both parties need to benefit. From our perspective we get a worldclass campus that will allow us to fulfill our mission as a nonprofit. The citizens of Wyandotte County get the benefits of having a place where they can go, a place where they can participate in all kinds of programming. We can be good influence in the schools for the students of Wyandotte County and for the Unified Government you get a financial stream that comes off of the campus. So, we see this as a true winning proposition for all three parties and we appreciate the opportunity to be heard tonight and we are available for any questions that you might have.

Todd LaSala, Outside Counsel for Stinson on Economic Development, said I would just add briefly—what I'd like to do briefly is summarize the agreement between us in a little bit of detail on the high points, really tracing the evolution of this thing from back in 2016 or 2017 to now and the parts of this that are duplicative, I'll cover quickly.

American Royal Deal Terms

Original Deal Terms	Current Deal Terms
"Project" defined to include: • 164,000 s.f. main show arena w/ 5,000 seats • 250,000 s.f. Livestock Exhibition Hall • 6,500 s.f. Agricultural Ed Center • 5,000 s.f. of admin space	"Project" defined to include: • 125,000 s.f. show arena w/ 5,000 seats • 90,000 s.f. multipurpose arena • 75,000 s.f. outdoor arena • 390,000 s.f. Livestock Exhibition Hall • 80,000 s.f. Agricultural Ed Center • 20,000 s.f. of admin space
No Festival Grounds concept	Developer may build an approximately 120-acre Festival Grounds concept located west of North 118 th Street. The Festival Grounds concept is an option and not a requirement, but if Developer does build it, the UG must (i) have a non-complete agreement for Azura Amphitheater, and (iii) approve of a final development plan for the Festival Grounds
BBQ Contest: The original Agreement had a condition that the AR agree to host the World Series of BBQ contest exclusively in Wyandotte County, but at the time they were still working through how to do that.	BBQ Contest: The World Series of BBQ contest will be held exclusively in Wyandotte County during the life of this Agreement.
STAR Bond Request: \$80M for a \$165M Project • Bonds expected to be sold in a public sale with UG as issuer	STAR Bond Request: \$155M for \$375M Project (but with Festival Grounds it is approximately \$450) • Private Placement first – sold to Royal's "friends and family" • Public sale later after completion of Project and sales history
Plaza at the Speedway: State sales tax is pledged to STAR Bonds, but UG is not required to contribute the local sales taxes that were at the time pledged to TIF bonds for PATS	Plaza at the Speedway: In addition to the State's pledge of its sales tax, the UG contributes sales tax from Plaza at the Speedway for 20 years • Requires termination of PAT S TIF District
CID Request: 1% CID add on sales tax (used to make up any shortfall of \$80M STAR Bonds)	CID Request: 1% CID add on sales tax; CID Cap of \$30M+ (difference between STAR bond proceeds and \$185M)

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As you look at this side-by-side comparison on the screen, you heard Ms. Patterson speak in great detail about the project. The numbers that you see on that screen are largely the same about where we are now. This is a much bigger project than what was originally approved by the Commission in 2016. Those spaces are much larger and the festival grounds concept that she showed you really wasn't there at all in the original project.

There's also a box there about the BBQ Contest because it's always been extremely important to us to have the World Series of BBQ be exclusively within Wyandotte County as a part of our agreement. That was a little more contingent in the 2017 agreement than it is now. It's very clearly exclusively here.

I'll touch the numbers briefly and you got a lot of detail about these, but as the project has grown so has the incentive that is being requested. You may remember that the original project that was on the table in '17 was about \$165M project, 80 of which was to be paid for with STAR Bonds. Now, the project has grown tremendously. If it includes the festival grounds, it's about a

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\$450M project, but even the phase one that they talked about is \$375M, but consequently, the \$80M STAR Bond ask from '17 has now grown to where they're asking for \$155M of STAR Bonds.

The bonds would be placed in a different way than we originally contemplated. The '17 agreement really thought about a public sale of bonds. What's contemplated here is slightly different and probably represents slightly less risk for the Unified Government in the first place. What I mean by that is instead of a public sale of STAR Bonds, the original sale that we would go out and do for Plaza at the Speedway is very likely to be kind of a private friends and family offering where it would be privately placed with connections and relationships that the American Royal has. That private placement bears less risk to the Unified Government and its credit rating at least initially and then the expectation is that down the road after the Royal is opened, after these facilities are going and there's some sales history, only then would we go out and do a public sale, a public placement. Again, I think from our perspective that represents less risk than what was contemplated in the original deal in 2016-2017.

Plaza at the Speedway, Mr. Maxwell talked about this in great detail. We should too because it is a significant change in the deal. Many of you remember that Plaza at the Speedway was not originally pledged, and Korb's right, all of those revenues were pledged to the TIF Bonds originally. For this deal, they are required to be pledged. We would have to commit to pledge that revenue for the entire 20-year life of the STAR Bonds, so that is just inherently part of the equation here. In a minute, I'm going to talk about two revenue sources that Korb alluded to that are supposed to mitigate that loss of sales tax revenue from Plaza at the Speedway, but I'll get to that in a moment.

The last thing on this page is the CID request. There is slightly more CID, I say slightly, it's at least \$30M more that is requested in this deal than the prior. Again, the numbers have grown, so has the incentive, but again, CID was always part of the equation here. This is just a larger expectation, a larger number.

IRB Financing and Fees: IRBs for sales tax on construction materials only, but Agreement contemplated possibility of using IRBs for abatement if any portions of project subject to property taxes • Normal issuance and admin fees	IRB Financing and Fees: IRBs for sales tax on construction materials only, but will <u>not</u> use IRBs for abatement if any portions of project subject to property taxes • In addition to normal fees, Developer will pay an up-front \$5M origination fee to be used by UG for economic development purposes (to be decided by full Commission after recommendations from a subcommittee)
Public/Private Ratio: 50 /50. \$80M of public financing and \$80M of private funding	Public/Private Ratio: 50 /50 on first \$100M of STAR Bond proceeds, and then after that aggregate to 42.5% public investment. Expected to require approx. \$209.7M of private investment for use of \$155M STAR Bonds
No Annual Payment Concept	Annual Payments: Developer to make \$25M of annual payments to a fund controlled by UG for economic development, infrastructure or other purposes beneficial to the UG (to be decided by full Commission after recommendations from a subcommittee). Payments of approx. \$1.3M on May 15 th in year after STAR Bonds are issued, but payments will stop when STAR Bonds are repaid in full.

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The only other incentive that's on the table here is Industrial Revenue Bonds. IRBs in this case are not for tax abatement purposes. They're really about abating the sales tax on the construction materials. As you know, we have done that a lot and that is contemplated here too. It really always was. However, as we try to figure out how to get money back in the door from the American Royal related to the pledge of Plaza at the Speedway and that sales tax revenue that we now have to put in the deal, one of the things that we've asked for is a \$5M origination fee on these IRBs related to that sales tax, that abatement of the sales tax on construction materials. So part of the equation, part of what comes back to us is \$5M upfront when we go issue IRBs and that's going to happen the same time as the STAR Bonds.

Secondly, and connected to this is an annual payment that the American Royal would make to us to again mitigate our exposure from Plaza at the Speedway. It is now—we've talked a lot about how to structure this payment, but it's ultimately \$25M that is structured over 19 years and it's a flat payment of about \$1.3M a year. So, as Mr. Maxwell said, he talked about both the gross dollars and the net present value of the dollars.

