



Unified Government of Wyandotte County and Kansas City, Kansas

Economic Development & Finance Standing Committee

Fifth Floor Conference Room
701 N. 7th Street Trafficway, Kansas City, KS 66101

Chair Commissioner Melissa Bynum

*Commissioner, District 1 - Jermaine Howard, Commissioner, District 2 - Bill Burns,
Commissioner, District 5 - Carlos Pacheco, Commissioner, District 7 - Chuck Stites,
Commissioner, District 8 - Andrew Davis, BPU Board Member David Haley*

AGENDA

Monday, June 29, 2026

5:00 PM

- 1. Call to Order/Roll Call**
- 2. Revisions to Agenda**
- 3. Approval of standing committee minutes from August 4 and September 29, 2025, and May 4, 2026.**
- 4. Committee Agenda**
 - 4.1 RESOLUTION: SETTING A PUBLIC HEARING DATE FOR THE ESTABLISHMENT AND RENEWAL OF THE DOWNTOWN KANSAS CITY, KANSAS, SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT**

Synopsis: Adopt a resolution to consider the establishment of a Self-Supported Municipal Improvement District (SSMID) for Downtown Kansas City, Kansas, and set September 3, 2026, for the public hearing.

Tracking #: 21592

4.2 **RESOLUTION: DOWNTOWN GROCERY STORE AT 501 MINNESOTA AVENUE**

Synopsis: Adopt a resolution to authorize the Mayor/CEO to enter into a management agreement with Santa Fe Grocers, LLC, to operate and manage the downtown grocery store located at 501 Minnesota Avenue in Kansas City, Kansas.

It is requested that this item be fast tracked to the July 2, 2026, Board of Commissioners meeting.

Tracking #: 21638

4.3 **RESOLUTION: CREATE REINVESTMENT HOUSING INCENTIVE DISTRICT (RHID) POLICY**

Synopsis: Adopt a resolution approving the Reinvestment Housing Incentive District (RHID) Policy.

Tracking #: 215200

4.4 **RESOLUTION: MIDTOWN STATION UPDATE**

Synopsis: A resolution providing an update from Eastside Innovation, the developer of the Midtown Station project. Staff is requesting direction from the Committee.

This item was originally scheduled before this committee on June 1, 2026, and was set over to this meeting.

Tracking #: 21556

4.5 **UPDATE: HOMEFIELD - UPDATE ON NEW HOMES PROJECT**

Synopsis: This is an update on the affordable housing investment per the April 7, 2026, letter.

For information only.

Tracking #: 21650

5. Public Agenda

6. Adjourn

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Some commissioners, staff, and the public may attend remotely via Zoom or by phone. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, all speakers are asked to please announce yourself by name and title every time you speak so the public that is observing knows

who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

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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 Townsend – Commissioner Chuck Stites – Commissioner Bill Burns –
Commissioner Phil Lopez – Stevie Wakes, BPU Board Member*

MINUTES

**Monday, August 4, 2025
5:03 PM-5:22 PM**

Attendance:

Committee Members Present:

- Commissioner Burroughs (Chair)
- Commissioner Stites
- Commissioner Lopez
- Commissioner Townsend

Committee Members Absent:

- Mr. Wakes (BPU Board)
- Commissioner Burns

Staff Present:

- Maiyee Lor (Deputy Unified Government Clerk)
- Alan Howze (Assistant County Administrator)
- Wendy Green (Chief Deputy Legal Counsel)
- Angel Ferrera (Director, Parks and Recreation)
- Vincent Billaci (Park Manager)
- Justin Ukena (Operations Supervisor, Parks)
- Matthew Zayas (Fiscal Officer, Parks)

Call to Order:

Commissioner Burroughs called the meeting to order at 5:03 p.m.

Revisions to Agenda:

The Clerk reported that there were no revisions to the agenda.

Approval of Previous Minutes: (Discussion Begins 2:24)

Commissioner Townsend moved to approve the minutes of the April 29 and June 3, 2024, meetings as submitted. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 4-0

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

Committee Agenda:

Item 4.1 - RESOLUTION: KANSAS FOREST SERVICE GRANT (Discussion Begins 3:11)

Vincent Billaci, Park Manager, presented details of the second round Kansas Forest Service Grant application for \$100,000 with no matching funds required. This follows a successful first round application in November 2024 where the county was awarded \$100,000.

Key Points:

Grant Details:

- **Timeline:** Two years to utilize funds (clarification pending on end date - 2026 vs 2027)
- **Application Deadline:** August 22, 2025
- **Requirements:** Work must be in areas identified as overburdened and underserved according to the economic and climate justice screening tool
- **Tree Ratio:** Must maintain 2:1 planting to removal ratio

Planned Activities:

- **First Round:** Tree plantings at Kensington Park, Klamm Park, Jersey Creek Park, Clopper Field, Huron Park, and Leo Alvey Park (120-150 trees anticipated)
- **Second Round:** Dead and dangerous tree removal at Quindaro Park, Kensington Park, Klamm Park, Clopper Field, Huron Park, City Park, Pearson, Edgerton, Ruby, Bethany Parkwood, and median at 73rd and Parallel

Partnership: Bridging the Gap nonprofit is also applying for the same grant and would coordinate plantings within Kansas City, Kansas if awarded.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Townsend moved to adopt the resolution for the Kansas Forest Service Grant and to fast-track the item to the Board of Commissioners meeting on August 7, 2025. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 4-0

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

Adjournment: (Discussion Begins 19:27)

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

Vote: Motion carried 4-0

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

The meeting was adjourned at 5:22 p.m.

MLS

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 Townsend – Commissioner Chuck Stites – Commissioner Bill Burns –
Commissioner Phil Lopez – Stevie Wakes, BPU Board Member*

MINUTES

Monday, September 29, 2025

5:03 PM-7:21 PM

Attendance:

Committee Members Present:

- Commissioner Burroughs (Chair)
- Commissioner Stites
- Commissioner Burns
- BPU Board Member Wakes

Committee Members Absent:

- Commissioner Lopez
- Commissioner Townsend

Staff Present:

- Maiyee Lor (Deputy Unified Government Clerk)
- Bridgette Cobbins (Assistant County Administrator)
- Jeffrey Conway (Senior Counsel)
- Jud Knapp (Land Bank Manager)
- Chelsee Chism (Director of Economic Development)
- Shelley Kneuvean (Chief Financial Officer)

Call to Order:

Commissioner Burroughs called the meeting to order at 5:03 p.m.

Revisions to Agenda:

The Clerk reported that there were no revisions to the agenda.

Approval of Previous Minutes:

There were no minutes available for approval.

Committee Agenda:**Item 4.1 - UPDATE: NEIGHBORHOOD REVITALIZATION ACT (NRA) PLAN RENEWAL) (Discussion Begins 01:56)**

Jud Knapp presented the five-year update of the NRA plan.

Key Points Discussed:

- Current NRA program structure and property tax rebate incentive details
- Boundary changes for Area One (reduced from extending to KU Medical Center to Armstrong Avenue north)
- Boundary changes for Area Two (Minnesota Avenue South, removed State Avenue to 94th Street area)
- Proposed reduction of Area Two rebate from 95% to 50% for new construction with a 5-year timeline
- Commercial NRA changes: increased project threshold from \$3 million to \$10 million
- Reduced commercial rebate from 95% to 50% in zones one and two
- Commercial NRA applications totaled 30 during the 2021-2024 period
- NRA special projects include Area 1 – State Avenue East, West Corridor, and Leavenworth Road Corridor. Projects must meet at least one qualifying criterion, including retail use, environmental contamination, historic designation, or state/federal recognition. Eligible projects may receive a 75% rebate for up to 20 years and are subject to Commission approval.

The Chairman opened the public hearing. Comments were received from the following:

- **Greg Kindle, Wyandotte Economic Development Council (Comments Begin:17:43)**

The Chairman closed the public hearing.

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

Item 4.2 - PRESENTATION: HOMEFIELD PROJECT STAR BONDS (Discussion Begins 36:28)

Shelley Kneuvean, Chief Financial Officer, provided an update on the status of the project.

Key Points:

- Overview of remaining star bonds to be issued for Village East Home Field
- Authorization stems from development agreement approved in 2021
- Up to \$30 million in bonds authorized, with expected issuance of \$16-20 million
- Bonds represent reimbursement for money already spent by developer
- Full \$30 million allotment would require future bond issuance after additional developments are operational

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

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

Item 4.3 - RESOLUTION: FIFTH AMENDMENT TO ASSIGNMENT, ASSUMPTION AND SECOND AMENDED DEVELOPMENT AGREEMENT (HOMEFIELD PROJECT) (Discussion Begins 43:07)

Chelsea Chism, Economic Development Director, joined by Richard Napper of Homefield, Legal Counsel Mr. Peterson, and Todd LaSala, Stinson Leonard Street Law Firm, presented the requested key amendments.

Key Amendments Requested:

- Casey's Convenience Store Addition: Modification to allow Casey's General Store on northeast corner of 94th and State Avenue, requiring waiver of existing convenience store restrictions
- Bond Disbursement Conditions: Change from requiring all users to commence vertical construction to holding \$5 million in escrow until all users are operational
- Community Investment Timeline: Extension of \$4.35 million private investment requirement from 180 days to 24 months after bond closing, tied to escrow release

Presentation by Richard Knapper included:

- Community impact statistics showing \$430 million in development
- Property tax contributions: \$3.9 million (2024), estimated \$4.9 million (2025), over \$5 million (2026)
- Visitor statistics: 383,000 visitors to showcase building, 448,000 to baseball facilities
- Details of arrangements with quilting museum for land swap and development assistance

The Chairman opened the public hearing. Comments were received from the following:

- **Scott Harding (Comments Begin 1:40:37)**
- **Dr. Alma Rosas Hall (Comments Begin 1:47:59)**

The Chairman closed the public hearing.

For the record, Chelsea Chism noted that, due to the President's Executive Order, staff has been directed to discontinue auditing or linking local minority- and women-owned business requirements to incentives to avoid jeopardizing federal funding allocations.

Commissioner Stites moved to adopt the resolution and fast-track the item to the October 2, 2025, Board of Commissioners meeting. The motion was seconded by Commissioner Burns.

Vote: Motion failed 3/1

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

Commissioner Burroughs moved to disallow the previous action. The motion was seconded by Commissioner Stites.

Vote: Motion carried 4/0

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

Commissioner Stites moved to adopt the resolution and fast-track the item to the October 2, 2025, Board of Commissioners meeting. The motion was seconded by BPU Board Member Wakes.

Vote: Motion carried 4/0

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

Item 4.4 - RESOLUTION: SETTING A PUBLIC HEARING AND GIVING NOTICE OF CREATING A COMMUNITY IMPROVEMENT DISTRICT (5TH AMENDMENT FOR HOMEFIELD) (Discussion Begins 2:11:58)

Kevin Wempe, Unified Government Bond Counsel, addressed the purpose for adoption of the resolution to set a public hearing.

Key Points:

- Resolution to establish public hearing for CID creation
- CID would provide \$6.5 million total funding (\$4 million for K1 Speed, \$2.5 million for Hilton Hotel)
- 2% CID rate for 22 years (pay-as-you-go structure)
- Public hearing date correction from October 30 to November 6, 2025

This item was discussed in the previous Item No. 4.3.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Stites moved to adopt the resolution and fast-track the item to the October 2, 2025, Board of Commissioners meeting, with the hearing scheduled for November 6, 2025. The motion was seconded by Commissioner Burns.

Vote: Motion carried 4/0

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

Adjournment: (Discussion Begins 2:19:18)

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

Vote: Motion carried 4-0

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

The meeting was adjourned at 7:21 p.m.

MLS

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

Chair Commissioner Melissa Bynum

*Commissioner, District 1 - Jermaine Howard, Commissioner, District 2 - Bill Burns
Commissioner, District 5 - Carlos Pacheco, Commissioner, District 7 - Chuck Stites
Commissioner, District 8 - Andrew Davis, BPU Board Member David Haley*

MINUTES

Monday, May 4, 2026

5:00 PM – 8:13 PM

Attendance:

Committee Members Present:

- Commissioner Bynum (Chair)
- Commissioner Howard
- Commissioner Burns
- Commissioner Pacheco
- Commissioner Stites
- Commissioner Davis
- BPU Board Member Mr. Haley

Committee Members Absent:

- None

Staff Present:

- Monica L. Sparks (Unified Government Clerk)
- Alan Howze (Assistant County Administrator)
- Jeff Conway (Senior Counsel)
- Dilini Lankachandra (Legal Department)
- Dr. Shelley Kneuvean (Chief Financial Officer)
- David Johnston (County Administrator)

- Chelsea Chism (Economic Development Director)
- Jud Knapp (Land Bank Administrator)
- Michael Sutton (Redevelopment Coordinator)

Call to Order:

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

Revisions to Agenda: (Discussion Begins 7:40)

The Clerk reported there was an agenda update issued, adding Item No. 4.3 and Item No. 4.5 to the Committee Agenda.

Approval of Previous Minutes: (Discussion Begins 8:02)

Commissioner Burns moved to approve the minutes from the March 2, 2026, meeting. The motion was seconded by Commissioner Davis.

BPU Board Member Mr. Haley raised a point of order regarding the recording of votes in the minutes, noting confusion about substitute members and voting records. Monica L. Sparks, Unified Government Clerk, clarified that absent members are listed as absent, not as non-voting, to provide clarity for standalone items.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Committee Agenda:

Item 4.1 – ORDINANCE TEMPORARILY ALLOWING FOR THE SALE OF ALCOHOLIC LIQUOR AND CEREAL MALT BEVERAGES (Discussion Begins 12:01)

Dilini Lankachandra, Legal Counsel, presented an ordinance allowing temporary extended hours for alcoholic beverage sales during the World Cup period (June 11 – July 19, 2026). The ordinance would allow restaurants and bars to serve alcoholic beverages between 6 A.M. and 5 A.M. the next day, pursuant to recent Kansas state legislation.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Burns moved to adopt the ordinance as submitted. Motion failed due to lack of second.

Commissioner Stites moved to approve the ordinance as submitted. The motion was seconded by Commissioner Burns.

Vote: Motion failed 3-4

- Ayes: Stites, Burns, Bynum
- Nays: Haley, Davis, Pacheco, Howard
- Absent: None

Commissioner Howard moved to move the item forward to full commission on May 21 with no recommendation and not to be on the consent agenda. The motion was seconded by Commissioner Davis.

