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, November 4, 2024
5:00 PM-7:04 PM

Attendance:

Committee Members Present:

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

Committee Members Absent:

- None

Staff Present:

- Brittnie MacDonald (Clerk)
- Wendy Green (Deputy Chief Counsel)
- Jeff Conway (Senior Counsel)
- Andrea Vinyard (Treasurer)
- Chelsee Chism (Economic Development Director)
- 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:

No revisions to the agenda were reported.

Approval of Previous Minutes: (Discussion Begins 2:56)

BPU Board Member Wakes moved to approve the minutes from the April 3 and August 14, 2023, meetings. The motion was seconded by Commissioner Townsend.

Vote: Motion carries 6-0

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

Committee Agenda:

Item 1: RESOLUTION: ANNUAL CASH AND INVESTMENT POLICY APPROVAL (Discussion Begins 3:34)

Andrea Vineyard, County Treasurer, presented the 2024-2025 Cash and Investment Policy. No changes were made from the previous year.

Key Points:

- Purpose: Identify policies for responsible management of Unified Government funds
- Annual Review: Reviewed by the cash management committee and adopted by resolution
- Diversification Rules:
  A. Protect funds by institution
  B. Diversify by market price
  C. Diversify by instrument and maturity date
- Local Emphasis:
  A. Prioritize investments with local banks in Wyandotte County
  B. Solicit bids from local institutions first
  C. 17 local institutions were contacted, with 9 responding

- Collateral Requirements:
  A. Require 105% collateral for deposits
  B. Monthly review of compliance
  C. Reported and audited internally
- Expanded Investment Authority:
  A. Allows investments up to 4 years (compared to standard 2 years)
  B. Enables taking advantage of higher long-term yields
  C. Requires annual approval from Kansas municipality
- Committee Composition:
  A. Voting members: CFO, Clerk, Treasurer, Chief Counsel
  B. Non-voting members: Legislative Auditor, Accounting Manager, Cash Manager, Municipal Advisory Representative

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

Vote: Motion carries 6-0

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

Item 2: RESOLUTION: THIRD AMENDMENT TO THE PERFROMANCE AGREEMENT FOR THE CRITERION DEVELOPMENT (Discussion Begins 12:19)

Chelsee Chism, Economic Development Director, presented the third amendment to the performance agreement for a 232-unit commercial multi-family development at State Avenue and 115th Street. The amendment delays the commencement date to December 31, 2025, and the completion date to December 31, 2027.

<u>Key Points:</u>

- Project Details:
  A. 232-unit commercial multi-family development
  B. Located at the corner of State Avenue and 115th Street
- Original Construction Timeline:
  A. Initial scheduled commencement: July 1, 2023
  B. Original substantial completion date: August 1, 2025

- Amendment Changes:
  A. Delay commencement date to December 31, 2025
  B. Delay substantial completion date to December 31, 2027
- Reasons for Extension:
  A. Market challenges including construction pricing
  B. Interest rate fluctuations
  C. Ongoing economic uncertainties
- Developer Commitment:
  A. Continues to be interested in completing the project
  B. Seeking additional time to navigate current market conditions
- Committee Action:
  A. Unanimously approved the third amendment
  B. Agreed to fast-track to full commission meeting on November 7

The amendment provides the developer additional flexibility to move forward with the multi-family housing project while maintaining the original project scope.

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

Vote: Motion carries 6-0

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

Item 3: RESOLUTION: FIRST AMENDMENT TO THE PERFORMANCE AGREEMENT FOR THE DEVELOPMENT AT 4601 RAINBOW (Discussion Begins 20:00)

Chelsee Chism presented the first amendment to the performance agreement for a commercial multifamily facility at 4601 Rainbow Boulevard. The amendment delays the commencement date to July 1, 2026, and the substantial completion date to June 30, 2029.