I'm going to just pause here and say something that many of you already know, so please forgive me, but the time value of money as you analyze this is pretty important. A dollar in your pocket today is worth more to the Unified Government than a dollar that you get 10 years from now, 19 years from now. So, as you do the analysis and you look at the economic models here, we've done this math several times, several ways, we've run models with various assumptions about whether Plaza at the Speedways retail sales go up, whether they're right at projections, whether they're below projections. But Mr. Maxwell is right that on a gross basis, we are often slightly below—on a gross basis, the dollars are slightly below what you've pledged at Plaza at the Speedway.

When you run the net present value, when you take into account time value of money, in most scenarios we are at least even and in a number of them, we're ahead meaning what we're getting from the American Royal either through these annual payments or origination fees, that combination, or because the bonds have paid off early and we start getting our money back, either way, in all of the scenarios that we're running, we are pretty much neutral in many of the scenarios we're ahead on a net present value basis. So again, I'm going to say that one more time and hit it hard. On a gross basis we are contributing something to the project. We are absolutely. On a net present value basis, once you take into account time value of money, for the most part we're even or in many cases ahead.

The last thing I'll talk about is Public/Private Ratio, which we've negotiated about in this deal quite a lot. The original deal was very much a 50/50 proposition. In this one, we negotiated to where the STAR Bonds are really about 42.5% of the public investment, heavily negotiated point, but that's where we now are. There's a lot to this development agreement. I'm happy to talk about all of it. If I were to hit the high points for you before we respond to any and all of your questions, we're here to do that. That's the large summary I've given you. Do we have anything else that we want to do or commissioners we'd be happy now to answer any questions as would the development team.

Mayor Garner said thank you all for the presentation. I'm going to open up for questions from our commissioners if there's any.

Commissioner Bynum said I don't have so much a question as just a couple of comments. I want to thank the American Royal for taking time to come and speak directly to us tonight. We did start this process a very long time ago. You've been working with us through COVID and then you've watched over these last three or four years of our economic struggles here at the local level. So, I have to say that I appreciate that you've continued to come to the table and work with us to try to bring us a product that's phenomenal and a deal that we could be satisfied with.

Part of the reason why the American Royal Project in general speaks to me is because my grandfather was a farmer right here in Wyandotte County on 86th Street. He was a butcher and a milkman and the reason he was a butcher and a milkman was because that was in the 1930s and if you didn't do those things, you didn't eat. My father was born in 1930 and he grew up in that environment of helping his dad butcher animals and milk cows and collect eggs.

I'm not living in that world, by the way, and I never have but it really speaks to me because it really speaks to my background and where my family came from. And of course, we know in the 30s how difficult times were, not just in the country, but in the world.

Interestingly to me, just this very morning, I was at my weekly Kiwanis Club meeting and our speaker this morning was Dr. Keith Harris with the USDA and he was phenomenal by the way. He was stressing to us just today that every single day 320M Americans are touched by Ag every single day immediately as they get out of bed, before they've even had a bite to eat from the fabric of the sheets, and these are his descriptions, not mine, but I thought it was extremely compelling to the flooring that they step out of a bed onto, to the water that they use to get cleaned up and get ready for their day. I thought that is so interesting that my day is being bookmarked with agriculture and frankly, I really appreciated it.

What it points out to me is that we're really never separated from agriculture, but at the same time, I personally think that we might be more separated from agriculture, especially in this community than ever before in our history possibly. I think it's quite possible that we may not have ever needed what you bring more than we need it right now and so with that, I just want to express to you how much I appreciate what you're trying to do, how much I appreciate that you've stayed at the table and that we've stayed at the table because it hasn't been easy. I mean I don't think any of us would say it's been easy, but it is appreciated by this commissioner and I very much want you to know that.

Commissioner Kane said so, Todd, let's get this right. We get \$5M upfront and \$1.3M annually. **Mr. LaSala** said that's right. **Commissioner Kane** said and at the end of the day, we're \$37M to the good. **Mr. LaSala** said \$37M to the good. We are collecting—yeah, this is Mr. Maxwell's number, but—**Commissioner Kane** said, Korb, am I right? **Mr. Maxwell** said yes, commissioner. When you add in all of those payments and then the uncaptured payments, yes, it's \$37M to the good over the 20 years on a gross basis, correct sir.

Commissioner Kane said I'm not sure why this project stopped and I think you might be underselling yourselves once the building gets up and going. I think there's an opportunity for more things to happen and what better place to put it where the grounds at, infrastructure is in and you're right we're bringing people from all over the place. The World Cup is just right around the corner and that facility would be used every day, all day for that type of stuff. It's stuff like that—I mean I know some people will be upset with this, but in the long run, what is the benefit to the community. I've been confused with some of these presentations though to be honest about it. That's why I had to ask those questions.

You know, I think it's an opportunity for us to grow and grow in the right direction. I know that when they did the—I was the commissioner when the Plaza at the Speedway went in and people were upset because some of the stores that went in there and it's been a pretty positive activity with the amount of money paying off faster than what we thought it could. The same thing with the racetrack and the casino and stuff like that. Everyone always has a tendency to look to the wrong side instead of the benefits that each one brings. I think this benefits everything that's out there and more things to come.

Commissioner Burns said I have a direct and indirect relation to the agriculture community. My mother-in-law grew up in Hodgeman County out in Jetmore, Kansas. If you've never had the opportunity to be there, you need to see it. You'll see it quickly too. So, anyway, I learned a lot from her. She grew up there and suffered through a lot back then, through the dust storm and everything else. My son went away to college. Luckily, he didn't go to KU. He went to K-State and he got his Agricultural Economics degree from Kansas State and occasionally he's asked back by one of his teachers to talk to the students in that field now. He is one of the lead traders for FC Stone & Co. and he does very well and he knows a lot about agriculture. I've asked him a lot about this and he said it would be a wonderful project and he does live in the Kansas City area.

Echoing what Commissioner Kane said, I'm ready to move on with this project just as soon as we can.

Commissioner Hill said thank you all for the presentation this evening. Just going with a couple of comments that Commissioner Kane made, I just want to take that to the next level. Would you please explain to me when would we receive the first amount of money that has been pledged. How does that process work? I guess that's what I'm really wanting to know. Say phase one is done, the activities are beginning. When does the UG receive the funds after things are happening. Is it the following year after? So, say it opens up in July of 2026 or whatever year, how would that work? **Mr. LaSala** said, Commissioner, I appreciate the question. I spoke about an origination fee, that's \$5M part of the equation. That would happen when we issue the bonds and the first annual payment of \$1.3M we would receive in May of the following year, May 15th of the following year. That's when those monies would start flowing to us. If those are the monies you're talking about, that's when that money would begin to flow. **Commissioner Hill** said so the origination meaning when the ink is still wet on the paper or how does that work. The origination \$5M, when would that occur? **Mr. LaSala** said we would do that in connection with the issuance of IRB Bonds and we've said in the agreement that's going to happen at the exact same time that we issue STAR Bonds. The American Royal would hopefully want to do that this year. The expectation is that they want to get out and do that as fast as possible so I would expect that \$5M to land this year. If that happens, the first annual payment is then due May 15th of 2026. So, by May 15th of 2026, we will have collected \$6.3M based on the payment schedule we've talked about. **Commissioner Hill** said okay, thank you, I appreciate that.