Vote: Motion failed 2-5

- Ayes: Davis, Howard
- Nays: Haley, Stites, Pacheco, Burns, Bynum
- Absent: None

Commissioner Stites then moved that bars and restaurants would be the only businesses allowed to alter their hours to 23 hours, with convenience stores, gas stations, and liquor stores maintaining the current hours. The motion was seconded by Commissioner Pacheco.

Vote: Motion carried 6-1

- Ayes: Haley, Davis, Stites, Pacheco, Howard, Bynum
- Nays: Burns
- Absent: None

Item 4.2 - RESOLUTION: 1601 RAINBOW/COMMENCEMENT OF CONSTRUCTION EXTENSION REQUEST (Discussion Begins 1:36:21)

Dr. Shelley Kneuvean presented a request for extension of construction commencement for Industrial Revenue Bonds from July to December 2026, with no change to the completion deadline of June 30.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Pacheco moved to adopt the resolution. The motion was seconded by Commissioner Davis.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Item 4.3 - RESOLUTION: APPROVING ISSUANCE OF INDUSTRIAL BONDS (HOMEFIELD AMD PARTNERS SENIOR HOUSING PROJECT (ADDED PER AGENDA UPDATE) (Discussion Begins 1:38:58)

Dr. Kneuvean presented approval for issuance of \$15 million in Industrial Revenue Bonds for Homefield Partners' Senior Housing Project. The project is located in the Homefield development area within a STAR Bonds District and includes only sales tax exemption, not property tax abatement.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Burns moved to adopt the resolution and fast-track the item to the May 7, 2026, Board of Commissioners meeting. The motion was seconded by Commissioner Pacheco.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Item 4.4 - RESOLUTION: TANGER – AMENDMENT TO DEVELOPMENT (Discussion Begins 1:45:13)

Todd LaSala from Stinson presented an amendment to the Tanger development agreement for the Legends West Lawn project. Tanger requested a two-month extension for paving obligations and modification of improvement exhibits to reflect \$2 million in completed improvements that differed from originally planned work.

Brian Voyles, General Manager for Tanger, described significant improvements made since December: including parking lot resurfacing, sidewalk improvements, lighting upgrades, and rebranding efforts.

The Chairman opened the public hearing. Comments were received from the following:

- **Kerry McCarthy (Comment Begins 1:59:57)**

The Chairman closed the public hearing.

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

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Item 4.5 - RESOLUTION: OPPORTUNITY ZONE 2.0 APPROVALS (ADDED PER AGENDA UPDATE) (Discussion Begins 2:02:40)

Michael Sutton, Redevelopment Coordinator, presented recommendations for federal Opportunity Zone 2.0 nominations. Kansas is allocated 53 census tracts (down from 74 in 1.0). Staff recommended 12 eligible census tracts in rank order:

1. Indian Springs (Census Tract 439.05)
2. Quindaro Ruins (Census Tract 445)
3. Downtown KCK
4. KU Med/Grain Silos (Census Tract 430)
5. 18th and I-70 area (Census Tracts 422, 423, 424)
6. Turner Diagonal West Side (Census Tract 441.01)
7. Census Tracts 407 and 414 (Tremont development area)

8. Edwardsville (Census Tract 440.7.02)

Nominations must be submitted to the state by June 1, 2026, with final selection by Governor Kelly.

The Chairman opened the public hearing. Comments were received from the following:

- **Monica Brady (Comment Begins 2:37:39)**
- **Michael Heitzman (Comment Begins 2:38:22)**

The Chairman closed the public hearing.

Commissioner Davis moved to approve the adoption of the resolution. The motion was seconded by BPU Board Member Haley.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Item 4.6 – RESOLUTION: CIRCUIT-BREAKER ASSISTANCE FOR RESIDENT EQUITY (CARE) PROGRAM (Discussion Begins 2:40:11)

Commissioner Pacheco presented a resolution directing county administration to prepare an analysis of a homeowner property tax relief program called a “Circuit Breaker.” The program would provide rebates when property taxes exceed certain thresholds based on income percentage, valuation spikes, or long-term residency.

The resolution requests analysis of:

- Program structure and triggers
- Fiscal impact and eligible household estimates
- Legal and policy considerations
- Operational requirements and administration
- Funded through new revenue growth, not existing general fund resources

The Chairman opened the public hearing. Comments were received from the following:

- **Eva Garcia Meza (Comment Begins 3:06:24)**
- **Pastor Bruce Draper (Comment Begins 3:08:42)**

The Chairman closed the public hearing.

Commissioner Pacheco moved to approve the resolution with deadline moved from August to the September 28 Economic Development and Finance meeting to allow adequate analysis time. The motion was seconded by BPU Board Member Mr. Haley.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

Item 4.7 – PRESENTATION: SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT (SSMID) UPDATE (Discussion Begins 1:00:50)

Chair Bynum moved this item earlier on the agenda. Dawn Rattan, Executive Director of Downtown Shareholders (DTS), and Edwin Birch, Chair of the Self-Supported Municipal Improvement District Board, provided an update on programs and accomplishments.

The Self-Supported Municipal Improvement District (SSMID) has been active since 2008, funded by property assessments and renewed every 10 years. The district focuses on cleaning, safety, and marketing for downtown. The 2025 budget was approximately \$513,000.

Key improvements reported included:

- Transition to Kansas City, Kansas, Police Department for security in July 2025
- Daily cleaning services from 7:30 AM to 5:30 PM
- Addition of biohazard cleaning services
- Various capital improvements and rebranding efforts

The renewal process is underway and must be completed by December 31, 2026.

The Chairman opened the public hearing. Comments were received from the following:

- **Karen Schibi (Comment Begins 1:33:19)**

The Chairman closed the public hearing.

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

Item 4.8 – UPDATE: FOURTH QUARTER FINANCIAL REPORT 2025 (Discussion Begins 3:13:00)

Dr. Kneuvean presented the fourth quarter financial reports for fiscal year 2025. She noted sales tax exceeded budget with approximately 2% growth, though she cautioned this growth rate trails the 3% consumer price index inflation rate.

Key highlights included one-time gains from the Plaza at the Speedway that funded Parallel and State Avenue paving projects. The report also included debt information and investment/cash position updates.

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

Adjournment: (Discussion Begins 3:17:53)

Commissioner Howard moved to adjourn the meeting. The motion was seconded by Commissioner Burns.

Vote: Motion carried 7-0

- Ayes: Haley, Davis, Stites, Pacheco, Burns, Howard, Bynum
- Nays: None
- Absent: None

The meeting was adjourned at 8:13 PM.

BJS



Report to
Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div data-bbox="581 384 1037 478" style="border: 1px solid black; padding: 5px;"> Jeffrey Conway, Assistant Counsel </div> jconway@wycokck.org x5075	Legal
AGENDA ITEM #4.1.		
RESOLUTION: SETTING A PUBLIC HEARING DATE FOR THE ESTABLISHMENT AND RENEWAL OF THE DOWNTOWN KANSAS CITY, KANSAS, SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT		
BACKGROUND		
Adopt a resolution to consider the establishment of A Self-Supported Municipal Improvement District (SSMID) for Downtown Kansas City, Kansas, and set September 3, 2026, for the public hearing.		
RECOMMENDATION		
Approve		
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS		
N/A		
LEGAL/ POLICY CONSIDERATIONS		
ATTACHMENTS		
Resolution setting SSMID public hearing (2), Ordinance creating SSMID 2026 (2), 2026 SSMID Timeline (6-29)		

Approved by Mayor/Administrator to add to agenda.

(Published: August 6, 2026; August 13, 2026; August 20, 2026)

RESOLUTION NO. R-____-26

A RESOLUTION EXPRESSING CONSIDERATION OF THE ESTABLISHMENT OF A SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT

WHEREAS, pursuant to K.S.A. 12-1796, the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government"), may initiate proceedings for consideration of the establishment of a Self-Supported Municipal Improvement District ("SSMID") on its own motion;

WHEREAS, a description of the boundaries of the proposed district is contained in Exhibit 1, attached to this Resolution.

WHEREAS, the name of the proposed district shall be the Downtown Kansas City, Kansas Self-Supported Municipal Improvement District ("the District");

WHEREAS, the purpose of the District is to provide improvements and services as allowed by law, within and for the benefit of the District, including, but not limited to, safety services, maintenance services, landscape enhancements, marketing and promotions, program management and reserve funds for the District;

WHEREAS, the proposed method by which to raise revenues to finance such improvements and services as through an ad valorem tax levied upon the property within the District. The maximum combined rate of ad valorem tax, for both services and operations, which may be levied upon the property within the District, shall not exceed 11.000 mills per annum;

WHEREAS, the proposed term of the existence of the District shall be from January 1, 2027, and terminating on December 31, 2036, unless sooner dissolved pursuant to K.S.A. 12-1799;

WHEREAS, there shall be an Advisory Board for the District consisting of eleven (11) voting members; and

WHEREAS, a public hearing to discuss consideration of the establishment and renewal of the District and on the advisability of said improvements and services for the District shall be held as part of the regularly scheduled meeting of the Unified Government Board of Commissioners on Thursday, September 3, 2026, at 7:00 pm, in the Commission Chambers, lobby level of the Municipal Office Building, 701 N. 7th St., Kansas City, Kansas.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Action to be taken. The statutory requirements set forth in K.S.A. 12-1796 and K.S.A. 12-17,101a, having been met, consideration of the establishment and renewal of the Downtown Kansas City, Kansas Self-Supported Municipal Improvement District and on the advisability of said improvements and services for the District, as described in this Resolution and Exhibits attached thereto, shall be taken up at the public hearing on September 3, 2026, at 7:00 pm, in the Commission Chambers on the First Floor of City Hall.

Section 2. Notice of Public Hearing. The Unified Government Clerk is hereby authorized, ordered and directed to give notice of said public hearing by publishing a copy of this Resolution, along with the date, time, and location of said public hearing, in the official city newspaper once each week for three consecutive weeks, beginning on August 6, 2026.

The Unified Government Clerk is further authorized, ordered and directed to mail a copy of this Resolution to the Unified Government Planning Commission. Pursuant to K.S.A. 12-1796(e), and prior to the September 3, 2026, public hearing, the Unified Government Planning Commission shall make a finding stating whether the District is consistent with the Unified Government of Wyandotte County/Kansas City, Kansas City-Wide Master Plan, and shall direct a copy of its finding to the Unified Government Board of Commissioners.

The Unified Government, through its officials and employees, is authorized, ordered and directed to mail a copy of this Resolution by certified mail to each owner of land within the District not less than 15 days prior to the September 3, 2026, public hearing.

Section 3. Further Action. The Mayor/CEO, County Administrator, Unified Government Clerk and other officials and employees of the Unified Government, including the County Attorney, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution.

Section 4. Effective Date. This Resolution shall be effective upon adoption by the Governing Body of the Unified Government.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 16th DAY OF JULY, 2026.

Christal E. Watson, Mayor/CEO

Attest:

Monica Sparks, Unified Government Clerk

Approved as to Form:

Angela J. Lawson, Chief Counsel

(Published: _____)

ORDINANCE NO. O-____-26

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ESTABLISHMENT OF THE DOWNTOWN KANSAS CITY, KANSAS SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT

WHEREAS, on October 2, 2008, the Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government") passed Ordinance 0-72-08, which authorized the establishment of the Downtown Kansas City, Kansas Self-Supported Municipal Improvement District ("SSMID");

WHEREAS, the SSMID was initially given a term of existence of eight (8) years, until December 31, 2016;

WHEREAS, on July 28, 2016, the Board of Commissioners of the Unified Government passed Ordinance No. O-52-16, and the ordinance took effect upon publication on August 4, 2016, authorizing and providing for the establishment of the SSMID for a term of ten years, from January 1, 2017, through December 31, 2026;

WHEREAS, on June 4, 2026, the SSMID Advisory Board recommended that the Unified Government initiate proceedings to renew the SSMID for a term of ten (10) years, subject to certain boundary revisions as detailed in the official legal description;

WHEREAS, pursuant to K.S.A. 12-1796, the governing body of a city may, on its own motion, initiate proceedings to establish a self-supported municipal improvement district ("SSMID");

WHEREAS, on July 16, 2026, pursuant to K.S.A. 12-1796(b), the governing body of the Unified Government adopted Resolution R-____-26, stating that the governing body is considering establishing the proposed SSMID, as described in said resolution, and setting a public hearing date of September 3, 2026;

WHEREAS, pursuant to K.S.A. 12-1796(d), Resolution R-__-26 was published in the official city paper once each week for three consecutive weeks, on August 6, 2026; August 13, 2026; and August 20, 2026; the last date being not less than one week nor more than two weeks preceding the date fixed for public hearing;

WHEREAS, pursuant to K.S.A. 12-1796(d), Resolution R-____-26 was mailed by certified mail to each owner of land within the proposed SSMID not less than 15 days prior to the date fixed for the public hearing;

WHEREAS, pursuant to K.S.A. 12-1796(e), on August 10, 2026, the Unified Government Planning Commission found, upon consideration, that the proposed SSMID is consistent with the comprehensive plan for the development of Kansas City, Kansas. The Planning Commission's finding was forwarded to the governing body on _____, 2026;

WHEREAS, a public hearing to discuss consideration of the establishment of the SSMID was held as part of the regularly scheduled meeting of the Unified Government Board of Commissioners on September 3, 2026;

WHEREAS, pursuant to K.S.A. 12-1796(e), more than thirty (30) days have passed since the September 3, 2026, public hearing;

WHEREAS, the governing body of the Unified Government, having considered and reviewed the proposed SSMID, finds that the establishment of the proposed SSMID is advisable and in the best interest of the city of Kansas City, Kansas.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Establishment. The Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas, having considered and reviewed the proposed SSMID, hereby approves and establishes the Downtown Kansas City, Kansas Self-Supported Municipal Improvement District (the "SSMID") as provided by K.S.A. 12-1794, et seq.

Section 2. Boundaries. The boundaries of the SSMID are set forth in the legal description contained in Exhibit I attached to this Ordinance.

Section 3. Purpose. The purpose of the SSMID is to provide improvements and services as allowed by law, within and for the benefit of the SSMID, including, but not limited to, safety services, maintenance services, landscape enhancements, marketing and promotions, program management and reserve funds for the SSMID.

Section 4. Term. The term of the existence of the SSMID shall be from the January 1, 2027, and terminating on December 31, 2036, unless sooner dissolved pursuant to K.S.A. 12-1799.

Section 5. Taxes. The maximum combined rate of ad valorem tax for both services and operations which may be levied upon the property within the SSMID shall not exceed 11.000 mills per annum.

