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

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MINUTES

Monday, September 30, 2024
5:02 PM-7:20 PM

Attendance:

Committee Members Present:

- Commissioner Burroughs (Chair)
- Commissioner Lopez
- Commissioner Burns
- Commissioner Stites
- Commissioner Townsend
- Mr. Wakes (BPU Board)

Committee Members Absent:

- None

Staff Present:

- Brittnie MacDonald (Clerk)
- Wendy Green (Deputy Chief Counsel)
- Shelley Kneuvean (Chief Financial Officer)
- Debbie Jonscher (Deputy Chief Financial Officer)
- LaVert Murray (Economic Development Advisor to the Mayor)
- Jeff Conway (Senior Counsel)
- Rodney Lucas (Interim Assistant County Administrator)

Call to Order:

Commissioner Burroughs called the meeting to order at 5:02 PM.

Revisions to Agenda:

The Clerk reported two revisions to the agenda. Item No. 4 was added to the Committee Agenda, and Item No. 2 was removed from the Committee Agenda.

Approval of Previous Minutes: (Discussion Begins: 2:32)

Commissioner Townsend moved to approve the minutes from September 14, 2023, meeting. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carried 6-0

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

Committee Agenda:

Item 1: RESOLUTION: AMENDING MASTER LEASE AGREEMENT (Discussion Begins: 3:03)

Debbie Jonscher, the Deputy Chief Financial Officer, presented the resolution amending the master lease agreement.

Key Points:

- Adding mowing equipment to the list of items to be financed
- Revising the total lease finance amount to $9,295,300
- The previous lease agreement was authorized earlier in the year (April for the economic development finance standing committee, May for the full commission)
- The amendment updates the exact cost of equipment and includes previously omitted mowing equipment
- The lease is a lease-purchase agreement, meaning the Unified Government will own the equipment once the lease is complete

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

Vote: Motion carried 6-0

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

Item 2: RESOLUTION: WAIVING OF CERTAIN APPLICATION AND PERMIT FEES RELATED TO DEVELOPMENT EAST OF 55TH STREET IN KANSAS CITY, KANSAS (REMOVED PER AGENDA UPDATE) (Discussion Begins: 7:29)

Item 3: RESOLUTION: RESTATING AUTHORITY OF THE UNIFIED BOARD OF COMMISSIONERS TO SET OVERALL POLICY (Discussion Begins: 7:33)

LaVert Murray, the Economic Development Advisor to the Mayor, presented the resolution restating the authority of the Unified Board of Commissioners to set overall policy. He explained that the resolution clarifies the Commission's ability to interpret policy and resolve impasses between developers and staff, using examples like the Bethel community center, a laundromat, and Campers World project to illustrate past challenges.

Key Points:

- Clarify that the Unified Board of Commissioners is the primary policy-making body
- Reinforce the Commission's authority to interpret and implement policy
- Provide a clear avenue for developers and businesses to bring policy interpretation disputes directly to the Commission
- Address past delays in project approvals caused by staff interpretation of codes and regulations
- Establish a more direct process for resolving policy impasses
- Emphasize that the County Administrator manages staff, but the Commission sets overall policy
- Create a more transparent and efficient process for policy interpretation
- Allow commissioners more direct communication with staff about policy matters

Commissioner Townsend 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 4: RESOLUTION: THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (KANSAS ENTERTAINMENT LLC) ADDED PER AGENDA UPDATE (Discussion Begins: 50:21)

Wendy Green, the Deputy Chief Counsel, introduced the resolution for the third amendment to the development agreement. However, the presentation was primarily made by representatives from Penn Entertainment and Kansas Entertainment LLC, including Jeff Morris, Vice President of Public Affairs, Todd George, Executive Vice President of Operations, and Aaron Rosenthal, Senior Vice President of Regional Operations, Jeff Boerger, Vice President of Corporate Development for NASCAR, Patrick Warren, President of Kansas Speedway, Lydia Garvey, Vice President and General Manager, Lovell Walker, Vice President of Development, and Michael West, Head of Legal and Strategy for Penn.

Key Points:

- Reset of the construction agreement
- Reduce hotel room count from 240 to 125-140 rooms
- Extend construction deadline to December 31, 2026
- Increase Casino Grant Fund from $500,000 to $850,000 for social services in addition to 3% from the state and 1% from Penn Entertainment, not connected to penalty
- Maintain existing 3% gaming revenue contribution and 1% per Development Agreement
- Modify the liquidated damages clause for not building the hotel
- Propose a hotel development with potential for future expansion
- Provide a resort-like experience connecting the hotel to the casino
- Seek renewal of the gaming facility contract with the state lottery
- Commit to maintaining high-quality standards for the hotel brand
- Emphasize potential economic benefits, including job creation and increased tax revenues
- Already paid 1% liquidated damages for 2024
    - A. No penalty if nothing is built, then in 2027, the penalty will reset to 1 % liquidated damages and $500,000 a year
    - B. The exact amount changes every year, depending on gaming

Public Comments:

- Lisa Walker Yeager (Kansas City, KS) **(Comment Begins 1:47:33)**

Commissioner Burns moved to adopt the resolution.

Commissioner Burns amended his motion to approve language regarding the penalty phase changes. The motion was seconded by Commissioner Wakes.

Commissioner Townsend made a substitute motion to approve the amendment, with the understanding that the provision regarding liquidated damages will be changed to be paid until substantial groundbreaking for construction. The motion was not seconded. The substitute motion fails.

Roll call taken on the amended motion. For clarification, the motion was seconded by BPU Board Member Wakes.

Vote: Motion carried 4-2

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

Adjournment: (Discussion Begins: 2:11:30)

Commissioner Townsend moved to adjourn. The motion was seconded by Commissioner Burns.

Vote: Motion carried 6-0

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

The meeting was adjourned at 7:20 PM.

MLS