Commissioner Lopez said you said \$37M in 20 years is what we're going to get. **Mr. LaSala** said yes, Commissioner, those are the numbers. **Commissioner Lopez** said because what I'm figuring, just doing my homework, that TIF Plaza at the Speedway that paid off, is bringing in around in \$8.3M a year, give or take, so you multiply that times 20, that's \$166M and that's just ballparking. **Mr. LaSala** said a couple of things about that. Remember, number one, that there's a number of things—there's a base year, so the pledge—so you factor out the \$1.6M or whatever the number the Korb talked about, so that is part of the equation. We also had projections run by an outside consultant about the sales taxes for that asset, that location over the 20-year life of the

project. So the numbers you are seeing in Mr. Maxwell's presentation, the numbers we ran our models on are all based on these sales tax projections that came from an outside consultant. So, we ran them that way and, frankly Commissioner, if the consultant is wrong, we also ran models where the projections are much richer than what's expected in these models and much less. And what you find is that when it's much less, when it's not as rosy a scenario as the projections the consultant gives us, what happens is our pledge from Plaza at the Speedway is less and we wind up protected by the certainty of \$5M upfront and a flat payment of \$1.3M. We're protected by that.

In scenarios that we run where the projections like you're saying, if the projections are much higher than what the consultant suggested, what happens is that the bonds pay off a lot faster and then we start getting the full revenue stream from Plaza at the Speedway earlier. And in those scenarios, under those models, we can come out ahead. **Commissioner Lopez** said I get that. We told our people a long time ago when this pays off, you're going to see that and now, you know, of course, what 2017, it wasn't a deal because that TIF wasn't paid off. Well, now it pays off, oh hey, we can hijack that for another 20 years. That's not making sense to me and then now we got to tell our folks, well, we told you 17 years ago this is going to pay off, but by the way, now it's not. Now it's going to be another 20 years, sorry. And we got folks going to the grave. That's my issue, no, I get it. **Mr. LaSala** said I totally understand.

Commissioner Lopez said another thing is, I mean I see a lot of American Royal people out here and that's great, but how many of you folks live in Wyandotte County. How many of you folks chew our dirt. How many of you folks pay our taxes. Move to Wyandotte County, chew our dirt, and let's have a more serious conversation. That's my deal.

Mr. LaSala said I totally understand the policy issue, I do and I will tell you that's the reason this has been so hard. The fight we've been having, the back and forth, the negotiation, and these payments that you're hearing about, the \$5M and the—**Commissioner Lopez** said no, and I get that. **Mr. LaSala** said I try and mitigate that. **Commissioner Lopez** said I get that. I'm all for agriculture. My family are huge cattle barons in Oklahoma, you know, huge and running 10,000 acres. I mean they're monsters down there, but I'm all for the Ag, all day long I'm for the Ag, I'm 100%. It's the do-re-mi. That's what we need to, you know, the way I see it is that whole area is trying to be corporatized and who lives in Wyandotte County and getting all the returns. I mean, of course, according to WYEDC, there's \$5.3B in investments since 2015 to 2023, where's

our return. Where's it at? Well, we're just going to do more STAR Bonds, more this, more this and that's my issue. At the end of the day just pay the money and keep moving forward and if you want to be partners here, then live here and pay the money, help us out. So, that's where I'm at with that.

Commissioner Ramirez said I'm going to agree with my colleagues. We're beating a dead horse at this point. Beating a dead horse is kind of an understatement. This has been going on too long. We need to just get it over the goal line. So I ask, what are next steps. Where do we go from here? I don't know if it's going back to committee, if it's going to come back to full commission, but I'm done beating a dead horse. **Mr. LaSala** said, Commissioner, for what it's worth, we have noticed a public hearing for the full commission on April 24th knowing that we were going to do this, we have noticed up that commission meeting. If it's the will of the commission, this could be heard on a—we've gone through the statutory process, so this can be heard and is scheduled to be heard at your April 24th meeting. You can vote on the matters related to this, all of the matters including the project plan, including the development agreement, including the CID, you can vote on all of that. We have set the table if you will and gone through the procedural process to notice this up for April 24th.

Commissioner Burroughs said first of all, thank you to the American Royal for coming in and painting the picture that needed to be painted. There was a lot of miscommunication around the community in reference to the project. I would just like to say how much I appreciate the transparent communication that you had this evening.

I think part of the difficulty with this subject matter is the formula for STAR Bonds is a difficult formula for many that have never experienced on how to work with the STAR Bonds. But one thing I can say about this community is we were the first fortunate ones to have STAR Bonds and have worked through it and been successful. We've had a number of STAR Bond projects that have continued to help grow the economy in this community to the tune that we now have more sales tax for the first time in a long time than our property tax. And that is because of the investment made in the original STAR Bonds project called Kansas Motor Speedway and those of us that lived through that are now living through the next project and that being the American

Royal. The ancillary development that came from the Speedway has grown this community to the point that our national and international reputation has helped us.

I can remember living in this community my entire life and not having projects in Wyandotte County mentioned in the same breath in a positive way. This is an opportunity to once again to add to that discussion and dialogue for our community and for our state. I know we talked about a lot of the negatives and a lot of it has been a lot of miscommunication or limited communication and as Chair of the Economic Development Committee and as a member of the Commission I like to work with my colleagues. It's very difficult to do that when we hold on-threes or we have half of us in a committee trying to work through the verbiage and the contracts and the ancillary opportunities that come with development. I know our two counsels in the room that have been discussing this issue know what we have been through because you have been through the same thing. This was important for us collectively. As Chair of the Economic Development Committee I requested this meeting to be a public meeting for the purpose of getting everything out in a public setting so it wouldn't be, well, I heard this, I heard that. We collectively hear everything as stated here this evening as factual until proven differently.

When it comes to STAR Bonds I believe Todd, you mentioned a third party consultant that went and looked at the numbers, that's mandated within the STAR Bonds. That wasn't initially mandated in STAR Bonds when the first original STAR Bonds project came forward. That is mandated today and that helps us, helps the developer and it helps the community to know the financial obligation necessary to meet the criteria of the STAR Bonds. I think the trickery in this STAR Bonds project is the fact that the \$5M upfront and the \$1.3M per year, it's almost an offset. It's almost a push and people say why don't they just put the \$25M upfront, because STAR Bonds doesn't work that way. You have to have that revenue source and to pay for the STAR Bonds and that revenue source is the sales tax and you're reimbursing that through the 1.3. That's the incremental sales tax that is coming off of the Plaza at the Speedway from the 2016 or 2017 base. That's an incremental. It's not the full sales tax that we're getting. That's just the portion that has grown from Plaza at the Speedway from 2017 to today, so you can say it's a million two or a million three in growth.

What we're also receiving is now that the TIF is off and expired, we are getting the additional property tax that comes into our General Fund and we get the additional EMT money that comes in that was not available. Under STAR Bonds, once those previous sales taxes are

identified for another purpose, they can't be utilized for STAR Bonds unless they are put in after. They were in there before STAR Bonds was proposed for that area. That's why they were captured in the TIF and this formula is extremely difficult, but it's a formula that works and having the third party consultant is extremely important. I can share with you in my years of experience in the legislature, STAR Bonds has been combed through, has been utilized. I'll even say at times has been abused and we see those failures in some areas, but we haven't had those failures here and I'm excited to see that.