Section 6. Powers. The SSMID shall be a body corporate and politic and shall be vested with all the power and authority necessary to effectuate the purposes of the Self-Supported Municipal Improvement District Act, K.S.A 12-1794, et seq., including without limitation the

power to levy taxes, to order and authorize services and improvements for the SSMID, to issue bonds, and to acquire real and personal property.

Section 7. Governing Body. The governing body of the Unified Government shall be the governing body of the SSMID. The officers of the Unified Government shall be the officers of the SSMID as appropriate and shall have such duties and authority as provided by law and directed by the governing body of the SSMID.

Section 8. Advisory Board. The governing body of the Unified Government does hereby establish and create an Advisory Board for the SSMID. The Advisory Board shall consist of eleven (11) voting members, and shall be appointed and replaced pursuant to Division 1 of Article VIII of Chapter 2 of the Kansas City, Kansas Code of Ordinances (Section 2-381 *et seq.*) The terms of the current Advisory Board members shall carry over and continue at the start of the new SSMID term on January 1, 2027.

Section 9. Advisory Board Duties. The Advisory Board shall make recommendations to the governing body on assessments, budgets, and policies for the SSMID, the programs, improvements and services to be provided by or for the SSMID, and any amendment, modification, or addition to the Business Plan.

Not later than May 15 of each year, the Advisory Board shall submit to the governing body a report on the SSMID's activities and a proposed budget to accomplish the objectives of the SSMID. Additionally, the Advisory Board shall submit an official recommendation to the governing body each year before the annual levy of taxes is made pursuant to K.S.A. 12-17,102(b).

No improvements or services for the SSMID shall be ordered or authorized by the governing body without compliance with the public hearing requirements of K.S.A. 12-17,101a. Prior to any such public hearing by the governing body and before authorizing or ordering any improvements or services that are to be paid for from the budget of the SSMID, the recommendation of the Advisory Board shall be obtained. Such recommendation shall specifically include the information required by K.S.A. 12-17,101a. To the extent permitted by law, if the information required by K.S.A. 12-17,101a is submitted for consideration during the public hearing on the SSMID's annual budget, such hearing shall be deemed to satisfy the public hearing requirements of K.S.A. 12-17,101a with respect to any improvements or services proposed to be paid for within the next budgetary year.

Section 10. Fiscal Agent for SSMID. The Unified Government shall issue a Request for Proposals ("RFP") for a consultant to serve as the fiscal agent and contracting entity for the SSMID. The fiscal agent shall be responsible for making all purchases of improvements and services necessary for the SSMID, and shall be responsible for providing statements of incomes and expenses for the SSMID. Such consultant shall be chosen pursuant to the RFP process set forth in the Unified Government's Procurement Code, 29-152, *et seq.*

Section 11. The Mayor/CEO, County Administrator and other officials and employees of the Unified Government are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 12. This ordinance shall be in full force and take effect from and after its passage, approval, and publication in *The Wyandotte Echo*.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED
GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
THIS 15th DAY OF OCTOBER, 2026.**

Christal E. Watson, Mayor/CEO

Attest:

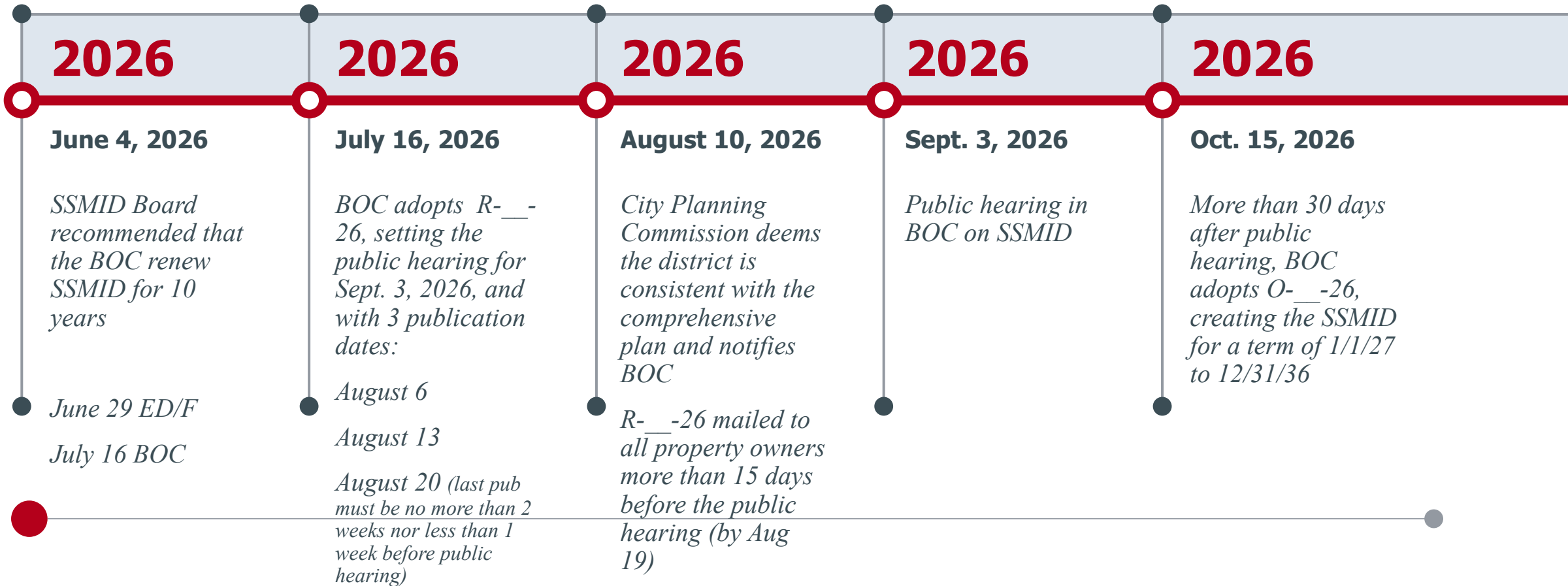
Monica Sparks, Unified Government Clerk

Approved as to Form:

Angela J. Lawson, Chief Counsel

2026 SSMID Timeline

June 29 ED/F





Report to Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div style="border: 1px solid black; padding: 2px;">Chelsee Chism, Director</div> cchism@wycokck.org X8046	Economic Development
AGENDA ITEM #4.2.		
RESOLUTION: DOWNTOWN GROCERY STORE AT 501 MINNESOTA AVENUE		
BACKGROUND		
<p>The Unified Government ("UG") is owner of the grocery store located at 501 Minnesota Avenue. The former manager of the downtown grocery store (the "MERC") closed operations in December 2025. The Management Agreement ("Agreement") between the UG and Santa Fe Grocers, LLC ("Manager") contemplates the UG providing a pre-opening fund of \$150,000 to be used towards demolition, construction, equipment, and other improvements associated with reopening the grocery store. The pre-opening funds are proposed to be directed from the American Royal Subcommittee Fund.</p> <p>The initial term of the Agreement is three (3) years, after which the Agreement will automatically renew for successive one (1) year terms. The Agreement also contemplates an option to purchase the UG-owned site. Manager will pay the UG \$5,000 per month occupancy fee following the initial twelve (12) month period; the occupancy fee will increase 3% annually following renewal of the Agreement. The Agreement also includes revenue sharing in the amount of 5% of Net Operating Income.</p> <p>The Manager will be responsible for payment of annual property taxes, which the UG will direct towards repayment of the outstanding Tax Increment Financing ("TIF") District bonds. In 2024, property taxes totaled \$78,789.00.</p>		
RECOMMENDATION		
Approve Fast Track		
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS		
N/A		
LEGAL/ POLICY CONSIDERATIONS		
ATTACHMENTS		
Resolution for Management Agreement United Market 6-29-26 ED-F, UG - Grocery Store Management Agreement - Santa Fe Grocers (Stinson 5.19.26)-242380732-v6, Executive Summary Grocery Store Management Agreement Santa Fe Grocers		

Approved by Mayor/Administrator to add to agenda.

RESOLUTION NO. R-___-26

A RESOLUTION AUTHORIZING THE MAYOR/CEO TO ENTER INTO A GROCERY STORE MANAGEMENT AGREEMENT WITH SANTA FE GROCERS, LLC, dba UNITED MARKET, WITH RESPECT TO AN EXISTING GROCERY STORE FACILITY IN DOWNTOWN KANSAS CITY, KANSAS

WHEREAS, the Unified Government owns certain real property situated in Wyandotte County, Kansas, that includes a former full-service grocery store formerly operated as the Merc and located at 501 Minnesota Avenue in Kansas City, Kansas;

WHEREAS, Santa Fe Grocers, LLC, proposes to operate and manage a full-service grocery store in the facility at 501 Minnesota Avenue;

WHEREAS, the parties acknowledge that maintaining a full-service grocery store at the 501 Minnesota Avenue site serves an essential public purpose in an underserved area;

WHEREAS, the governing body of the Unified Government intends to enter into a management agreement with Santa Fe Grocers, LLC, dba United Market to re-open the downtown facility and to operate and manage it as a full-service grocery store, along with certain improvements and parking.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. Authorization. The Unified Government Mayor/CEO is hereby authorized and directed to enter into and execute in the name of the Unified Government of Wyandotte County/ Kansas City, Kansas the above referenced Agreement.

Section 2. Further authority. The Mayor, the County Administrator, and the Unified Government's other officers, agents, and employees are hereby authorized and directed to take such further action, and execute such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

ADOPTED BY THE BOARD OF COMMISSIONERS OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, THIS _____ DAY OF _____ 2026.

Christal E. Watson
Mayor/CEO

Attest:

Monica Sparks, Unified Government Clerk

Approved as to Form:

Angela J. Lawson, Chief Counsel

GROCERY STORE MANAGEMENT AGREEMENT

by and between

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY,
KANSAS,

and

SANTA FE GROCERS LLC, a Kansas limited liability company, dba United Market

With Respect to Existing Grocery Store Facility Located at:

501 Minnesota Avenue, Kansas City, Kansas

July __, 2026

GROCERY STORE MANAGEMENT AGREEMENT

THIS GROCERY STORE MANAGEMENT AGREEMENT (the "Agreement") is made as of the ____ day of July, 2026 (the "Effective Date"), between THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS (the "UG") and SANTA FE GROCERS LLC, a Kansas limited liability company, dba United Market ("Manager").

RECITALS:

A. The UG owns certain real property situated in Wyandotte County, Kansas, and more particularly described on Exhibit 1 attached hereto (the "Project Site"), on which an existing grocery store facility is located.

B. A grocery store facility (the "Grocery Store") exists on a portion of the Project Site described on Exhibit 2 attached hereto and made a part hereof (the "Grocery Store Site"). The parties acknowledge that maintaining a full-service grocery store at the Grocery Store Site serves an essential public purpose in an underserved area.

C. Manager proposes to operate and manage the Grocery Store pursuant to the terms and conditions of this Agreement.

D. The parties hereto do now desire to make and enter into this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Manager hereby agree as follows:

ARTICLE 1 **DEFINITIONS; INTERPRETATION**

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes each other gender;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;

(f) each of the items or agreements identified on the attached Index of Exhibits is deemed part of this Agreement to the same extent as if set forth herein;

(g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1 attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2 **APPOINTMENT OF MANAGER; EMPLOYEES; OPERATING COVENANT;** **PERMITTED USE**

2.1 Undertaking of Manager. Manager hereby agrees, subject to the terms and conditions hereinafter provided, to manage and operate the Grocery Store for the Term. Manager hereby accepts such engagement on the terms and conditions hereinafter set forth. Manager shall have no right or authority, express or implied, to commit or otherwise obligate the UG or to encumber the Grocery Store Site in any matter whatsoever. Manager acknowledges that it is an independent contractor and not an employee or agent of the UG.

2.2 Employees. Manager shall at all times have in its employ or contract for sufficient personnel to enable it to properly, adequately, and safely manage, operate, maintain and account for the Grocery Store. All matters pertaining to the selection, direction, employment, supervision, compensation, promotion and discharge of such personnel are the sole responsibility of Manager, which shall be in all respects the employer of such personnel. Notwithstanding the foregoing, Manager agrees that: (i) all employees of Manager shall receive a minimum starting hourly wage sufficient to provide the necessities and comforts essential to an acceptable standard of living; and

(ii) Manager will actively use its best efforts to recruit, hire and retain as employees the residents of Kansas City, Kansas (especially those in close proximity and in adjacent neighborhoods). Manager shall have total responsibility for and shall fully comply with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. Furthermore, Manager represents and warrants that it and its employees (and, if applicable, subcontractors and their respective employees) will hold all licenses and permits legally required for it to perform its obligations under this Agreement, and Manager hereby covenants and agrees to maintain all such licenses and permits during the term of this Agreement. As it relates to Manager's personnel arrangements, this Agreement is not one of agency by Manager for the UG but one with Manager engaged independently in the business of employing individuals on its own behalf as an independent contractor, and the UG shall have no liability with respect thereto. The UG and Manager hereby agree that Manager shall be strictly a manager of the Grocery Store and shall have no leasehold or any other property interest in the Grocery Store Improvements or Grocery Store Site whatsoever, subject to the Option to Purchase set forth in Section 7.2.

2.3 Operating Covenant; Trade Name; Permitted Use. Manager shall cause the Grocery Store to be continuously operated during community-appropriate hours, and at minimum the hours of 8:00 AM through 8:00 PM each day, subject to closure for remodeling, casualty, condemnation, events of Force Majeure, or other approved closures, as a first-class retail grocery store offering a full range of meats, fresh fruit and vegetable produce, and customary goods, and for no other use whatsoever without the prior written consent of the UG (the "Permitted Use"). Manager shall accept EBT/SNAP and, if feasible, WIC, implement affordability pricing strategies consistent with community needs, and conduct reasonable community education programming. Manager shall conduct Manager's business at the Grocery Store only under the trade name of "United Market".

ARTICLE 3 **INITIAL OPERATOR FF&E; EXISTING IMPROVEMENTS; PARKING**

3.1 Existing Improvements. All buildings, structural components, systems, and improvements installed by or on behalf of the UG remain UG property. Manager shall have the right to use all existing furniture, fixtures and improvements currently located in the Grocery Store.

3.2 Initial Operator FF&E. Manager shall cause to be completed the improvements described on Exhibit 3 in accordance with the fixturing plan attached hereto as Exhibit 4 (the "Initial Operator FF&E"). All Initial Operator FF&E shall be installed at Manager's sole cost and expense, subject to the obligation of the UG with respect to the Pre-Opening Fund set forth in Section 4.2. Trade fixtures, movable equipment, POS systems, and branding elements purchased by Manager ("Manager Trade Fixtures") shall remain Manager's property, provided such purchases are identified on an asset register kept current and shared with the UG.

