Unified Government of Wyandotte County and Kansas City, Kansas

Economic Development & Finance Meeting

5th Floor Conference Room

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

Commissioner Tom Burroughs, Chair

Commissioner Gayle Towsend – Commissioner Chuck Stites – Commissioner Bill Burns – Commissioner Phil Lopez – Stevie Wakes, BPU Board Member

MINUTES

Monday, July 8, 2024

5:00 PM-6:58 PM

Attendance:

Committee Members Present:

- Commissioner Burroughs (Chair)
- Commissioner Lopez
- Commissioner Burns
- Commissioner Stites
- Commissioner Townsend
- Mr. Wakes (BPU Board Member) (Arrived at 5:02 PM)

Committee Members Absent:

- None

Staff Present:

- Monica L. Sparks (Clerk)
- Wendy Green (Deputy Chief Counsel)
- Jeff Conway (Assistant Counsel)
- Kalla McLaughlin (DRC Coordinator)
- Shelly Kneuvean (Chief Financial Officer)
- Alan Howze (Assistant County Administrator)
- LaVert Murray (Economic Development Advisor to the Mayor)

Call to Order:

Commissioner Burroughs called the meeting to order at 5:00 PM.

Revisions to Agenda:

The Clerk reported there was an agenda update issued, adding Item No. 4 to the Committee Agenda.

Approval of Previous Minutes: (Discussion Begins at: 5:08)

No previous minutes were presented for approval.

Committee Agenda:

Item 1: RESOLUTION: THIRD AMENDMENT TO ASSIGNMENT, ASSUMPTION AND SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT (Discussion Begins at: 4:38)

Wendy Green introduced the item, explaining it relates to changes in state funding for the Homefield project.

Kevin Wempe, Gilmore and Bell (the Unified Government's bond counsel), provided details.

Key Points:

- The state will now contribute 100% of sales tax revenue from Menards towards the bonds for the Homefield project (previously only 80%)
- The change increases the revenue available to repay the existing 2022 STAR Bonds
- The developer requested this amendment to funnel all Menards' revenues to bond repayment
- The amendment does not change the local sales tax responsibilities or impact on the Unified Government's financial obligations
- The documents need to be updated to reflect this new percentage of state sales tax contribution
- The bonds remain the same, $115 million, from the 2022 issuance
- The time frame for bond repayment remains unchanged (still within the original 20-year period)

The primary purpose is to update the documentation to match the state's new commitment to provide 100% of Menards' sales tax revenue for bond repayment.

Commissioner Burns moved to adopt the resolution. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None

Item 2: RESOLUTION: FIRST AMENDMENT TO TAX DISTRIBUTION AGREEMENT WITHIN CERTAIN AREAS OF THE VILLAGE EAST STAR BOND DISTRICT (Discussion Begins at: 13:05)

Kevin Wempe presented the first amendment to the tax distribution agreement.

Key Points:

- Previously, 80% of Menards' sales tax revenues went to bond repayment, with 20% going to the state's general fund
- The amendment changes the distribution to 100% of Menards' sales tax revenues going towards bond repayment
- This increases the revenues available for repaying the 2022 STAR Bonds for the Homefield project
- The developer requested this change to improve their capital stack
- The amendment does not create a new bond issuance, but modifies the existing $115 million 2022 STAR Bond issue
- The bond repayment period remains within the original 20-year timeframe
- The Unified Government's financial responsibilities remain unchanged
- The amendment is purely an administrative update to reflect the state's new funding commitment
- The change provides more funds for bond repayment without additional cost to local taxpayers

The primary purpose is to redirect 100% of Menards' sales tax revenues to bond repayment, increasing available funds for the project.

Commissioner Townsend moved to adopt the resolution. The motion was seconded by Commissioner Burns.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None

Item 3: RESOLUTION: MIES WHOLESALE MEATS INDUSTRIAL REVENUE BONDS (Discussion Begins at: 13:28)

Wendy Green introduced the item for $17,450,000 in industrial revenue bonds for Mies Wholesale Meats.

Todd Fender (CFO, Mies Family Foods) presented on the company and project:

- Moving from 22,000 sq ft to 78,000 sq ft facility
- 37 current employees, plan to add 15 new jobs in 3 years
- $14.5 million in building improvements

Kevin Wempe explained the IRB and tax abatement structure:

- 10-year graduated payment in lieu of tax (PILOT) schedule
- Sales tax exemption on construction materials and equipment

<u>Key Points:</u>

- Project Details:
  A. $17,450,000 in industrial revenue bonds
  B. Moving from 22,000 sq ft to 78,000 sq ft facility
  C. Located at 6036 Speaker Road
  D. Nine-acre land site
- Company Information:
  A. Currently 37 employees
  B. Plan to add 15 new jobs within three years
  C. Projecting 8-12% sales growth over next 3-5 years
  D. Average salary around $58,900 (approximately $28/hour)
  E. Family-owned business since 1968
  F. Wholesale meat and food service product distributor
- Financial Aspects:
  A. $14.5 million in building improvements
  B. IRBs cover construction materials and equipment sales tax exemption
  C. 10-year graduated Payment in Lieu of Tax (PILOT) schedule
  D. First year tax payment is approximately $19,367
  E. Final year tax payment is around $197,000

- Incentive Structure:
  A. Minority/local business participation goals:
     a. 12% for local businesses
     b. 6% for Minority Business Enterprises
     c. 4% for Women-owned Business Enterprises
- Unique Characteristics:
  A. Consolidating operations from current North Kansas City location
  B. Serves Kansas City metro area, extending to St. Louis and Lawrence

Commissioner Townsend moved to adopt the resolution. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carried 5-1

- Ayes: Wakes, Burns, Stites, Townsend, Burroughs
- Nays: Lopez

Item 4: DISCUSSION: CITY HALL LOFTS/CITY HALL PLACE (Discussion Begins at: 1:04:50)

Wendy Green provided some basic administrative information about the project. The developer was not present.

<u>Key Points:</u>

- Project Location:
  A. 805 and 810 North Sixth Street
  B. Adjacent to a cemetery
- Ownership and Transfers:
  A. Originally deeded to City Hall Lofts LP in 2004
  B. Deeded to another development entity earlier this year
  C. Original deed had a 6-month construction requirement and a reversion clause
- Parking and Permits:
  A. Obtained variance from Board of Zoning Appeals for parking
  B. Parking agreement for 20 spaces in Lot E North and 15 spaces in Lot Six
  C. Parking spaces rented at $18.75 per spot

D. Trailers and fencing already placed on site

- Controversial Issues:
  - A. No archaeological study confirmed
  - B. No notification to Wyandotte Nation
  - C. Potential loss of casino parking
  - D. Concerns about blocking public right-of-way
  - E. Questions about proper permit issuance
  - F. Potential impact on local services
- Development Type:
  - A. Low Income Housing Tax Credit (LIHTC) project
  - B. Mixed-use development previously included market-rate apartments

This item was for information only and no action was required.

Adjournment: (Discussion Begins at: 1:59:35)

Commissioner Townsend moved to adjourn the meeting. The motion was seconded by Stites.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None

The meeting was adjourned at 6:58 PM.

MLS