I just want to thank the Royal for giving Wyandotte County consideration in allowing us to expand our national footprint one more time and bring in the ancillary development that we so sorely need to help with our General Fund and the services we provide this community. I want to thank the Administrator and the Mayor and my colleagues for their patience in this this evening because this was important to me as Chair of the Economic Development Committee to ensure that everything was on the table. No more secret discussions, no more miscommunication. It is here. This is the plan. These are the numbers. So, you ask what the next step is. As Chair I can take it back to committee, that's one of the prerogatives I have to work it, but the fact that we've haven't had a public meeting, you have it slated for a public meeting. The process is important. Time is money. I understand that, but it's also important that we do what's right for this community. We represent Wyandotte County and its constituents and their tax base. You represent the American Royal and your project and this has allowed us to review how we do economic development and commit those long-term future revenues to projects in our community. We are responsible for providing services and we need to ensure that those dollars are there to do so.

I believe after tonight's discussion, it is more transparent that we can provide those services and that this is only a small piece of the pie even though it's a large piece because the other development in the Perry family, the development of the hotels, the additional commercial properties that will come in and that Master Plan for the rest of the STAR Bonds project—and even the buildout of the Plaza at the Speedway will generate additional sales tax, which will allow us, hopefully, I anticipate for this project to pay out even less than the 20 years. I know it's been projected to pay out within 15. That puts the money back in our General Fund a lot quicker so that we can get over.

I do understand the commissioner's comments about we made a commitment to the people. Those commitments were made by the state and a previous administration and in the legislature we don't tie future legislators hands with policy. This contract was eliminated and then re-implemented. New guidelines have come into play. This is the new contract, good, bad or indifferent. I happen to think it's a lot better contract than the previous contract. Better for the Royal and actually better for our community.

We have a lot of pluses here. We have the Agriculture Hall of Fame which has its National Charter which will be a partner with the American Royal. We also have the complement of the racetrack, the development that has occurred there. The additional development that is coming, so this is actually a catalyst for even more development to come. We also have the national recognition. We couldn't go out and buy the publicity that the American Royal will bring to our community and to the Royal itself as a partnership. Either one of us would be hard-pressed to afford to spend those dollars to try to get the publicity we will have by having this partnership right here in Wyandotte County around one of the biggest attractions in the state, 20 minutes from an international airport. That's a plus for all of us.

The educational aspect that we will gain from that for the people in the urban core, especially our youth, that so sorely are looking at urban gardening and urban agriculture is extremely important. It's also a tremendous opportunity to help with how we look at future hydroponic gardening in an urban setting and how we deal with bridging the rural and the urban in a more ergonomically and environmentally satisfactory way. So, I just want to say as Chair of the Economic Development Committee, I will take the position this evening that I'm willing to have the Standing discussion with public comment. We've all heard the discussion. My concern is if we go back to committee, we will have more misinformation come forward. If there's questions tonight, as tough as they may be, now's the time to ask those questions because once we go move forward to public comment and work it on the 24th, it's already on the calendar. If we take it off the calendar, it comes back to committee and we're talking a minimum of another 30 days and as my colleague at the end of the dais said, we've worked this quite a while.

I do know that the entertainment and tourism aspect should not be lost on this community and I do see Bridgette Jobe in the audience tonight that was our Tourism Director here. Maybe if it's okay with the Commission, Bridgette, if you would be so kind to maybe say how this might impact the tourism in the state of Kansas and our community. You were here before the racetrack.

You were here after the racetrack and now you serve in a capacity on a statewide level and I would really value your comments, if that's all right with you, Mayor.

Bridgette Jobe, Director of Kansas Tourism with the Kansas Department of Commerce, said for those of you who don't know me, I've been with the state about six years in my role as the Director with Kansas Tourism. Prior to that I spent about 21 years with the Kansas City, Kansas Convention and Visitors Bureau and it was really here in Wyandotte County that my love for tourism and my interest in the impact that it brings to our state and to local communities began. So, it's always a great honor for me to be able to be in my hometown. I am a Wyandotte County resident. I work for the state of Kansas, but I do live in Wyandotte County.

Just a couple of comments from the Department of Commerce. The American Royal STAR Bond project, it's designed to be a premier rodeo, equestrian, entertainment, and educational venue. The thing that I see as what a great opportunity here is really in two categories. One is its agricultural importance. You've heard that tonight about how we have this growing population and our job with agriculture is to feed that growing population and it faces so many challenges right now, sustainability, food security, and most consumers don't understand the relationship between the agricultural industry and the food and the things that we use every day. I think with the American Royal being rooted in 125 years of history and tradition, it is a trusted voice that connects our youth today with the agricultural industry.

The second thing is the tourism and that's what I really want to talk to. I think this new American Royal complex is expected to bring over 2 million visitors annually and the thing that really interests me with the state of Kansas is that 71% of those are expected to be from out of state. Those are people that are coming in, they are staying overnight, and we know the longer that people stay here, the more money that they are going to spend. The American Royal, it's already home to all these national competitive events. We already have them. What this new complex gives is the ability for those events to grow and the number of events to grow.

Tourism is economic development. That's the only other thing I really want to add. It's also quality of life. Wyandotte County is a fantastic example. I was here when the STAR Bonds went through for the Speedway. My first years in tourism were pre-speedway being built. I remember what Wyandotte County was like before STAR Bonds and I get to talk about this all across the state, about the impact that STAR Bond projects can bring to the state and to local

communities. So, I believe that this American Royal Complex, it's insight, it's exciting, it's very impactful, and I think it's a great opportunity for Wyandotte County and for the state of Kansas.

Commissioner Burroughs said thank you, Bridgette. It's good to have you back home, see you back home. **Ms. Jobe** said I love being here.

Commissioner Burroughs said, Mayor, if I may, I'd like to make one more comment. I know the construction has halted or is very minimal on the project and I just want to thank you for using our local craftsman, our local labor organizations. They are part of this community and that has significant value to many of us in this community and up here with this project. That's what I deem as a true partnership, so thank you for them and hopefully they'll get back to work soon.

Commissioner Lopez said I just wanted to talk about—a colleague just mentioned something about property tax. Right now, the property taxes in one parcel is \$167,127 as of 2024 for where they're building. Let's get this straight. They want to—their intention is to go in front of BOTA and be exempt from that as well. **Mr. LaSala** said that's largely correct. I probably should have mentioned this in my presentation. In 2017 it was mentioned that they intended—the American Royal has a charitable purpose, so it is their intention that the core American Royal components that they describe, those arenas, certainly the agricultural educational facility, the components that they're describing that are core Royal, it is their intention to go to BOTA and seek property tax exemption. You're right, they're paying property taxes right now while the facility is under construction, but they're very clear, as they were in '17, that they plan to seek exemption.

This development agreement is softer on that than the old one because the prior version said that if they didn't get it, that we would consider, we would bring back to the commissioners consideration of an IRB for property tax abatement. This one does not say that. It just is what it is, whatever BOTA does. So, a portion they do plan to seek exemption.

Now, there's also a portion of the project, the festival grounds facility that they describe and the way that's used, for all likelihood that's less likely to be able to achieve property tax exemption because of the mix of commercial uses there, but what you say is absolutely correct.

Commissioner, one other clarification I need to make and I'm really sorry, something else I should have done in my presentation, if you'll indulge me for just a minute.