3.3 Parking Facilities. Subject to the terms and conditions of the Parking Facility Use Agreement, during the term thereof, Manager and its employees, agents, contractors, vendors, customers and invitees shall have a non-exclusive right (in common with the UG and such other tenants, licensees, occupants, users, invitees and other parties as the UG may from time to time

designate) to use the parking facilities, drive aisles, access areas and related facilities adjacent to the Grocery Store Site (collectively, the "Parking Area") solely in support of the Permitted Use, including Grocery Store customer parking and grocery cart return areas (the "Manager Parking Rights"). The Parking Area is generally shown on Exhibit 7 attached hereto. The Manager Parking Rights shall be non-exclusive and do not constitute a lease, easement, estate, possessory interest or other real property interest in the Parking Area, and Manager shall have no right to any specifically designated parking spaces or any specific number of parking spaces. Notwithstanding the foregoing, the UG shall at all times during the Term provide, or cause to be made available, at least the greater of (a) 55 parking spaces, or (b) the minimum number of parking spaces required under Applicable Laws and Requirements for the Permitted Use, which parking spaces may be provided on a non-exclusive basis within the Parking Area or within such other parking facilities serving the Grocery Store as the UG may reasonably designate from time to time. The UG reserves the right, in its reasonable discretion and without liability to Manager, to (i) reconfigure, reduce, relocate, restripe, close, modify, improve, repair or otherwise alter any portion of the Parking Area as it reasonably elects to undertake from time to time; and (ii) take such other reasonable actions as the UG deems necessary or advisable in connection with the ownership, management, operation, maintenance, repair, safety, security or use of the Parking Area; provided that the UG shall use commercially reasonable efforts not to materially and unreasonably impair Manager's access to the Grocery Store for the Permitted Use.

ARTICLE 4

TERM; PRE-OPENING FUND; OPERATING EXPENSES; UG OCCUPANCY FEE; BOOKS AND RECORDS; FINANCIAL REPORTING

4.1 Term. The Term of this Agreement (the "Term") shall, subject to the terms hereof, commence on the Effective Date and shall expire three (3) years from the Effective Date (the "Initial Term") unless sooner terminated in accordance with any of the other provisions of this Agreement. Upon expiration of the Initial Term, this Agreement shall automatically renew for successive periods of one (1) year each (each, a "Renewal Term") unless either party delivers written notice of non-renewal at least six (6) months prior to the end of the then-current term. Any holdover following expiration or termination shall be on a month-to-month basis and shall not extend the Option to Purchase set forth in Article 7.

4.2 Pre-Opening Fund. The UG shall fund One Hundred Fifty Thousand Dollars (\$150,000) as a contribution toward the demolition, hard construction costs and/or signage of the Initial Operator FF&E (the "Pre-Opening Fund"). Manager shall submit reasonable documentation for reimbursement or direct payment and UG shall remit reimbursement or direct payment (as applicable) for eligible costs within thirty-five (35) days of receipt of Manager's documentation and request. Any misuse of the Pre-Opening Fund, and any default by Manager under this Agreement during the first twelve (12) months of the Initial Term which results in a termination by the UG, shall cause the Pre-Opening Fund to be subject to clawback by the UG, payable within thirty (30) days following written demand thereof.

4.3 Payment of Operating Expenses. Manager shall be responsible for payment of all expenses incurred in the operation and maintenance of the Grocery Store pursuant hereto (the "Operating Expenses"), including without limitation, the following: (i) purchases of grocery inventory; (ii) purchases and rentals of trade equipment and fixtures, and maintenance charges

incurred with respect thereto; (iii) media advertising and other business promotion, with newspaper and other print medium advertising charges; (iv) cleaning services and supplies; (v) uniforms and laundry; (vi) legal and accounting services specific to the operation of the Grocery Store; (vii) office supplies and expenses; (viii) trade association dues; (ix) inspections; (x) utilities necessary to operate and manage the Grocery Store, including electricity, gas, water, sewage, trash, and telephone; (xi) personnel employed at or in connection with the Grocery Store by Manager, including the direct cost of all salaries and wages, payroll taxes, unemployment compensation contributions, or other fringe benefits to which such personnel may be entitled as employees of Manager; (xii) ordinary maintenance and repairs of the Grocery Store Improvements pursuant to this Agreement; (xiii) insurance secured and maintained by Manager pursuant to this Agreement; (xiv) all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Grocery Store Site or Grocery Store Improvements; (xv) Allocated Expenses to the extent allocated to the Grocery Store in accordance with an Approved Allocation Methodology pursuant to Section 5.7; and (xvi) any and all other direct cost and expenses reasonably necessary to the operation and management of the Grocery Store.

4.4 UG Occupancy Fee; Late Payments. The UG Occupancy Fee (as herein defined) shall be abated for a period of twelve (12) full calendar months commencing on the Effective Date (the "Abatement Period"). Commencing on the first day of the month immediately following the expiration of the Abatement Period and continuing throughout the Initial Term, Manager shall pay the UG a fee for operating the Grocery Store in the amount of Five Thousand Dollars (\$5,000) per month (the "UG Occupancy Fee"), payable in advance on the first day of each calendar month. All UG Occupancy Fees paid shall be credited dollar-for-dollar to the purchase price if the Option to Purchase is exercised and the purchase closes pursuant to Article 7. The UG Occupancy Fee during any Renewal Term shall be increased by three percent (3%) annually, effective as of the first day of each Renewal Term. To compensate the UG for its additional cost of processing late payments, for any payment of UG Occupancy Fee which is not received when due, Manager will pay a late charge of equal to ten percent (10%) of such UG Occupancy Fee. In addition, all amounts payable under this Agreement by Manager to UG, if not paid when due will thereafter bear interest until paid at the rate of twelve percent (12%) annually (the "Default Rate").

4.5 Books and Records. Manager shall maintain at its principal office adequate and separate books and records in connection with its management and operation of the Grocery Store. Such books and records shall be kept in accordance with GAAP consistently applied. The UG shall have the right and privilege of examining and auditing such books and records at any and all reasonable times. If Manager's principal office is not located within the Kansas City metropolitan area, Manager shall maintain an identical set of books and records at a location within the Kansas City metropolitan area.

4.6 Financial Reports. Manager shall render to the UG financial reports as follows: (a) within forty-five (45) days after the end of each Quarterly Accounting Period, a narrative report on operations of and at the Grocery Store accompanied by a statement of income and expenses and a balance sheet in a form mutually agreed upon between Manager and UG, together with a preliminary calculation of year-to-date Net Operating Income; (b) within one hundred eighty (180) days after the end of each Fiscal Year, a financial statement for the just ended Fiscal Year; (c) within thirty (30) days of filing, copies of sales tax returns for the Grocery Store; and (d) within

ninety (90) days after the expiration or earlier termination of this Agreement, a final financial statement.

4.7 Audit Rights. At any time during the Term, the UG shall have the right to audit Manager's books, records, Operating Expenses, financial records, NOI Statements, and all calculations related to revenue sharing under Article 5, at reasonable times upon reasonable prior written notice, and Manager agrees to fully cooperate with any such audit. In the event that any such audit reveals an error or discrepancy, Manager shall correct the error and pay any amounts required to compensate for any deficiency. In addition to paying any such deficiency, if the audit reveals an error larger than three percent (3%) in Gross Revenues, UG Occupancy Fee, Operating Expenses, or Net Operating Income in any Measurement Period, then Manager shall bear the reasonable costs of such audit, including reasonable accounting fees.

4.8 Allocation Audit Rights. The UG shall have the right to review, challenge, and audit any allocation of Shared Costs to the Grocery Store. Manager shall provide supporting documentation concerning any Shared Costs within fifteen (15) days of the UG's written request. If an audit reveals improper allocations, the affected amounts shall be excluded from Operating Expenses and NOI shall be recalculated; if such recalculation results in additional Net Operating Income, Manager shall pay the UG NOI Share attributable thereto with interest at the Default Rate. Manager shall cause any Affiliate operating an Affiliated Store to cooperate with such audits and provide access to relevant records.

4.9 Budgets and Reports. Manager shall submit to the UG (or its designated representatives) for its review, at least thirty (30) days prior to the anticipated beginning of operations of the Grocery Store, and at least ninety (90) days prior to the beginning of each Fiscal Year thereafter, a proposed Operating Budget ("Operating Budget") for the Grocery Store for each Fiscal Year, which Operating Budget shall set forth in reasonable detail Manager's best estimate of Gross Revenues and Operating Expenses. The UG, acting through the County Administrator or the County Administrator's designee, agrees to review and comment on such proposed Operating Budget to Manager in writing on or before the sixtieth (60th) day after receipt thereof from Manager. The UG's consideration of the Operating Budget and changes thereto shall be based upon factors concerning management and ownership of the Grocery Store consistent with this Agreement. Manager shall implement such Operating Budget and shall be authorized, subject to the limitations set forth in this Agreement, without the need for approval by UG, to make the expenditures and incur the obligations reasonably anticipated by the relevant Operating Budget. Manager shall endeavor to operate within approved budgets, and Manager may not exceed any line item in the Operating Budget by more than fifteen percent (15%) in any Quarterly Accounting Period without the prior consent of the UG.

ARTICLE 5 **REVENUE SHARING**

5.1 General. In order to preserve accountability and incentivize profitable operations, the parties hereby adopt a performance-based mechanism of revenue sharing tied to Net Operating Income as set forth in this Article 5. Manager acknowledges that the revenue sharing obligations

set forth in this Article 5 are material components of the economic arrangement between the parties and are intended to align Manager's financial interests with the public-purpose objectives of the UG.

5.2 Definitions. The following terms shall have the meanings set forth below for purposes of this Article 5:

(a) “Actual NOI” means, for any Measurement Period, the Net Operating Income of the Grocery Store for such Measurement Period, calculated in accordance with Section 5.4.

(b) “Affiliated Store” means any grocery store, supermarket, food service establishment, or other retail operation (other than the Grocery Store) that is owned, operated, managed, or controlled by Manager or any Affiliate of Manager, whether now existing or hereafter established.

(c) “Allocated Expenses” means the portion of any Shared Costs that is allocated or attributed to the Grocery Store pursuant to an Approved Allocation Methodology and included as an Operating Expense of the Grocery Store for purposes of calculating Net Operating Income.

(d) “Allocation Methodology” means any methodology used by Manager to allocate Shared Costs among the Grocery Store and Affiliated Store(s), such as relative square footage, sales, labor hours, or actual usage.

(e) “Approved Allocation Methodology” means an Allocation Methodology that has been approved in writing by the UG pursuant to Section 5.7, as the same may be amended or modified from time to time with the UG’s prior written consent.

(f) “FF&E Costs” means the costs paid by Manager for the Initial Operator FF&E, as reduced by the amount of the Pre-Opening Fund.

(g) “Measurement Period” means each Fiscal Year during the Term, or such other period as the parties may agree in writing.

(h) “Net Operating Income” or “NOI” means, for any period, the Gross Revenues of the Grocery Store less the Operating Expenses, calculated in accordance with GAAP; provided that: (i) no deduction shall be made for depreciation, amortization, interest expense, income taxes, or capital expenditures; (ii) the UG Occupancy Fee and the Manager’s management fee described in Section 5.3 below shall both be included as an Operating Expense; (iii) non-recurring or extraordinary items shall be excluded unless otherwise agreed; and (iv) Shared Costs shall be included only to the extent allocated pursuant to an Approved Allocation Methodology under Section 5.7.

(i) “Shared Costs” means costs incurred by Manager or any Affiliate that benefit both the Grocery Store and any Affiliated Store, including shared production facilities (e.g., bakery or commissary), warehousing, administration, marketing, purchasing, labor, and technology costs.

5.3 Revenue Sharing Mechanics. Manager shall have the right to repay itself for the FF&E Costs from Net Operating Income. After Manager has repaid itself for all FF&E Costs from Net Operating Income, thereafter Manager shall pay to the UG five percent (5%) of Net Operating Income (the “UG NOI Share”) for each Measurement Period. For the avoidance of doubt, if Net Operating Income for any Measurement Period is zero or negative, no revenue sharing payment shall be due to the UG for such Measurement Period. In addition to the foregoing, Manager shall be entitled to pay itself a Management Fee from the Grocery Store’s Gross Revenues or other available funds, which fee shall equal One Hundred Four Thousand Dollars (\$104,000.00) and shall be included as an Operating Expense for purposes of calculating Net Operating Income.

5.4 Calculation of Actual NOI; NOI Statement. Within ninety (90) days after the end of each Measurement Period, Manager shall prepare and deliver to the UG a written statement (the “NOI Statement”) setting forth in reasonable detail: (i) the Gross Revenues of the Grocery Store for such Measurement Period; (ii) the Operating Expenses of the Grocery Store for such Measurement Period, itemized by category consistent with the Operating Budget; (iii) the calculation of Actual NOI for such Measurement Period; and (iv) the calculation of the UG NOI Share. The NOI Statement shall be accompanied by supporting documentation reasonably sufficient to verify the calculations set forth therein, including but not limited to the quarterly and annual financial statements delivered pursuant to Section 4.6. Manager shall be responsible for preparing all NOI calculations, subject to the UG’s audit rights set forth in Section 4.7.

5.5 Payment Mechanics. The UG NOI Share, if any, for each Measurement Period shall be due and payable by Manager to the UG within thirty (30) days after delivery of the NOI Statement for such Measurement Period. Manager shall remit payment of the UG NOI Share by wire transfer or check to an account designated by the UG.

5.6 Relationship to UG Occupancy Fee. The revenue sharing obligations under this Article 5 and the UG Occupancy Fee payable under Section 4.4 are separate and independent obligations. Payment of the UG NOI Share shall not reduce, offset, or otherwise affect the UG Occupancy Fee, and payment of the UG Occupancy Fee shall not reduce, offset, or otherwise affect the UG NOI Share.

5.7 Allocation of Shared Costs.

5.7.1 Allocation Standards. Any allocation of Shared Costs between the Grocery Store and any Affiliated Store must be: (a) commercially reasonable and consistent with arm’s-length standards for grocery retail operations; (b) consistently applied across all stores and accounting periods using the same methodology; and (c) approved in writing by the UG prior to implementation. Shared Costs may be included as Operating Expenses only to the extent allocated pursuant to an Approved Allocation Methodology. Any allocation made without UG approval or inconsistent with an Approved Allocation Methodology shall be excluded from Operating Expenses for purposes of calculating NOI.