<u>Key Points:</u>

- Project Details:
  A. Commercial multi-family facility
  B. Located at 4601 Rainbow Boulevard in Kansas City, Kansas

- Original Timeline:
  A. Initial construction commitment: January 1, 2025
  B. Original substantial completion date: December 31, 2027
- Amendment Changes:
  A. Delay commencement date to July 1, 2026
  B. Delay substantial completion date to June 30, 2029
- Reasons for Extension:
  A. Challenges in capital markets
  B. High construction and labor pricing
  C. Difficulties in project financing
- Developer Perspective:
  A. Committed to the project
  B. Seeking additional time to make the development financially viable

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

Vote: Motion carries 6-0

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

Item 4: RESOLUTION: BUC-EE'S FAMILY TRAVEL CENTER DEVELOPMENT AGREEMENT (Discussion Begins 26:35)

Chelsee Chism and Todd LaSala presented the development agreement for Buc-ee's Family Travel Center at 601 Village West Parkway. The project includes a 120-pump gas station, 12 electric charging stations, and infrastructure improvements. The total project cost is $95 million, with a request for $13.3 million in Pay-As-You-Go reimbursement.

<u>Key Points:</u>

- Project Overview:
  A. Location: 601 Village West Parkway
  B. Total project cost: $95 million
  C. 74,000 square foot travel center

D. 120 gas pumps
E. 12 electric charging stations (Mercedes and Tesla)

- Financial Details:
  A. Pay As You Go reimbursement: $13.3 million
  B. Sales Tax TIF: $3.3 million (maximum 15 years)
  C. CID Sales Tax: $10 million (maximum 20 years)
- Infrastructure Improvements:
  A. Relocation of Village West Parkway
  B. New roundabout
  C. I-70 interchange improvements
  D. Three detention ponds
- Employment Commitment:
  A. Minimum 175 full-time jobs
  B. Average starting pay: $17-$20 per hour
  C. Full benefits including health insurance, 401k, paid time off
- Local Economic Impact:
  A. Projected 4 million annual visitors
  B. Approximately 70% from out of state
  C. Destination-style travel center
- Unique Features:
  A. Fresh food preparation on-site
  B. Diverse product offerings
  C. Clean, modern facility

Commissioner Stites moved to adopt the resolution and fast-track the item to the November 7, 2024, Board of Commissioners meeting. The motion was seconded by Commissioner Townsend.

Vote: Motion carries 6-0

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

Item 5: RESOLUTION: THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (KANSAS ENTERTAINMENT LLC) (Discussion Begins 58:12)

Wendy Green from the Legal Department presented the third amendment to the development agreement with Kansas Entertainment LLC for Hollywood Casino. The amendment addresses the construction of a 125-room hotel and changes to charitable contributions.

Key Points:

- Project Background:
  A. Hollywood Casino at Kansas Speedway
  B. Original development agreement from 2009
  C. Currently managed by Penn Entertainment
- Hotel Development Changes:
  A. Original plan: 250-room hotel
  B. Revised plan: 125-room hotel
  C. Reduced due to market analysis and profitability concerns
- Financial Contributions:
  A. Increase charitable contributions from $500,000 to $850,000
  B. Continue annual 1% of gaming revenue contribution
  C. Maintain 3% statutory gaming tax revenue share
- Penalty and Liquidated Damages:
  A. Continue paying liquidated damages until hotel construction begins
  B. Construction commencement defined as:
     a) Issuance of necessary permits
     b) Continuous construction pursuit
- Potential Implications:
  A. Possible impact on gaming facility management agreement renewal in 2027
  B. No public incentives or tax dollars used
- Committee Discussion Points:
  A. Concerns about reduced hotel room count
  B. Debate over continuing penalty payments
  C. Questions about market conditions

Commissioner Burns moved to adopt the resolution and fast-track the item to the November 7, 2024, Board of Commissioners meeting. The motion was seconded by Commissioner Townsend.

Vote: Motion fails 3-3

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

Commissioner Townsend moved to forward the item with no recommendations and fast-track the item to the November 7, 2024, Board of Commissioners meeting. The motion was seconded by Commissioner Burns.

Vote: Motion fails 3-3

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

Commissioner Stites moved to send the item back to the developers for discussion and bring back to the next meeting on December 2, 2024. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carries 5-1

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

Adjournment: (Discussion Begins 2:04:32)

Commissioner Stites moved to adjourn the meeting. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carries 6-0

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

The meeting was adjourned at 7:04 PM.

MLS