As Commissioner Burroughs talked about how STAR Bonds work and these payments that we're making, I really need to make very, very clear that none of that money, the origination fees, the annual payment, none of that is made with STAR Bond money. That is not the UG taking STAR Bond money, all of that money has to be paid privately by the developer. Those are not STAR Bond eligible costs and I know Commissioner Burroughs knows this, but I did a poor job in my presentation of making really clear that those private payments we're getting, they are from the developers pocket. They are not STAR Bond or paid with incentives in any way. I know that not part of your question. I just failed to do it and I needed to touch that. **Commissioner Lopez** said no, that's cool. You put it all out there, but that's what I want to be transparent about too, is pros and cons. Again, I'm all for Ag. Trust me, I'm 100% for Ag, but like I said, it comes down to do-re-mi.

Commissioner Davis said my apologies everyone. I just cannot make it to City Hall in time with traffic, but I do want to thank all of the leadership from the American Royal and their counsel and folks just for coming. You all brought kind of the entire adventure to Wyandotte County, so thank you. Todd and Chelsea, if you all would just kind of indulge me here because I do want to get some clarity and just some transparency for our community so they know exactly what we're getting into. I asked this privately in our meetings, but I want to kind of expound on it. Obviously, this on paper is a really attractive project. I really hope to our benefit that the bonds pay off early because then you all are just paying market rate. Again, there are issues with a particular development, what clawbacks do we have in the current development agreement that we can just reassure the public on? **Mr. LaSala** said there's not. When you go issue bonds you have very little ability to clawback, so the bond money once it's out the door is out the door. When it comes to the CID, we have made clear that portions of the CID money have to remain pay-as-you-go and so if there were defaults along the way, we do have the ability to cut off those payments and withhold a portion of the incentive money that is done on a pay-as-you-go basis. That is really the closest thing to clawbacks that exist in this document. **Commissioner Davis** said okay, good. I just wanted to make sure we had something on record so that it would be understood. I understand for the STAR Bonds it's kind of their bill. You're right, even if it's kind of a family and friends deal that they would have to make those folks hold as investors.

The timeline for completion of the project is when exactly? **Mr. LaSala** said if you'll bear with me just a second, I do have that in front of me. When we issue bonds, they have to commence construction within 180 days. Well, they're already under construction, but presumably they would certainly resume, and I'm sure they would tell you that they'll do it faster than that. The completion of the American Royal must occur within two years after that first issuance of STAR Bonds. That's an outside date. The Agriculture Education Center could be completed later. It could be within three years of the first issuance. The developer may want to speak to this because I think they would tell you these are outside dates. These are deadlines. They plan to deliver a lot faster than that. They're going to come up and tell you what their targets are.

Mr. Maxwell said great question, Commissioner, and it goes to some things that Commissioner Kane asked earlier and that Mr. Burroughs asked earlier. I think part of while we are so appreciative of all of you hosting this special meeting and us being able to come before you is that we want to immediately get back to work and getting those folks back on this job is something all of us take incredibly, critically and importantly, probably nobody more than our contractor themselves and Jay Dunn and their CEO sitting before you. All of us want to get folks back to work and we want to do it immediately and what we need to be able to do that is to do really two things, get this development agreement approved and then start the bond issuance process. So, if we can move forward tonight and move to the 24th, we'll feel really good about getting all of those things going and then we're going to be pushing with your staff to start working on that bond issuance project. At the same time, Gordon and all of our team is going to be figure out how do we get that project back up and going. So yes, Todd answered it exactly right that we have time under the development agreement, but someone else up here said time is money and the time when that site is just sitting, that's all of us losing money in this. We want to get going immediately and we want to get folks back to work on this job. **Commissioner Davis** said perfect.

When you talk about local minority and women-owned businesses, it's kind of standard for us to have minimum percentages and I would hope again that the effort that is put in to get this far that you all would, quite frankly, go above and beyond the percentages that we have. But either Todd or Mr. Maxwell, if you all can just state what the local minority women-owned business requirement is for this project, that would be great. **Mr. LaSala** said the MBE/WBE/LBE

requirements are very similar to those that we have in other agreements of this scale. Local business participation at 18%, minority business expectations are 15%, WBE requirements are 4%, and for professional services LBE 18%, MBE 13%, and WBE 8%. There are also, I guess speaking of clawbacks, in the event that they don't use best efforts to meet those requirements, we have the ability to reduce the STAR Bonds and the CID proceeds by an amount equal to 1.5% for each of those metrics. So, when you talk about \$155M of STAR Bonds there, it's a significant penalty. **Commissioner Davis** said thank you and I bring this up just for the public to be aware that we are thinking about the safety net and just to make sure that the public is comfortable with what this project can bring. Again, I assume again, it's already pretty built out that none of these will be an issue, but again, just wanted to state that.

It's my understanding that for STAR Bonds to get through, it would take eight votes. I just want to make sure that I have that correct as well. **Mr. LaSala** said if you hold a public hearing a couple of weeks from now on the 24th, you'll be voting on a number of different things. When it comes to the development agreement itself, a simple majority would carry the day, but when it comes to the project plan, it really requires two-thirds of the governing body and we think that's eight affirmative votes and it's not two-thirds of those present, it's really eight from the governing body no matter who's present that night or not. **Commissioner Davis** said okay, that's very important.

Mr. LaSala said I'm sorry, the other—the third component, the CID also requires a simple majority. It's just the project plan that requires the super majority. **Commissioner Davis** said gotcha. So, kind of the STAR Bond project, eight votes. The CID, IRB would be just simple majority, okay. And then since the April 24th, that date is coming up and it would be considered a public hearing, so the public would be able to offer—or they would be able to submit public comments. I just want to make sure I have that correct as well. **Mr. LaSala** said that's correct. That is required by the statute. **Commissioner Davis** said I just wanted to make sure so that folks are aware. Those are all my questions. Again, for the American Royal, thank you all for coming and presenting, thank you interest in our community and for keeping all of this going even with COVID and everything. That has made this fairly challenging. I hope this is not the last time we see you all. I hope that we're able to collaborate on other projects, not just on the west side of our community, but throughout our community, particularly on the east side and the district I represent

in Midtown. We have over 4,000 Land Bank parcels that need some development, so I hope this is a success and we're able to think of some creative ways to put a lot of our vacant land to use.

Commissioner Stites said, Todd, if you can help me understand just a couple of things. The origination fee, I know when it first came through Standing Committee, if I'm not mistaken, it was near \$15M if I'm right. Little disappointed that we're backed up now to \$5M. What changed? **Mr. LaSala** said it was \$15M upfront and in exchange for the ability to structure that payment and stretch it over time, they doubled the amount that they're paying us. It went from 15 to 30, but 15 was paid all upfront. In this case 30 is 5 upfront, 25 structured over 19 years. **Commissioner Stites** said I wish we were looking at a larger upfront because what we're facing now—and here's why. I'm going to tell everybody out there why I'm asking for that is because I'm not anti-American Royal. I like the project, I like the Ag, the cattle, but you know whenever we've got our constituents out there that are complaining every day about high taxes and property taxes, and we've got a non-profit—I know you can't—they're not all looking at the ancillary thing that come along with it, but what they see is you're giving the American Royal who's paying \$164K right now a year in property tax, that's going away. They're saying, well, where's my break on my property taxes. I hear that every day. So, what I was hoping to see was a larger upfront where we could steer that money towards immediate tax relief in reduction of the STAR Bonds or I mean in the mill levy or debt relief, which we have been talking about a lot. If we can get our debt paid down, then that frees up money on the other side so that we could not be so reliant on property tax.