5.7.2 Approval Process. Prior to allocating any Shared Costs to the Grocery Store, Manager shall submit to the UG a written proposal describing each category of Shared Costs, the proposed allocation methodology, a list of all Affiliated Stores sharing such costs, and supporting calculations. The UG shall have forty-five (45) days to approve or reject the proposal

in writing. Any change to an Approved Allocation Methodology requires the UG's prior written consent and may not be applied retroactively.

5.7.3 Prohibited Practices. Manager shall not: (a) allocate costs exceeding actual amounts incurred; (b) allocate a disproportionate share to the Grocery Store relative to Affiliated Stores receiving equivalent benefits; (c) include any profit margin or markup in allocated costs; (d) use allocation factors that cannot be objectively verified; or (e) time allocations to reduce NOI in any particular period. Any costs allocated in violation of this Section 5.7 shall be excluded from Operating Expenses.

ARTICLE 6 **OPERATION OF GROCERY STORE**

6.1 General Responsibilities of Manager. Manager is hereby charged with the sole and exclusive management of the Grocery Store, and shall provide the UG with the services customarily provided for in such instances, and shall do and perform any and all things reasonably necessary for the pleasure, comfort, service and convenience of the customers and users of the Grocery Store consistent with profitable utilization and sound business practices, and with other first class grocery stores in the Kansas City metropolitan area. It shall be the duty of Manager, at all times during the Term, to operate and maintain the Grocery Store according to high standards for similar facilities. The UG agrees that Manager may contract for goods and services necessary for the operation of the Grocery Store as long as the terms of any such arrangement are consistent and economically competitive with those offered by unrelated parties for similar services.

6.2 Utilities and Contracts. Subject to the terms of this Agreement, Manager shall operate, maintain, repair and otherwise manage the Grocery Store and provide for the furnishing of water, electricity, gas, telephone, vermin extermination, trash removal and other services necessary or advisable for the operation of the Grocery Store, and shall either perform such service or hire and supervise contractors in maintenance, repair or replacement, all as is approved by the UG or provided to be performed in accordance with the Operating Budget. Manager is authorized to make and enter into all such contracts, equipment leases, and agreements as are required in the ordinary course of business for the operation, maintenance, and service of the Grocery Store and to pay the same when due and otherwise fully perform thereunder; however, Manager shall be required to obtain the consent of the UG before entering into any such contract, lease or agreement, of whatever nature, if the total amount payable under such contract, lease or agreement exceeds the sum of \$5,000 and is not provided for in the Operating Budget. Without limiting Manager's indemnity set forth in Section 6.12 hereof, Manager hereby agrees to pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Manager in any action or proceeding brought by reason of any claim, demand, expense, penalty or fine under the contracts described in this Section.

6.3 Term of Contracts. Any contract, equipment lease, or agreement entered into by Manager with respect to the Grocery Store shall not exceed a term of one (1) year, unless terminable without penalty on thirty (30) days' notice or less, without the prior written approval of the UG.

6.4 Employment of Personnel. Manager shall hire, train, supervise, direct the work of, and discharge all personnel of the Grocery Store. Manager will not discriminate against any employee or applicant for employment because of race, creed, color, sex, age, national origin, religion, ancestry, handicapped status, marital status, Vietnam era veteran status, familial status, or special disabled veteran status. Such personnel shall in every instance be deemed employees of Manager and not of the UG. The UG shall have no right to supervise or direct such employees. Notwithstanding any other provision of this Agreement, Manager agrees to indemnify and hold the UG, its governing body members, directors, officers, employees and agents harmless from any loss, cost, or expense, including attorneys' fees, incurred by them, or any of them, with respect to a breach by Manager of this subsection. Salaries, wages, and other compensation of Manager's employees, including social security, taxes, worker's compensation insurance, and the like, shall be an Operating Expense. Manager shall execute and file punctually when due all forms, reports, and returns required by law relating to the employment of personnel.

6.5 Taxes. Manager shall pay or cause to be paid, as they become due and payable all taxes, assessments (which, for purposes of this Section shall be deemed to include any Benefit District assessments and any transportation development district assessments) and other governmental charges lawfully levied or assessed or imposed upon the Grocery Store Site or Grocery Store Improvements or any part thereof or upon any income therefrom, including, but not limited to, any taxes, assessments or other governmental charges levied, assessed or imposed on the Grocery Store Improvements, or with respect to the assessed value of the Grocery Store Improvements; provided however, that Manager shall not be required to pay or cause to be paid such taxes or assessments or other charges to the extent that the amount, applicability or validity thereof shall be contested in good faith by appropriate proceedings and the Manager shall have established and shall maintain adequate reserves on its books for the payment of the same if required by GAAP. Manager agrees that it is the intent of this Agreement that, notwithstanding any ownership of the Project Site by the UG, the Grocery Store Site, the Grocery Store Improvements, and all parts thereof, shall be subject to the taxes, assessments and other governmental charges that would be applicable if it were not owned by the UG, but, instead, was and is owned by a tax-paying Person, and Manager agrees that Manager shall not make any filing or application, or take any action seeking any exemption for the Grocery Store Site or Grocery Store Improvements or which has as its purpose the causing of the same to be tax-exempt. In the event that the Grocery Store Site or Grocery Store Improvements shall be deemed exempt from normal real and/or personal property taxes and assessments or other governmental charges for any reason whatsoever, there shall be paid to the UG, from Gross Revenues, as an Operating Expense, a payment in lieu of taxes ("Property Tax PILOT"); the amount, from time to time, of such Property Tax PILOT, and the time for payment of the same shall be as similar as practicable to what the normal real and/or personal property taxes, assessments and other governmental charges respecting the Grocery Store Site, the Grocery Store Improvements, and all parts thereof, would be at any particular time if the same were not exempt, and if the UG and Manager cannot agree as to the same, the matter will be submitted to a binding private arbitration proceeding, the rules, procedures and standards for which shall be substantially similar to those in a proceeding in which Manager would have otherwise contested the amount of normal real and/or personal property taxes and assessments or other governmental charges, had the same been levied or assessed, and the costs of any such arbitration shall be paid one-half (½) by Manager and one-half (½) by the UG.

6.6 Insurance; Kansas Tort Claims Act.

6.6.1 **Required Insurance.** During the Term, Manager shall, as an Operating Expense, maintain or cause to be maintained insurance with respect to the Grocery Store Site, the Grocery Store Improvements and the Grocery Store covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating and/or managing similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in its judgment, are adequate to protect the UG, the Grocery Store Site, the Grocery Store Improvements, and the Grocery Store, but in no event in an amount less than that required by the greater of the amounts required by Kansas law or the Insurance Specifications attached hereto as Exhibit 5, and made a part hereof. Each policy or other contract for such insurance shall (a) name the UG and Manager as an insured and loss payee where appropriate; provided, however, that with respect to any liability policy, (i) the UG shall be named as an insured only in an amount not to exceed the KTCA Liability Cap (as defined below), and (ii) the limitation set forth in this proviso shall not apply to property insurance or any other non-liability coverage; and (b) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to the UG, Manager and each other insured, additional insured, loss payee and mortgage payee named therein.

6.6.2 **Kansas Tort Claims Act.**

(a) **Non-Waiver of Sovereign Immunity.** Notwithstanding anything to the contrary in this Agreement, including the insurance requirements in Section 6.6.1 and Exhibit 5, nothing herein shall be construed to require the UG to obtain or maintain any insurance coverage, or to take any other action, that would constitute a waiver of the UG's sovereign immunity, governmental immunity, or any rights, protections, limitations, or defenses available under the Kansas Tort Claims Act, K.S.A. 75-6101 et seq., as amended (the "KTCA"). The UG does not, by entering into or performing under this Agreement, waive any immunity, defense, or limitation of liability to which it is entitled under the KTCA.

(b) **Liability Cap; Effect of Insurance.** The parties acknowledge that, pursuant to the KTCA, the maximum aggregate liability of a governmental entity for tort claims arising out of a single occurrence is currently \$500,000 (the "KTCA Liability Cap"). Notwithstanding anything to the contrary in this Agreement, no insurance policy obtained or maintained by or on behalf of the UG in connection with this Agreement shall (i) constitute a waiver of any immunity or defense available to the UG under the KTCA, (ii) expand the UG's liability beyond the KTCA Liability Cap, or (iii) create any liability that would not otherwise exist under the KTCA, except solely to the extent the KTCA itself provides that such coverage increases the applicable cap.

(c) **Manager's Obligations Not Affected.** This Section 6.6.2 does not limit or modify Manager's independent obligation to obtain and maintain, at Manager's sole cost and expense, all insurance coverages required under Section 6.6.1 and Exhibit 5, nor does it relieve Manager of any Operating Expense obligation or other obligation under this Agreement.

(d) Controlling Effect. In the event of any conflict between this Section 6.6.2 and any other provision of this Agreement, this Section 6.6.2 shall control with respect to the UG's rights, immunities, and defenses under the KTCA.

6.7 Repairs, Maintenance and Alterations. During the Term, Manager shall cause the Grocery Store Improvements, and all parts thereof, the Grocery Store Site and all other of its property used or useful in the conduct of its business and operations, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other comparably situated first class grocery stores, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations. With the prior approval of the UG, Manager may make non-structural additions, alterations and changes to the Grocery Store Improvements so long as such non-structural additions, alterations and changes are made in compliance with all Applicable Laws and Requirements and as long as the same do not materially adversely affect the value of the Grocery Store or Manager's ability to perform its obligations under this Agreement. All other changes and additions to the Grocery Store shall be subject to the reasonable approval of the UG. Notwithstanding the foregoing, the UG shall have responsibility for maintaining, repairing and replacing if necessary the following: (i) roof, foundation, exterior walls, landscaping, drainage systems, utility systems and all structural repairs or replacements to the Grocery Store Improvements, (ii) capital repairs or replacements to the parking areas, driveways, curbs, islands, exterior lighting and related facilities serving the Grocery Store if and to the extent that the same are capital repairs or replacements, and (iii) capital repairs or replacements of the refrigeration and compressor units included among the Grocery Store Improvements.

6.8 Compliance. Manager shall conduct its affairs and carry on its business and operations in, on or about the Grocery Store Site in such a manner as to comply with any and all Applicable Laws and Requirements and all Governmental Orders (hereinafter defined), procure and maintain all licenses and permits and observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Governmental Authorities applicable to Grocery Store Site and the Grocery Store Improvements; provided, however, that nothing contained in this Agreement shall require the Manager to comply with, observe and conform to any such law, order, regulation or requirement of any Governmental Authorities so long as the validity thereof shall be contested by the Manager in good faith by appropriate proceedings, and provided Manager has secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of the Manager to pay the Operating Expenses as they come due. Manager agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements or any Governmental Order, which amounts shall be considered Operating Expenses hereunder.

6.9 Payment of Obligations. During the Term, the Manager shall promptly pay or otherwise satisfy and discharge all of Manager's personal obligations (as opposed to obligations incurred in Manager's capacity as manager of the Grocery Store) and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply would not materially impair its ability to perform its obligations under this Agreement nor subject any part of the Grocery Store Site or the Grocery Store Improvements to loss or forfeiture.

6.10 Liens and Encumbrances. During the Term, the Manager shall promptly cause to be discharged or terminated all mortgages, liens, security interests, charges and encumbrances created or permitted with respect to the Grocery Store Site or Grocery Store Improvements by Manager that are not Permitted Encumbrances.

6.11 Damage, Destruction or Condemnation.

6.11.1 Casualty Escrow. In the event of damage to or destruction of any portion of the Grocery Store Site and/or the Grocery Store Improvements resulting from fire or other casualty during the Term, or in the event any portion of the Grocery Store Site and/or the Grocery Store Improvements are condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, (a) the net proceeds of any insurance relating to such damage or destruction, (b) the net proceeds of such condemnation or taking or (c) the net proceeds of any realization on title insurance, shall be paid into, and used in accordance with a casualty escrow agreement satisfactory to the UG ("**Casualty Escrow**").

6.11.2 Casualty. The parties hereby agree that if, at any time during the Term, the Grocery Store Site or the Grocery Store Improvements or any part thereof shall be damaged or destroyed by a Casualty (the "**Damaged Facilities**"), in whole or in part, the UG may, in its sole discretion, either (a) commence and thereafter proceed as promptly as possible to repair, restore and replace the Damaged Facilities as nearly as possible to their condition immediately prior to the Casualty with and to the extent of insurance proceeds payable with respect to the Casualty and the UG shall be entitled to draw upon the Casualty Escrow for payment of said costs, or (b) terminate this Agreement and retain the proceeds of the Casualty Escrow as its sole and exclusive property. The UG shall, within ninety (90) days of such Casualty, provide written notice to Manager of its intention to either rebuild the Grocery Store Improvements or terminate this Agreement as set forth above.

6.11.3 Condemnation. The parties agree as follows:

(a) if at any time during the Term, title to a material portion or all of the Grocery Store Site shall be taken in condemnation proceedings or by right of eminent domain, this Agreement shall hereby terminate as of the date of such taking and the UG shall be entitled to all of the Casualty Escrow attributable to the award for the Grocery Store Site and Grocery Store Improvements.

(b) if at any time during the Term, a less than material portion of the Grocery Store Site shall be taken in condemnation proceedings or by right of eminent domain, the UG, at its sole cost and expense, shall commence and thereafter proceed as promptly as possible to repair, restore and replace the remaining part of the Grocery Store Site and Grocery Store Improvements as nearly as possible to its former condition and shall be entitled to draw upon that part of the Casualty Escrow attributable to the award for the Grocery Store Site and Grocery Store Improvements for payment of said costs.

(c) For purposes of this Section 6.11.3, references herein to a taking of a "material portion" of the Grocery Store Site or Grocery Store Improvements shall mean a taking that is so substantial that it renders the same unusable for their particular purpose.

(d) Notwithstanding anything herein to the contrary, Manager hereby agrees that Manager shall have no rights or claims in connection with a condemnation award hereunder.

6.12 Indemnity. Manager shall pay and indemnify and save the UG and its governing body members, directors, officers, and employees and agents (collectively, the “**Indemnitees**”) harmless from and against all loss, liability, damage or expense arising out of (a) damage or injury, actual or claimed, of whatsoever kind or character, to third parties or the property of third parties occurring or allegedly occurring in, on or about the Grocery Store Site and/or Grocery Store Improvements to the extent caused by the negligence or conduct of Manager or its employees and agents, and (b) any breach, default or failure to perform by Manager under this Agreement; provided, however, that Manager's indemnification obligations shall not extend to claims arising from the UG's negligence or willful misconduct. Manager shall also pay and indemnify and save the Indemnitees harmless of, from and against, all reasonable costs, reasonable counsel fees, expenses and liabilities incurred by them or by Manager in any action or proceeding brought by reason of any of the above-described claims, demands, expenses, penalties or fines. If any action or proceeding is brought against the Indemnitees by reason of any such claim or demand, Manager, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the Indemnitees. The foregoing notwithstanding, Manager’s duty and obligation hereunder to indemnify any Indemnitees is expressly conditioned upon such Indemnitee’s agreement to waive any and all rights of recovery against Manager on account of any loss, liability, damage or expense which is insured against under any policy of insurance maintained pursuant to the terms hereof or which is otherwise maintained by Manager or such Indemnitee.