With that being said, and it may be Shelley that might have to answer this, so the \$5M upfront origination fee is—a portion of that and the \$1.3M if it was paid out during the normal process of the TIF being paid off would go to the county side of the ledger, right?

Shelly Kneuvean, Chief Financial Officer, said the amount that would be captured by the American Royal would actually be split between the county and the city if it was not captured. **Commissioner Stites** said right. So, the county would be receiving some money. The way it's saying right now that it comes into the city side, right? **Ms. Kneuvean** said with the agreement, I—**Mr. LaSala** said no. What it really says is that the Unified Government collects that money and we may have talked about this before. We've set up a structure here where there's going to be a subcommittee that's going to talk about what to do with that \$5M and each of these annual payments and then come back before the Commission as a recommending body, what you choose

to do with that money. So, ultimately I think you all will get to decide. It comes into the Unified Government, but ultimately a subcommittee is going to make recommendations and then the full commission gets to decide how that money gets used.

Commissioner Stites said right, so a commissioner today, Chuck Stites, who's fighting for the county side of the budget, a next commissioner that's sitting in this seat who doesn't really care about the county side because they might be focused just on the city aspect of things, the county is going to miss out when they were told 17 years ago when this TIF was originated, hey, just hold off on receiving those funds, when it pays off, you'll start getting that money. Now there's no mechanism in here that says the county side of our ledger, which David and Shelley in our last budget meeting that we had, we talked about how the county side of our budget is the one that's struggling the most. Not our city side, our county side and now they're cut out of this process. I'm not sure why we wouldn't say that—I guess if David has any way of answering it, I mean I'd just like to hear it. I don't understand it is what I'm trying to get at. You don't have to answer right now. I'll ask this other question.

The \$375M to 450—**Mr. LaSala** said Dr. Kneuvean's asking could we amend the agreement to specify where that money goes. Of course, we could. Certainly we could. The design right now, for what it's worth, is that the money comes into the Unified Government and it's intended to be nimble about whatever your needs are at that time. So, yeah, you're going to get \$5M upfront and your needs at that moment, you can talk about, but are the county's needs going to be the same 10 years from now when a payment comes in. I don't know the answer to that, but the document is designed to be nimble about having commissioners from ED&F, commissioners from Public Works, and commissioners sitting around deciding on what recommendations to make and then coming back to this governing body, whatever it looks like 10 years from now and you can decide at that time where the money should go.

Yes, Shelley, the answer is we could hardwire it now if that was the will of the commissioners. I personally was of the impression that the commissioners wanted us to be nimble about it. **Commissioner Stites** said and maybe the majority do. I don't know. **Mr. LaSala** said yeah, I don't either.

Commissioner Stites said the other thing I wanted to ask about, the 375 to the 450, if the festival grounds comes to fruition, will there be another ask for more STAR Bond dollars? **Mr. LaSala** said that is not planned in the document, it is not contemplated. Can I prevent them

from ever coming back to ask for more, no, but it is not scaled. It is not provided for in the document. Neither the state nor the UG is pledging that if they take this extra step and they do the festival grounds, have we promised them any STAR Bonds, no. Have we promised any more CID, no. All of that is not contemplated by either the UG or the state.

Commissioner Ramirez said I just want to say thank you, Mr. LaSala. You have been at the forefront, you have been leading this battle with trying to get this development agreement and everything put together, so I want to thank you for your hard work and dedication. You know you have 11 people on this dais. You're trying to make sure you bring a project that can get enough support, so I thank you for all the hard work and sticking with it and not throwing your hands up and giving up. **Mr. LaSala** said you're welcome and thank you for saying so, Commissioner.

Commissioner Kane said where would we be without STAR Bonds. They started in 1997. There was nothing out west. When we moved out to Piper in 1990, I think there were 700 kids in the entire school system. I have a granddaughter in the sixth grade, there's eight classes of sixth graders. STAR Bonds works and I'm the only commissioner here when the Plaza at the Speedway went by and I had a hard time understanding STAR Bonds at that time. This was in my district and I think it was Commissioner Miller had to take me and beat me upside the head to understand this is a good thing. Like many of the others, I was paranoid and not sure that was going to work and yet it paid itself off early. That's something to think about and you got to remember, STAR Bonds may not be forever. You never know when the legislature is going to say, no, we're done with it. So, it's a tool, it's a good tool, it's worked and I think it will continue to work.

I also want to piggyback that that's local labor, union contractors and Wyandotte County was built by union, local contractors. You see a lot of outside contractors come in here and bring the people from out of state to perform the work here and that's not happening. These are other things that we have to think about. Those people live here, they spend their money, they don't come in here, build it, and run away. These are things that we have to think about and this helps us all the way around. Like I said, STAR Bonds could go away. It's a great tool and I think this horse is completely dead.

Mr. Johnston said I guess I want to add a few words here at the end. First of all, I want to thank the leadership of the Royal for accepting Commissioner Burroughs invitation to speak to us tonight. I think your words of the project added a lot of color. I think in our negotiations we focused on the numbers. You gave us the color about the project that talked about the potential impact to the community as a whole which was missing in our negotiations, but we were talking about the numbers, but you gave us a complete picture of what it could offer our community. And one of the things I think I appreciated was hearing about the role of the Royal particularly in economic development, particularly how agriculture can become an economic development niche. We are missing in Wyandotte County economic development niches and I think you're going to be—this project could really help Ms. Chism in providing economic development marketing to bring the investors to our community, to provide jobs and investment in a more easier fashion than it is today because of what you bring to this community. Therefore, we will be sucking on your network. So, if this becomes reality, she'll be at your door knocking and be looking at your network to make agriculture a major economic development niche because of what you said.

I think we also want to let you know that what came out of our negotiations was a stronger working relationship between the UG and your adjacent property owners. You talked about the Perry family, and there are two families in the Perry family, of those owners. We had frank discussions with them. One was further along in the development world than the other one and we talked about master planning and the role of that. If you're in a STAR Bond District, which both of them are, you're expected to develop commercially and contribute to the STAR Bond world and have sales tax generating to—revenue generating to pay off these STAR Bonds. You're not only to rely on the Plaza at the Speedway. And those frank discussions finally woke up one of those developers and we now have them, that person, working on master planning, that person's property to contribute to STAR Bond development for commercial development to contribute sales tax revenue to the STAR Bond District.

So, our expectation with those two families understanding the importance of moving toward development faster than I think they expected and develop commercially and to participate in the visioning that you articulated that the Royal will serve as a catalyst for. I'm expecting a STAR Bond District to pay off faster than 15 years because we have that expectation to be a true partner with you on this. So, thank you for articulating the potential of your project serving as a catalyst and pushing those folks in their participation.

I worked in five other states and I think you need to understand Kansas does not have many economic development tools to offer investors. Kansas has STAR Bonds and that's about it. Other states have many other tools, so as long as we have STAR Bonds, we need to embrace them and like Commissioner Kane said, every year it's under a microscope within the Kansas Legislature. So, as long as we have them, we need to embrace them and use them to get good projects in our communities throughout our great Sunflower state to create good jobs, good investment to keep our state viable economically because if we don't have these tools and use them, other states will grow faster and be more attractive to investment than we will ever be. So, as long as we have a tool, we need to embrace it and use it, and so as long as we have this one tool, and I'm telling you, Kansas has one tool. I've worked in other states where I've had five or six other tools and we don't have many tools, so we use what we've got. We're lucky to have this one and we've used them successfully in this county.

Whatever your opinion is, we've got the wonderful amenities that it created and we need to appreciate what it did have. We would not have the racetrack, we would not have Children's Mercy, we would not have Nebraska Furniture Mart. We would not have those things in our backyard that we've taken for granted because it's always been here. It would not be here. So, we need to embrace whatever the legislature gives us and this is the only thing we have before us these days. We'll use what we got to the best of our ability to create the investment environment that we can create and that's what we're trying to do with this project, we're trying to do with other projects around our area and we'll try to negotiate the best deal that we can for our taxpayers. That's our job and, therefore, we hope that we bring for this Commission and future Commissions considerations, the best deals that we can bring to them.

So, again, thank you for your patience since 2016, I think and wait a few more weeks, come back and see what happens. We thank you for your time and your presentation. Thank you American Royal for your time tonight.

Mayor Garner said thank you all for the presentation. I want to say thank you to Commissioner Burroughs. This has been in his Standing Committee and he did want to bring this to the full commission so we could have this presentation and further information could be brought out not just for the Commission, but for the public to see in this audience, so I do appreciate that. I also appreciate the work that's been done. I know a lot of work's been put over time into this effort, a

lot of questions have been answered for me. I just have a few more and this is just not so much for me, but just a little clarity for those that may be watching in the community.

When you add up how much the Unified Government will be getting every year for 20 years, what does that equate to financially, the total amount every year that will actually be going to the Unified Government as a result of this project? **Ms. Chism** said with the origination fee, the \$25M in annual payments, and contributions from Plaza at the Speedway in addition to the property taxes and the sales taxes, the total over 20 years is approximately \$61M. **Mayor Garner** said so, what would that breakdown to about a year give or take. I mean, if I was a resident, what could I expect from this project on an annual basis, revenues coming to the Unified Government that can go into our General Fund? **Ms. Chism** said approximately \$3M. **Mayor Garner** said okay, so about \$3M a year is basically what we can expect. **Ms. Chism** said correct.

Commissioner Lopez said just a quick question. Let's just say STAR Bonds never existed, that wasn't a tool here today. There wasn't that kind of a tool. Where would we be at as far as this project? **Mr. LaSala** said I don't think this project would be here at all. I like, some of the commissioners up there, have been around since the beginning of STAR Bonds and like the Speedway, like Village West, like Sporting Park, none of those things would be here. This project wouldn't be here. **Commissioner Lopez** said well, let me back up. STAR Bonds went away last year or three years ago with what we have now, what would be our payments other than their property tax and their sales tax revenue and whatever else they bring in. **Mr. LaSala** said you're saying what if they came anyway and there were no incentives. **Commissioner Lopez** said yeah, that's what I'm asking. **Mr. LaSala** said I honestly don't know. I do think that Mr. Maxwell's presentation talked about what happens if you don't do the project. Well, I honestly don't know. **Commissioner Lopez** said okay, let me kind of rephrase it. Twenty years from now paid off or even 15 years from now paid off, what are they paying now? That's what I'm trying to get at. **Mr. LaSala** said we did in some of our modeling, Commissioner, we did figure out what happens if it pays off early and maybe this is what you're after, forgive me if it is, in the later years as the retail at Plaza at the Speedway increases, if we pay off in year say 15, we think in year 16 we get an additional \$3M from Plaza at the Speedway every year after that.

We also ran scenarios where the revenue stream was higher and let's say our bonds pay off in year 10, for example, and perhaps this is exactly what you're getting at, if the Plaza at the

Speedway wasn't pledged, what would be projected to be available in year 11 if the revenues were higher, it would be \$2.8M. Now, that's based on an assumption that Plaza at the Speedway is performing better than what's in the projections, but in those scenarios, we get \$55M of gross revenue from Plaza at the Speedway. In that scenario specifically on a net present value basis, we're ahead. We make more than if you hadn't pledged it at all.

Commissioner Lopez said right, and now I'm asking myself too, we let them—we hand over this TIF, but then who's to say 15 years, 20 years from now, somebody else comes in and they want to hijack it for another 20 years and so forth. **Mr. LaSala** said, Commissioner, it would be tough to do and here's why. The legislation for STAR Bonds does not allow you to ever do a STAR Bond District on ground that's previously been in a STAR Bond District, so you can't do it twice. The statute says you cannot do STAR Bonds twice in the same place. It didn't use to say that. An amendment a few years ago did that, so this ground that's in this STAR Bond District once these bonds are paid off, it's never going to be in another STAR Bond District according to the law. Frankly, if you start looking at other tools once this thing pays off, it's pretty limited. Could you look at another CID down the road, maybe if you had a new project cost, maybe. Could you TIF it once it was already built out like this, probably not because you will have—would you make—the eligibility would be the issue. Could you somehow figure that it's blighted or conservation area, I don't really know, but it seems unlikely given the amount of money you're going to spend to improve this thing.

So, am I worried that we're going to have a constant stream of incentives there, not really. I'm not worried about that.

Commissioner Bynum said, Mr. Maxwell, were you going to make a point to that? **Mr. Maxwell** said if I could, Commissioner, I was going to add one more thing to it. If we all remember the very core and nut of STAR Bonds is yes, you do have the local sales taxes that are going in, but the majority partner in a STAR Bond is the 6.5% of the state. And if STAR Bonds didn't exist in any form or fashion, we know exactly what would happen. Well, one, this project won't be able to go forward. But even more importantly than that, the 6.5% that would get and stay here of the state's dollars that have reinvested in Wyandotte County again and again and again that has built everything we've seen out there, it's going to go to Topeka and I'll let this body say when it goes to Topeka, how much of it comes back to Wyandotte County. Not very much, right.

Commissioner Burroughs spent a lot of years up there representing on issues like that and many of you have gone and testified in Topeka and otherwise.

What STAR Bonds allow to have happen is by the approval of this body and the signature from the Secretary of Commerce, all of these local taxes that are generated local, stay local, and that's the magic of this. It's not just the American Royal and the activity we're bringing, it's that all of these dollars continue to get reinvested in Wyandotte County as it has for 20 years and, hopefully, it continues for 20 years forward because all of that is what is growing this capacity of this community. Not just the great people, not just the labor, not just all of that, that we take as a given, but this state investment tool is critical. So, I just felt I had to put that component in because that is the true key of all of this, is we're using the state's investment in how great they think this project is to transform Wyandotte County as well. Sorry, I was just to take a second.

Commissioner Bynum said no, thank you very much. I just thought—first of all, I'll thank Commissioner Kane for reminding us of, you know, before and then after the STAR Bond tool and the arrival of the Kansas Speedway and I'll remind us that with that development everything out there except the Speedway pays full property taxes. Our community has had an incredibly difficult time ever completely understanding that everything out there pays full property tax and it made it seem important to me as we close in on this topic that what we haven't calculated in the revenues that would come are those property taxes that would be paid by the additional new development that would come all around the American Royal area in the STAR Bond District. We haven't even counted those because we don't know what they are, but we know that when the Perry family properties are built out, those are full property tax paying projects, whatever they are. I just think it's really important that we not lose sight of that as well. We know it's revenue, we just don't know how much it is yet.

Commissioner Stites said I guess up to that, and I wasn't going to say anything else because I was finished, but remember that the casino, which was paying full property tax also fought their taxes and won and had them reduced.