6.13 Prohibition on Sales, Etc. Manager will not, without the prior written consent of the UG, (a) assign, sell, lease, mortgage or otherwise transfer this Agreement, any of its rights or responsibilities hereunder, or any other of its rights, titles or interest hereunder or by virtue hereof, (b) merge with or into another Person or sell or transfer to another Person substantially all of its assets, rights or interests, or (c) effect a change of control of Manager. The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion consistent with the public-purpose objectives of this Agreement. Notwithstanding the foregoing, limited collateral assignments to lenders may be permitted, provided no transfer of operational control occurs and any foreclosing party is subject to qualification criteria and UG non-disturbance protocols to be agreed upon by the parties.

6.14 Utilities. During the Term, all utility and utility services used in, on or about the Grocery Store Site and/or Grocery Store Improvements shall be paid for by Manager as Operating Expenses and shall be contracted for by Manager in Manager's own name, and Manager shall procure any and all permits, licenses or authorizations necessary in connection therewith. As to all utilities in, on or about the Grocery Store Site and/or Grocery Store Improvements, Manager hereby agrees to use the Kansas City Board of Public Utilities (“**BPU**”) for any such utilities the BPU provides. Manager shall, at all times during the Term, maintain all utility accounts in good standing and shall keep all essential utility services (including, without limitation, electricity, gas, water, and heat) active, connected, and operating at sufficient levels to prevent damage to the Grocery Store Site, the Grocery Store Improvements, or any equipment located therein, including damage from frozen pipes or freezing temperatures. Manager shall promptly, and in any event within five (5) business days following Manager’s receipt of any notice of pending or threatened

disconnection, suspension, or termination of any utility service to the Grocery Store Site or Grocery Store Improvements (whether for non-payment or otherwise), give written notice thereof to the UG.

6.15 Access. During the Term, Manager hereby recognizes, acknowledges and agrees that the UG and its duly authorized representatives and agents, shall have the right to enter the Grocery Store Site and/or the Grocery Store Improvements at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the operation of the Grocery Store in the Grocery Store Improvements. Nothing contained in this Section 6.15 shall restrict or impede the right of the UG to enter the Grocery Store Site and/or Grocery Store Improvements pursuant to any Applicable Laws and Requirements.

6.16 Environmental Matters. The Manager shall not itself and shall not knowingly permit any other party to store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Grocery Store Site in violation of any Environmental Regulation, shall not cause any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations, shall, cause all Hazardous Substances brought to the Grocery Store Site or permitted by Manager to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in material violation of any Environmental Regulation, and shall comply with all other Environmental Regulations. Manager shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all actual and direct claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and reasonable attorneys' fees directly incurred by the UG (including, but not limited to, prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants. The foregoing covenants contained in this Section shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination of this Agreement. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

ARTICLE 7 **EXCLUSIVITY; PURCHASE OPTION**

7.1 Exclusivity; Marketing; Press Releases. For the Initial Term, the UG will not lease or sell UG-Owned Property for another grocery store within a defined radius of one (1) mile from the Grocery Store Site, subject to exceptions for incidental grocery sales, a farmer's market limited to local producers, and a pharmacy primarily dispensing prescriptions. For the avoidance of doubt, the foregoing exclusivity covenant applies solely to UG-Owned Property and does not apply to, restrict, or encumber any Land Bank Property; the UG and the Land Bank (and their respective successors and assigns) shall have no obligation under this Section 7.1 with respect to

any lease, sale, disposition, or development of Land Bank Property, regardless of the proposed use thereof. Manager agrees that it will actively market, advertise and promote the Grocery Store in the Kansas City metropolitan area. In addition to the foregoing, the UG and Manager hereby agree that any press releases regarding the Grocery Store or the Grocery Store Site during the Term of this Agreement shall be mutually released by the UG and the Manager. Manager shall consult with the UG on community engagement metrics and report on outcomes.

7.2 Option to Purchase.

7.2.1 **Grant and Period.** Manager shall have an exclusive option to purchase the Grocery Store Site and Grocery Store Parking Parcel, together with all UG-owned improvements thereon (the "Option"), by written notice from Manager to UG (the "Purchase Option Notice") given during the period commencing on the first (1st) anniversary of the Effective Date (the "Option Period"). Notwithstanding the foregoing, if Manager's operation of the Grocery Store is successful prior to such date, Manager may request an earlier exercise of the Option, and the UG shall in its reasonable discretion consider such request in good faith and shall not unreasonably withhold, condition, or delay its approval of such earlier exercise.

7.2.2 **Purchase Price.** The purchase price shall equal the Fair Market Value (hereinafter defined) of the fee simple interest in the Grocery Store Site and UG-owned improvements, determined as of a valuation date within a defined window prior to closing to be agreed upon by the parties, less a dollar-for-dollar credit for UG Occupancy Fees actually paid. For purposes of this Section 7.2, the Grocery Store Parking Parcel (as defined in Section 7.2.5(a) below) shall be considered to be a part of the Grocery Store Site, and the Purchase Price shall include the Fair Market Value of the Grocery Store Parking Parcel. Notwithstanding the foregoing, if Manager exercises its option by sending the Purchase Option Notice on or before the second (2nd) anniversary of the Effective Date, the parties agree that the purchase price shall in no event exceed \$3,200,000.

(a) For the purposes of this Section, "Fair Market Value" shall mean the price which a willing purchaser unrelated to UG and in an "arms length" transaction would then be willing to pay to the UG for the Grocery Store Site, and assuming that neither UG nor such purchaser is under any compulsion to consummate such sale. Prior to the date which is thirty (30) days after UG's receipt of the Purchase Option Notice (the "Price Determination Date"), UG and Manager shall consult with each other in order to endeavor to agree in writing upon the Fair Market Value for the Grocery Store Site. Any value agreed upon by UG and Manager in writing shall constitute the Fair Market Value for the Grocery Store Site.

(b) In the event that UG and Manager shall not have agreed in writing upon the Fair Market Value for the Grocery Store Site by the Price Determination Date, then the UG and Manager shall each appoint an Appraiser within ten (10) days after the Price Determination Date. Each Appraiser so appointed shall subscribe and swear to an oath fairly and impartially to determine the Fair Market Value for the Grocery Store Site. Each Appraiser shall be instructed to determine independently of the other the Fair Market Value pursuant to this Section within fifteen (15) days after the Price Determination Date. If only one Appraiser shall have been so appointed within ten (10) days after the Price Determination Date, or if two Appraisers shall have been so appointed but only one such Appraiser shall have made such

determination within fifteen (15) days after the Price Determination Date, then the determination of such Appraiser shall be final and binding upon UG and Manager.

(c) If two Appraisers have been appointed and have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed ten percent (10%) of the lesser of such amounts, then the Fair Market Value for the Grocery Store Site shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined.

(d) If the difference between the amounts so determined exceeds ten percent (10%) of the lesser of such amounts, then (i) such two Appraisers shall have ten (10) days to appoint a third Appraiser; (ii) if such Appraisers fail to do so, then either UG or Manager may request the American Arbitration Association or any successor organization thereto to appoint an Appraiser within ten (10) days of such request and both parties shall be bound by any appointment so made within such ten (10) day period; and (iii) if no such third Appraiser shall have been appointed within such ten (10) days or within thirty (30) days of the Price Determination Date, whichever is earlier, either UG or Manager may apply to any court having jurisdiction to make such appointment.

(e) Such third Appraiser, however selected, shall be jointly instructed by UG and Manager to determine the Fair Market Value for the Grocery Store Site in accordance with this Section within thirty (30) days after such Appraiser's appointment. Of the three appraisals, the appraisal which differs most in terms of dollar amount from the other two appraisals shall be excluded, and fifty percent (50%) of the sum of the remaining two appraisals shall be final and binding upon UG and Manager as the Fair Market Value for the Grocery Store Site. In the event the highest and lowest appraisals differ equally from the middle appraisal, then the middle appraisal shall be final and binding upon UG and Manager as the Fair Market Value.

(f) UG shall pay the fees of the Appraiser appointed by UG, and Manager shall pay the fees of the Appraiser appointed by Manager. The fees of the third Appraiser, if any, shall be paid in equal shares by UG and Manager. UG and Manager shall each have the right to submit such data and memoranda to each of the Appraisers in support of their respective positions as they may deem necessary or appropriate.

(g) Notwithstanding anything herein this Section 7.2 the contrary, the value of any Manager-installed and constructed improvements to the Grocery Store Site shall not be factored into (or shall be deducted from) any valuation or appraisal determination.

(h) If Manager is not satisfied with the determination of Fair Market Value pursuant to the process described herein, Manager may withdraw its Purchase Option Notice by written notice to the UG, in which case Manager shall have waived its right to the Option described herein and Manager shall reimburse the UG for its costs for paying the Appraiser(s) described herein.

7.2.3 Right of First Refusal. Manager shall also have a right of first refusal (“**ROFR**”) to acquire the Grocery Store Site (and, if applicable, the Grocery Store Parking Parcel) at any time during Term. Provided that Manager has not yet exercised its Option by delivering a

Purchase Option Notice (as described in 7.2.1 above), the UG may sell the same to a third party. However, in the event that UG intends to transfer its interest in the Grocery Store Site to an unrelated third party, the UG must first provide to Manager written notice of such proposed sale or transfer, including the name of the proposed buyer/transferee and all of the relevant negotiated terms and conditions of such sale or transfer, which shall include the purchase price, relevant transaction timelines and the property to be included in the sale, which may include the Grocery Store Parcel (the “**ROFR Notice**”). Manager shall then have thirty (30) days after receipt of the ROFR Notice to either exercise in writing its ROFR right to acquire the Grocery Store Site under the same terms and conditions set forth in the ROFR Notice, or to provide notice that it declines to exercise its ROFR right. If Manager exercises its ROFR right, then Manager and the UG will close on the Grocery Store Site as set forth below. If, however, Manager fails to timely exercise its ROFR right hereunder, then the UG will thereafter be free to sell and convey the Grocery Store Site (and, if applicable, the Grocery Store Parking Parcel) to said third party on the same material terms and conditions as those set forth in the ROFR Notice. Notwithstanding anything herein to the contrary, in no manner shall UG’s rights under this Section 7.2.3 interfere with or otherwise limit Manager’s Option rights as set forth in Section 7.2.

7.2.4 **Restrictive Covenant.** As a condition to closing under the Option or ROFR, Manager and the UG shall execute and record, concurrently with the deed, a restrictive covenant agreement running with the land that obligates Manager and its successors to continuously operate a full-service grocery store at the Grocery Store Site for ten (10) years after closing. The covenant shall include limited exceptions for force majeure, casualty or condemnation, governmental orders, and UG-approved remodels, with temporary-closure parameters to be finalized in definitive documents. Monetary damages being inadequate, the UG shall be entitled to equitable relief (including injunction and specific performance), together with such additional rights and remedies as the parties may agree.

7.2.5 **REA.**

(a) At closing, the UG shall convey to Manager a portion of the Project Site (the “Grocery Store Parking Parcel”) sufficient to satisfy applicable zoning and parking requirements for the Permitted Use. The boundaries shall be determined by the UG in its reasonable discretion, subject to good faith consultation with Manager, finalized within thirty (30) days following the UG’s receipt of a Purchase Option Notice. However, in no event shall the Grocery Store Parking Parcel be less than the Parking Area. The Grocery Store Parking Parcel shall include the Grocery Store Improvements and be reasonably sufficient for continued Grocery Store operations. The remainder of the Project Site shall be the “Retained Parcel.” Without limiting the generality of the foregoing, Manager understands and agrees that the southern half of the parking lot, the portion that is at a higher elevation and generally abuts Armstrong Avenue, shall in all events be a part of the Retained Parcel; the Grocery Store Parking Parcel shall only be comprised of a portion of the northern half of the parking lot that generally abuts Minnesota Avenue.

(b) As a condition to closing, the parties shall execute and record a Reciprocal Easement Agreement (“REA”) in form acceptable to the UG in its discretion, addressing: (i) shared parking and cross-access rights, including the UG’s and its designees’ continuing right to access and park on the Grocery Store Parking Parcel; (ii) ingress/egress for

vehicular and pedestrian traffic; (iii) maintenance, repair, insurance, and cost allocation for common facilities; (iv) non-exclusive use rights for access and parking purposes; and (v) default and enforcement provisions. The REA shall be commercially reasonable and consistent with similarly situated retail developments. The UG (and its successors, assigns, tenants, licensees, invitees, and other designees respecting the Retained Parcel) shall retain perpetual, non-exclusive easement rights to access and park on the Grocery Store Parking Parcel to support the Retained Parcel, which easement rights shall run with the land and be binding upon Manager and its successors and assigns.

7.2.6 **Closing.** The closing after Manager's exercise of the Option or ROFR shall occur on a date mutually agreeable to UG and Manager, which date shall be not later than forty-five (45) days after the establishment of the purchase price for the Grocery Store Site (which, in the case of the ROFR, shall be Manager's exercise of its ROFR in writing). The Grocery Store Site shall be conveyed subject only to the Permitted Encumbrances and such other matters created by Manager or arising out of Manager's use and occupancy of the Grocery Store Site, but free and clear of the lien of any mortgage, deed of trust, security interest and encumbrance created by or resulting from acts of the UG. Manager shall pay all closing costs and charges incident to the conveyance of the Grocery Store Site. Each party shall pay its own legal fees and administrative costs incurred in connection with any such conveyance of the Grocery Store Site to Manager. UG shall convey title to Manager by delivery of a special warranty deed and shall deliver such title as any reputable title insurance company would be willing to insure, subject only to the Permitted Encumbrances and any other matters created or consented to by Manager. Upon the completion of any conveyance of the Grocery Store Site to Manager pursuant to the terms of this this Section, this Agreement shall terminate, and neither UG nor Manager shall have any further rights or obligations to the other hereunder, actual or contingent, which have arisen on or prior to the closing (except for those rights and obligations which are expressly stated to survive the expiration or earlier termination of this Agreement). The termination of this Agreement prior to the exercise of the Option shall terminate all rights and obligations of UG and Manager under this Section.