Mayor Garner said okay, definitive questions, \$3M a year. You mentioned also 20 years to pay off or less depending on how successful the project is. **Mr. LaSala** said 20 years for STAR Bonds, 22 for the CID. **Mayor Garner** said that's right. After that, what can the public and this Unified

Government expect as far as revenues from the American Royal, it's sales, property tax, or anything else beyond the 20, 22 years, what would the contribution be to the Unified Government? **Mr. LaSala** said the sales taxes from Plaza at the Speedway are expected to be over \$4M a year at that point and all of that should flow back to the Unified Government on top of the \$1.6B base. So, Plaza at the Speedway alone, not sure if I have the Royal numbers in front of me, but the Plaza at the Speedway alone is worth about \$5M of sales tax proceeds that come back to the Unified Government once the bonds are paid off. **Mayor Garner** said I'm talking just the American Royal, not Plaza at the Speedway. What would the Royal itself proper, standalone, after all things considered, everything's paid off, what would the financial contribution be to the Unified Government and our taxpayers. What could we expect as a benefit for having that facility at that location financially? **Mr. LaSala** said give me just a second, Mayor. I think I can do that. Based on these projections from phase one alone—the net proceeds from the Royal alone by the time the bonds paid off, are paid off, are expected to be in the low \$6M range appears to me from the projections. So, \$6.2M I think in one of the final years and if the festival grounds were to happen and those bonds paid off, that's about another \$2M of sales taxes that would be available. The festival grounds may or may not happen, but if it does, you're talking about, I think, over \$8M of sales taxes that come back annually. **Mayor Garner** said that's sales, what about property taxes? **Mr. LaSala** said, again, property taxes are harder to tell. The expectation is they're going to try and be property tax exempt forever when it comes to the core American Royal. Festival grounds would be something different. I'm sorry, Mayor. I don't think I know that number. We could work on that. We could get with the Appraiser. It's a pretty general concept at the moment, but we could try and come up with a number. That'll be a pretty wild guess. **Mayor Garner** said I get that. We're projecting 20 something—**Mr. LaSala** said yeah, but I will tell you if you'd like us to work on that and come to the public meeting a couple weeks from now and give you a projection about that, we could.

Mayor Garner said I guess I just want a simple question. I think the American Royal was trying to—somebody indicated that they were a non-for-profit status. **Mr. LaSala** said that's right, 501(c)3 and, again, the expectation is that the core American Royal itself is going to be within their 501(c)3 mission and their expectation is that they will go to BOTA and be declared tax-exempt. That's what they think. **Mayor Garner** said okay, so to be conservative, we can expect sales tax, but there's a question as to property tax. **Mr. LaSala** said that's right. I think

for our purposes, we've sort of assumed that number could well be zero. **Mayor Garner** said okay, that's what I was looking for, but we're looking up potentially between \$6M to \$8M just what we're thinking of today. You know, again, we're projecting 22 years out possibly of revenues that could come the Unified Government from sales. **Mr. LaSala** said that's what I see in these projections. That's right, Mayor. **Mayor Garner** said and that's pretty much standalone. Okay, that answers that question.

The next question I have is, this kind of hits on something that was brought up and I know a lot of residents here, you know, Wyandotte County is a tight-knit community, we're very diverse, we have a lot of festivals, we have a lot of activities that go on throughout our neighborhoods and this is the one thing that I haven't heard that I've heard some of the developers talk about when they come before this body, what level of expectation as far as commitment to supporting local events, schools, parks, tourism, festivals, educational events to show that the American Royal is a good partner with Wyandotte County and supporting local events and things of that nature that we know are ongoing in Wyandotte County. Has that been thought out and what can the community expect as an added benefit of having the American Royal there and the American Royal really going in a way to show that they are a good neighbor here in Wyandotte County.

Jackie McClaskey, President/CEO of the American Royal, said I think pretty much everyone in this room, both those behind me and those I see know that I've been quiet for 2 hours and 15 minutes might be a record, so I appreciate the opportunity to address this question. I've actually had really good conversations with a number of people over the last couple of days talking about once we get this development agreement done, once we're going to move forward, what do some of those partnerships look like. So, let me give you a few examples of those conversations.

One, we believe there are community activities that we can engage in that already exist whether that's us being an active member of the Wyandotte County Economic Development Council, becoming a member of the KCK Chamber, getting more engaged in Visit KCK, which we already have a member of our board on the Visit KCK Board, as I think you know, and I think you know, Jara. But in addition to that, it's really about how we engage in those events.

We've had ongoing conversations with Piper School District and we're very excited that they are going to be the first school district in Wyandotte County that has an FFA Chapter and we

believe that there are certain things that we can do with that Agricultural Education Program that can help that program grow quickly and help attract students to that program. We'd actually like to see how we can be an asset in building that program in such a way that we can create FFA Chapters and Agricultural Education Programs at the other school districts in Wyandotte County.

We believe there are opportunities for events that could be community events, but the American Royal is a key partner. One of my colleagues and I just came back from Rodeo Austin. They have a breakfast that engages the community that has 6,000 people show up at 6:00 in the morning and when I think about that community, there's a lot of similarities to what we can do here. So, when it really comes down to being a partner, that is what we want to be whether it's with the schools, whether it's with the civic organizations, whether it's with the existing groups, and certainly with the Unified Government.

I believe there's a lot of great opportunities there, not the least of which is what Lindsey brought up in her comments about how we can really engage with students and not just bringing students to our site, but what we're doing on the school sites. I know when I bring that up too, I know there are some comments and I know this is something that Commissioner Davis has asked about. When we think about programming we can do on the eastern side of the county, we think there are programs we can take to people as well related to consumer connections and food and careers and talent and all of those kinds of things. So, that gives you a little bit of the breadth that we have and some of the thoughts that we have about what that might be liked.

Mayor Garner said that's a good first step and thank you for that. I'm sure we got a lot of staff and a lot of community groups, if you don't know about Livable Neighborhoods, our Neighborhood Business Revitalization groups, there's eight of them, I just encourage you all to get to know them. They are really embedded and anchored in our neighborhoods and Wyandotte County has a lot of great folks in our neighborhoods doing great things.

My message is I'd like to really promote to the community that the American Royal, if this is approved by the Commission, is going to not just be a facility in Wyandotte County, but is going to be a part of the fabric of what makes Wyandotte County such a great place to live, work and raise a family. I would really like to promote that for as long as I'm Mayor, so thank you for that information.

Talking to Commissioner Burroughs, he has released it from his Standing Committee which is good news. It's not going back to a Standing Committee. That was a question that

Commissioner Ramirez raised. That means it's in my lap. I've directed the Administrator to move forward, put it on the next commission meeting with everything that needs to be there, so there will be public comment on April 24th as well as an action item for this Commission to move forward and take a vote. Again, I heard the term don't beat a dead horse. There's enough information here hopefully for this Commission to saddle up and make a decision on what we're going to do.

Thank you again for your time. The information was valuable and I'm anxious to see you all here in a couple of weeks. I believe this was information only. There's no further business to conduct here.

Action: **Commissioner Kane made a motion, seconded by Commissioner Burns, to adjourn.** Roll call was taken and there were nine "Ayes," Lopez, Stites, Davis, Bynum, Burroughs, Burns, Ramirez, Hill, Kane.

MAYOR GARNER ADJOURNED

THE MEETING AT 7:19 p.m.

Monica L. Sparks
Unified Government Clerk

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April 10, 2025