ARTICLE 8 **DEFAULT AND REMEDIES**

8.1 Default Provisions. Manager shall be in default under this Agreement if:

8.1.1 Manager fails to make any of the payments of money when due as required by the terms of this Agreement and fails to remedy the same within five (5) days after Manager's receipt of written notice from the UG; or

8.1.2 Manager fails in a material manner to keep or perform any covenant or obligation herein contained on Manager's part to be kept or performed, and Manager fails to remedy the same within thirty (30) days after Manager's receipt of written notice specifying such failure and that the UG considers such failure to be material and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot reasonably be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Manager within such period and diligently pursued until the default is corrected; or

8.1.3 Manager or any Affiliates of Manager shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Manager generally is not paying its debts as such debts become due; or Manager or any Affiliates of Manager make an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Manager or any Affiliates of Manager and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Manager whereupon the Grocery Store Site, the Grocery Store Improvements, or any part thereof, or any interest therein of Manager under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement); or

8.1.4 Manager breaches its representations and warranties set forth in this Agreement and Manager fails to remedy the same within thirty (30) days after Manager's receipt of written notice from the UG specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot reasonably be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Manager within such period and diligently pursued until the default is corrected.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Manager covenants to pay and to indemnify the UG against all reasonable costs and charges, including reasonable attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies. Without limiting the generality of the foregoing, and in addition to and not to the exclusion of any other rights or remedies of the UG hereunder, in the event of such default which is not cured within the applicable cure period, the UG may terminate this Agreement.

ARTICLE 9 **DEFAULT BY THE UG**

9.1 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Manager has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Manager may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by the UG of any provision of this Agreement, however, the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question plus the reasonable costs or charges, including reasonable attorneys' fees, lawfully and reasonably incurred by or on behalf of Manager in connection with the enforcement of any such actions or remedies, and under no circumstances shall the UG be liable for any remote or consequential damages.

ARTICLE 10
MISCELLANEOUS

10.1 Cash Basis Law. This Agreement is subject to the Kansas Cash Basis Law, K.S.A. 10-1101 et seq. and amendments thereto. This Agreement shall be construed and interpreted so as to ensure that the UG shall at all times stay in conformity with such laws. The UG is obligated only to make payments under the Agreement as may lawfully be made from: (a) funds budgeted and appropriated for that purpose during the UG's current budget year; or (b) funds made available from any lawfully operated revenue producing source.

10.2 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.3 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, inability to procure materials, failure of power, restrictive governmental law or regulations, court or other judicial order, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, Force Majeure shall not include strikes, lockouts, labor disputes, or other labor troubles affecting Manager or its employees or contractors, all of which shall remain Manager's risk and responsibility. The provisions of this Section shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.4 Representations and Warranties.

10.4.1 Representations and Warranties of Manager. Manager represents and warrants to the UG as follows:

(a) Organization. Manager is a limited liability company duly formed and validly existing under the laws of the State of Kansas. Manager is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Manager shall (1) preserve and keep in full force and effect its limited liability company or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(b) Authority. The execution, delivery and performance by Manager of this Agreement are within such party's powers and have been duly authorized by all necessary action of such party.

(c) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Manager or any provision of law, statute, rule or regulation to which Manager is subject, or to any judgment, decree, license, order or permit applicable to Manager, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Manager is a party, by which Manager or any of its assets is bound, or to which Manager or any of its assets is subject.

(d) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Manager of this Agreement.

(e) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Manager enforceable against Manager in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, receivership, fraudulent transfer, fraudulent conveyance, moratorium or other similar laws relating to or affecting creditors' rights generally and the enforcement thereof, and subject to general principles of law and equity and the availability of specific legal and equitable remedies, including but not limited to the remedy of specific performance or similar relief, and the discretion of the court (regardless of whether enforcement is sought in equity or at law), and subject to standards of commercial reasonableness.

10.4.2 Representations and Warranties of the UG.

(a) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(b) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State, or to any judgment, decree, license, order, or permit applicable to Manager, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which the UG is a party, by which the UG or any of its assets is bound, or to which Manager or any of its assets is subject.

(c) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(d) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, receivership, fraudulent transfer, fraudulent conveyance, moratorium or other similar laws relating to or affecting creditors' rights generally and the enforcement thereof, and subject to general principles of law and equity and the availability of specific legal and equitable remedies, including but not limited to the remedy of specific performance or similar relief, and the discretion of the court (regardless of whether enforcement is sought in equity or at law), and subject to standards of commercial reasonableness.

10.5 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Manager.

10.6 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

10.7 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.8 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.9 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10.10 Time. Time is of the essence in this Agreement.

10.11 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Manager shall, may or must give its approval or consent, the UG or Manager shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Manager or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.12 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered if delivered by (i) certified mail, return receipt requested, or (ii) by any nationally recognized overnight delivery service, in each case if addressed to the parties set forth below:

To the UG:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101

With a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101

And a copy to:

Unified Government of Wyandotte County and Kansas City, Kansas
701 N. 7th Street, 4th Floor
Kansas City, Kansas 66101
Attn: Chelsee Chism, Director of Economic Development

And a copy to:

Christal E. Watson
Mayor & Chief Executive Officer
Unified Government of Wyandotte County
701 N. 7th Street, 9th Floor
Kansas City, Kansas 66101

And a copy to:

Stinson LLP
1201 Walnut Street, Suite 2800
Kansas City, Missouri 64106
Atten: Todd A. LaSala, Esq

And to Manager at:

Santa Fe Grocers LLC dba United Market
501 Minnesota Ave
Kansas City, KS 66101
Attn: Anthony Estrada

10.13 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

"UG"

THE UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: _____
Christal E. Watson
Mayor/CEO

Clerk: _____
Monica L. Sparks

Approved as to Term and Legality by:

Angela Lawson, Acting Chief Counsel

By: _____

"Manager"

SANTA FE GROCERS LLC,
a Kansas limited liability company, dba United Market

By: _____
Anthony Estrada, Authorized Signatory

INDEX OF EXHIBITS

1. Project Site
2. Grocery Store Site
3. Initial Operator FF&E
4. Fixturing Plan
5. Insurance Specifications
6. Preliminary Budget Estimate
7. Parking Area

EXHIBIT 1
PROJECT SITE



Exhibit 1

EXHIBIT 2
GROCERY STORE SITE

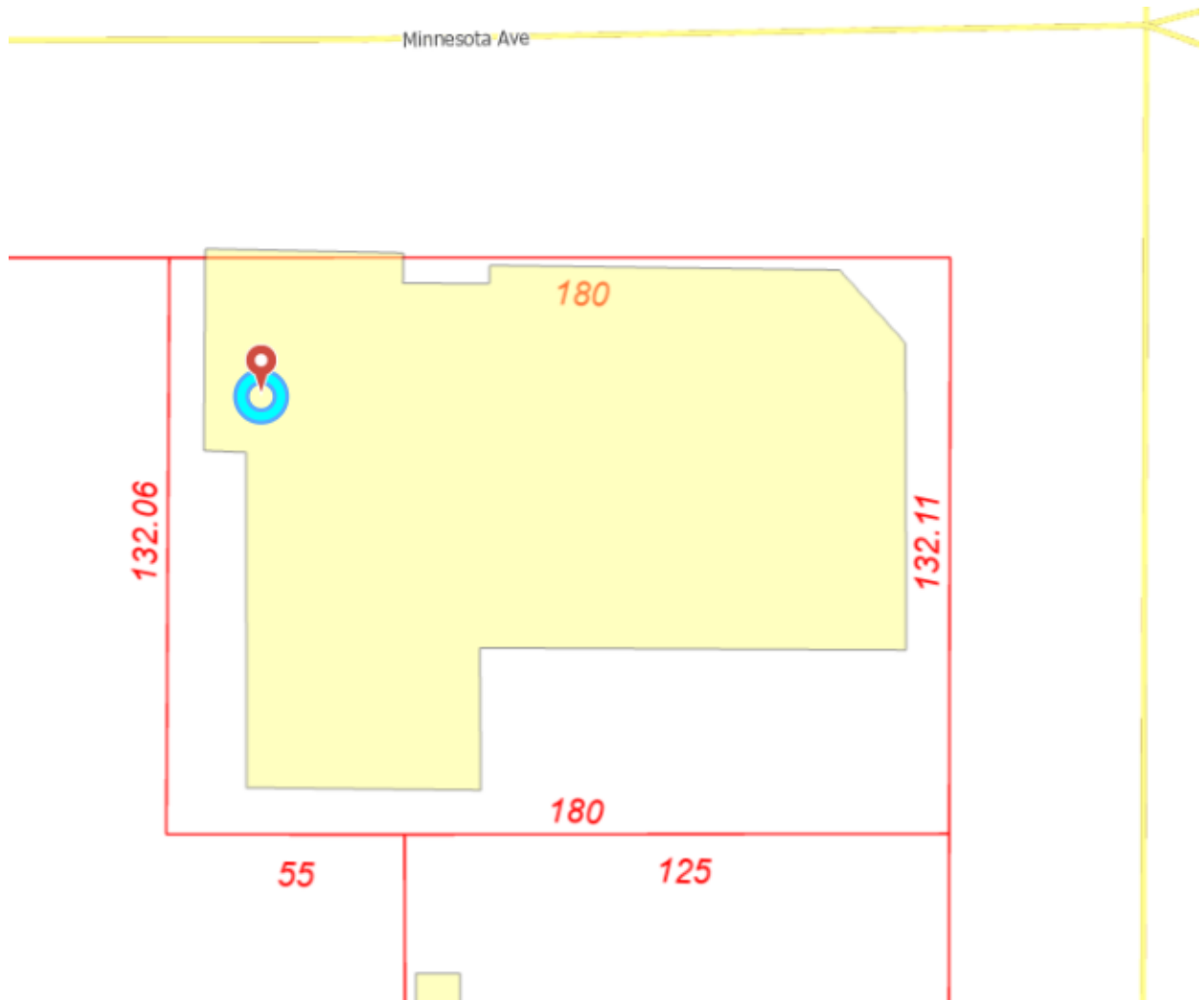
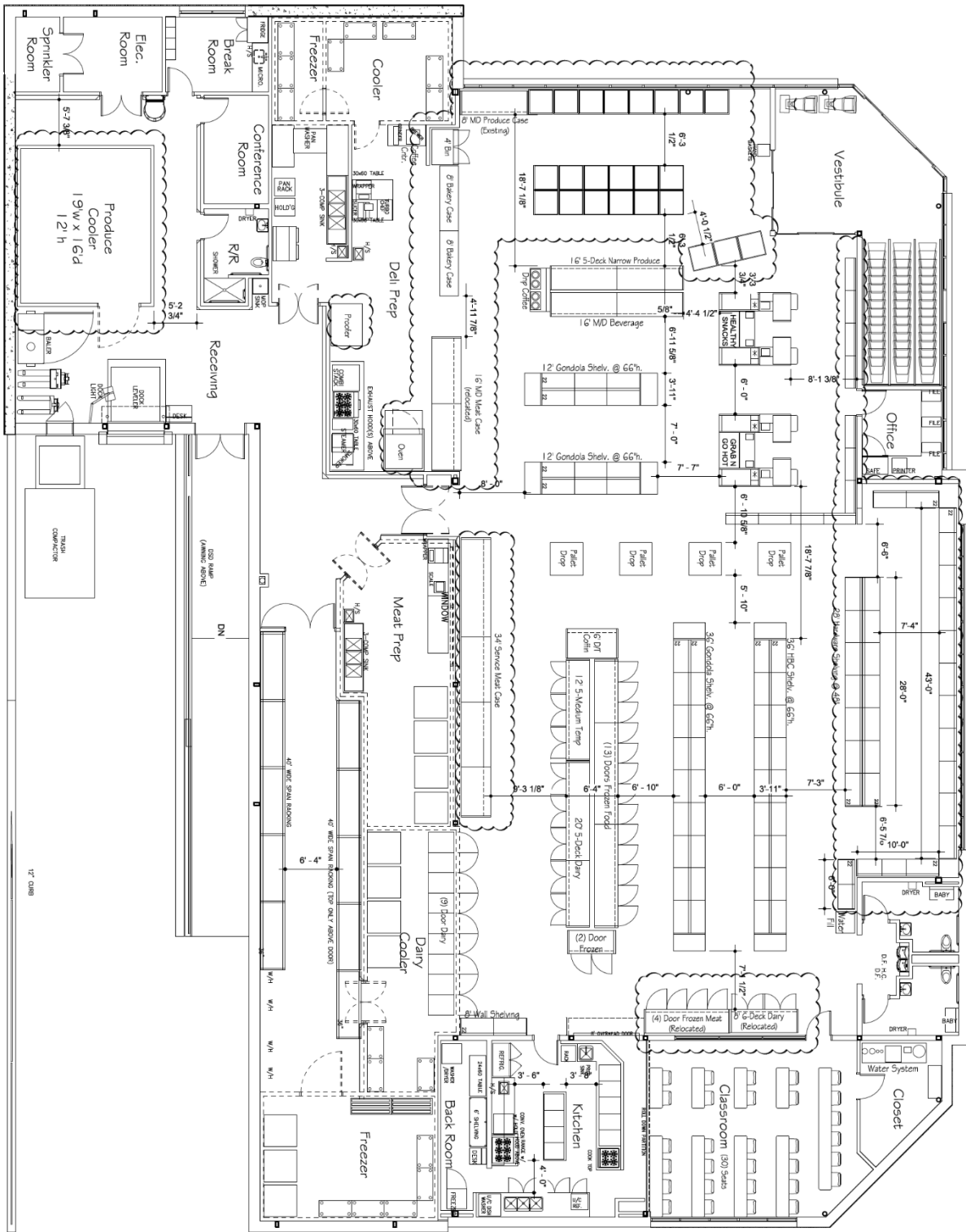


EXHIBIT 3

INITIAL OPERATOR FF&E

- 35 feet of full-service meat department added in the current meat case location. This will include 6' fresh cut beef, 6' marinated fresh cut beef, 6' chicken, 6' pork, 5' seafood and 6' deli/cheese cases.
 - Current prep cooler will be utilized for meat department only.
 - Packaged meat case to be relocated before the fresh meat case in place of the grab and go section. This will be utilized for pre-packaged meat, chicken and pork.
- Current refrigerated and freezer case (before milk case) to be relocated for the expansion of the fresh meat case.
- 8 feet of refrigerated cake/pastry display case added
- 8 feet of fresh bakery self-serve case added
 - Production area will
- Produce to be expanded.
 - Adding refrigerated 12' case in the back corner of the department.
 - Fresh cut fruit/veggie program added including salsas.
 - 22 produce bins added (3'x3') to the center and wall of the department.
 - Smaller low profile refrigerated case to be relocated at the front of the department by the front doors.
 - Produce displays will begin at the entrance of the store in between the doors.
 - Produce cooler is required to support expanded selection of products.
 - Cooler added in the backroom area by the dock door.
- Alcohol will be replaced with expanded dairy selections.
- All shelving along the walls will be replaced with increased height to maximize space (72" height).
- Wall to current seating area to be removed and replaced with shelving (72" height).
- Shelving added along windows to maximize store space in an effort to increase grocery variety.
- Shelving added to the front of the store past the check stands to add health/beauty aids including medicines.

EXHIBIT 4 FIXTURING PLAN



Exhibits 4

EXHIBIT 5

INSURANCE SPECIFICATIONS

1. Worker's Compensation. Manager may self-insure if and to the extent permitted by the Kansas Department of Labor and otherwise allowed by applicable law. The self-insured retention shall be as required by Kansas law. Manager will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. Comprehensive General Liability. Manager will purchase and maintain with primary limits of \$1,000,000.

3. Automobile Liability. Manager will purchase and maintain with primary limits of \$1,000,000.

4. Excess Liability. Manager will purchase and maintain excess liability insurance in an amount not less than \$5,000,000.

5. Special Perils Form Property Insurance. Manager will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance, will be included if required and if available at a reasonable cost, fired vessel, boiler and machinery, and underground collapse may be required by the UG as additional perils.

6. Fidelity Bond. Pursuant to this Agreement, Manager agrees to operate and manage the Grocery Store Improvements during the Term of the Agreement, including without limitation, the management and fiduciary obligations regarding the receipts and various accounts; the rendering of financial reports and records; the payment of certain fees, costs and other obligations; limitations on Manager's ability to enter into contracts and make capital expenditures; and Manager's employment of personnel. Its obligations under these Sections of the Agreement will be secured by a fidelity bond in an amount not less than \$2,000,000.

EXHIBIT 6
PRELIMINARY BUDGET ESTIMATE

Preliminary Budget Estimate

2025-11-19 – AWG – Merc Cost Estimate

Refrigerated Equipment - \$60,000
Relocation of Refrigerated Equipment - \$15,000
Refrigeration install - \$30,000
Produce walk-in & install - \$75,000
Bakery Equipment - \$55,000
Interior graphics package - \$100,000
Exterior signage package - \$50,000
Gondolas/Shelving/Bins/Seating - \$20,000
Construction – Interior painting, saw cutting, concrete, demo, low wall, electrical, plumbing -
\$60,000

Subtotal - \$465,000
Shipping 10% – \$46,500
Taxes 10% - \$46,500
AWG Fees 3% - \$13,950

Grand Total - \$571,950

Exhibit 7

EXHIBIT 7 PARKING AREA



Exhibit 7

ANNEX 1

DEFINITIONS

“Actual NOI” means, for any Measurement Period, the Net Operating Income of the Grocery Store for such Measurement Period, calculated in accordance with Section 5.4.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person. For purposes of this definition, “Control” (including the correlative meanings of “Controlled by” and “under common Control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other equity interests, by contract, or otherwise. Without limiting the foregoing, (i) any Person owning fifty percent (50%) or more of the voting securities or equity interests of another Person shall be deemed to Control such Person, and (ii) any general partner of a partnership, managing member of a limited liability company, or trustee of a trust shall be deemed to Control such partnership, limited liability company, or trust.

“Affiliated Store” means any grocery store, supermarket, food service establishment, or other retail operation (other than the Grocery Store) that is owned, operated, managed, or controlled by Manager or any Affiliate of Manager, whether now existing or hereafter established, as more fully described in Section 5.2.

"Agreement" means this Agreement by and between the UG and Manager.

“Allocated Expenses” means the portion of any Shared Costs that is allocated or attributed to the Grocery Store pursuant to an Approved Allocation Methodology and included as an Operating Expense of the Grocery Store for purposes of calculating Net Operating Income, as more fully described in Section 5.2.

“Allocation Methodology” means any methodology used by Manager to allocate Shared Costs among the Grocery Store and Affiliated Store(s).

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Governmental Authorities, and all requirements of any insurers. Applicable Laws and Requirements shall include, without limitation, the Kansas Cash Basis Law (K.S.A. § 10-1100, et seq.) and Budget Law (K.S.A. § 75-3729, et seq.).

“Approved Allocation Methodology” means an Allocation Methodology that has been approved in writing by the UG pursuant to Section 5.7, as the same may be amended or modified from time to time with the UG’s prior written consent.

"Benefit District" means any special benefit district that includes the Grocery Store Site created pursuant to Applicable Laws and Requirements.

"BPU" means the Kansas City Board of Public Utilities as referenced in Section 6.14 hereof.

"Casualty" means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction as referenced in Section 6.11.2 hereof.

"Casualty Escrow" means the escrow described in Section 6.11.1.

"Consumer Price Index" means the "U.S. City Average, All Items" Consumer Price Index for All Urban Consumers (CPI-U; Base: 1982-84=100) (not seasonally adjusted) as published for a calendar month by the United States Department of Labor, Bureau of Labor Statistics. In the event that the CPI-U ceases to incorporate a significant number of items, or if a substantial change is made in the method of establishing such CPI-U, then the CPI-U shall be adjusted in a fair and reasonable manner to the figure that would have resulted had no substantial change occurred in the manner of computing such CPI-U. In the event that such CPI-U (or a successor or substitute index) is not available, such governmental or other service or publication as shall evaluate the information in substantially the same manner as the aforesaid CPI-U shall be used in lieu thereof.

"Damaged Facilities" means that part of the Grocery Store Site or Grocery Store Improvements damaged by a Casualty as described in Section 6.11.2 hereof.

"Default Rate" has the meaning set forth in Section 4.4.

"Effective Date" means the date of this Agreement first above written. However, in no event shall the Effective Date be earlier than the date UG provides possession of and access to the Grocery Store to Manager, in a condition for Manager to begin preparing the Grocery Store for Manager's operations.

"Environmental Regulation" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any governmental authority having jurisdiction over the parties hereto or any portion of the Grocery Store Site or the Project Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (hereinafter collectively called "CERCLA").

"Fair Market Value" has the meaning set forth in Section 7.2.2(a).

"Fiscal Year" means Manager's customary fiscal year.

"Force Majeure" has the meaning set forth in Section 10.3.

"GAAP" means generally accepted accounting principles.

"Governmental Authorities" shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence.

"Governmental Orders" means any order, writ, judgment, injunction, decree, stipulation, determination, directive, proclamation, declaration of emergency, public health order, or other

binding action or award (whether temporary, preliminary, or permanent, and whether issued in response to an emergency, public health condition, or otherwise) entered, issued, made, or rendered by, or any agreement with or undertaking to, any Governmental Authority that is applicable to or otherwise affects Manager, the Grocery Store, the Grocery Store Site, or the Grocery Store Improvements, including, without limitation, any such order affecting hours of operation, occupancy limits, product offerings, or requiring temporary closure of the Grocery Store.

"Grocery Store" means the existing grocery store facility located at 501 Minnesota Avenue, Kansas City, Kansas, operated and managed pursuant to this Agreement.

"Grocery Store Improvements" means those improvements necessary for the operation of the Grocery Store.PI

"Grocery Store Site" means that part of the Project Site which is described on Exhibit 2.

"Grocery Store Parking Parcel" has the meaning set forth in Section 7.2.5(a).

"Gross Revenues" means all cash and receipts generated by and in the Grocery Store, and the total amount of sales of goods made by Manager, in, at or from the Grocery Store, at wholesale or retail, or delivered from the Grocery Store. Without limiting the generality of the foregoing, Gross Revenues shall include: (i) the entire amount of the price charged, whether wholly or partially in cash or on credit, or otherwise, for all goods, wares, merchandise and chattels of any kind sold, leased, licensed or delivered; (ii) all gross income of Manager and any other party from any operations in, at, upon or from the Grocery Store which are neither included in nor excluded from Gross Revenues by other provisions of this Agreement, but without duplication; (iii) the Grocery Store's proportionate share of any volume discounts, rebates, allowances, or similar payments received by Manager or any Affiliate from vendors, suppliers, or other third parties to the extent attributable to the Grocery Store's purchases, sales, or operations (such share to be allocated in accordance with an Approved Allocation Methodology under Section 5.7); and (iv) any revenues from shared facilities or services (including, without limitation, any bakery, commissary, or central kitchen serving the Grocery Store and Affiliated Stores) that are allocable to the Grocery Store pursuant to an Approved Allocation Methodology under Section 5.7. For the avoidance of doubt, revenues generated at or by an Affiliated Store shall not be included in Gross Revenues of the Grocery Store, and revenues generated at or by the Grocery Store shall not be diverted, shifted, or reallocated to an Affiliated Store except in accordance with an Approved Allocation Methodology.

"Hazardous Substance" means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulation, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulation because of its hazardous, toxic, or dangerous properties, including, without limitation, (a) any substance that is a "hazardous substance" under CERCLA, and (b) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

“Indemnitees” has the meaning set forth in Section 6.12.

"Index of Exhibits" means the index attached to this Agreement.

"Initial Operator FF&E" means the improvements described on Exhibit 3 and installed in accordance with the fixturing plan attached as Exhibit 4, as more fully described in Section 3.2.

"Initial Term" means the three (3) year period commencing on the Effective Date as set forth in Section 4.1.

"Insurance Specifications" means the insurance requirements on Manager in connection with the Grocery Store as generally described in Section 6.6 and more fully set forth in Exhibit 5 hereof.

“KTCA” has the meaning set forth in Section 6.6.2(a).

“KTCA Liability Cap” has the meaning set forth in Section 6.6.2(b).

“Land Bank” means the Wyandotte County/Kansas City, Kansas Land Bank, a Kansas land bank established pursuant to K.S.A. 12-5901 et seq. (or any successor entity thereto), which is a separate legal entity from the UG notwithstanding any administrative or governance relationship between the Land Bank and the UG.

“Land Bank Property” means all real property that is owned, held, or controlled by the Land Bank, regardless of how such property was acquired by the Land Bank or whether such property was previously owned by the UG or any other Person. For the avoidance of doubt, real property shall be deemed Land Bank Property if legal title to such property is held by the Land Bank, even if such property is subject to a management agreement, development agreement, or other arrangement with the UG or any third party.

"Manager" means SANTA FE GROCERS LLC, a Kansas limited liability company, dba United Market, as identified in the preamble of this Agreement.

"Manager Trade Fixtures" means trade fixtures, movable equipment, POS systems, and branding elements purchased by Manager and identified on an asset register kept current and shared with the UG, as more fully described in Section 3.2.

“Manager Parking Rights” has the meaning set forth in Section 3.3.

“Measurement Period” means each Fiscal Year during the Term, or such other period as the parties may agree in writing, as more fully described in Section 5.2(d).

“Net Operating Income” or “NOI” means, for any period, the Gross Revenues of the Grocery Store for such period, less the Operating Expenses for such period, calculated in accordance with GAAP consistently applied and subject to the exclusions and adjustments set forth in Section 5.2(e).

"Operating Budget" means Manager's detailed budget setting forth all Operating Expenses and other expenses to be incurred by the Grocery Store and a projection of revenues.

“Operating Expenses” has the meaning set forth in Section 4.3.

"Option" means Manager's exclusive option to purchase the Grocery Store Site and UG-owned improvements thereon as set forth in Section 7.2.

“Option Period” has the meaning set forth in Section 7.2.1.

“NOI Statement” means the written statement prepared by Manager setting forth the calculation of Actual NOI and the UG NOI Share for each Measurement Period, as more fully described in Section 5.4.

“Parking Area” has the meaning set forth in Section 3.3, and is depicted on Exhibit 7.

“Parking Facility Use Agreement” means that certain Parking Facility Use Agreement, dated as of July 6, 2023, by and between the UG and EPD2 City Hall, L.P., a Kansas limited partnership, concerning the non-exclusive use of certain parking spaces located on a portion of the Project Site, as the same may be amended, restated, supplemented or replaced from time to time.

"Permitted Encumbrances" means (a) utility, access or other easements and rights of way of record, and (b) laws regulating the use or enjoyment of the Project Site.

“Permitted Use” has the meaning set forth in Section 2.3.

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"Pre-Opening Fund" means the One Hundred Fifty Thousand Dollar (\$150,000) contribution by the UG toward the Initial Operator FF&E as set forth in Section 4.2.

“Price Determination Date” has the meaning set forth in Section 7.2.2(a).

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it, as its prime rate. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Project Site" means certain real property generally described in Recital A of this Agreement and shown on Exhibit 1 attached hereto.

“Property Tax PILOT” means the payment in lieu of taxes as described in Section 6.5 hereof.

“Purchase Option Notice” has the meaning set forth in Section 7.2.1.

"Quarterly Accounting Period" means each calendar quarter during the Term.

“REA” has the meaning set forth in Section 7.2.4(b).

"Renewal Term" means each successive one (1) year renewal period following expiration of the Initial Term as set forth in Section 4.1.

“Retained Parcel” has the meaning set forth in Section 7.2.4.

“ROFR” means that Manager’s right of first refusal to purchase the Grocery Store Site (and, if applicable, the Grocery Store Parking Parcel) as set forth in Section 7.2.3.

“ROFR Notice” means the notice required to be given by the UG to Manager in connection with the ROFR as set forth in Section 7.2.3.

“Shared Costs” means costs incurred by Manager or any Affiliate that benefit both the Grocery Store and any Affiliated Store, as more fully described in Section 5.2.

"State" means the State of Kansas.

"Term" means the term of this Agreement as set forth in Section 4.1 hereof.

"UG" means the Unified Government of Wyandotte County/Kansas City, Kansas.

“UG Commission” means the Board of Commissioners and governing body of the UG, as constituted from time to time.

“UG-Owned Property” means all real property that is directly owned in fee simple by the Unified Government of Wyandotte County/Kansas City, Kansas, in its governmental capacity. For the avoidance of doubt, UG-Owned Property does not include: (i) Land Bank Property, (ii) property held by any other governmental entity, authority, agency, or instrumentality (even if affiliated with or created by the UG), or (iii) property in which the UG holds less than a fee simple interest.

"UG Occupancy Fee" means the monthly fee payable by Manager to the UG pursuant to Section 4.4, in the amount of Five Thousand Dollars (\$5,000) per month during the Initial Term (subject to abatement through April 30, 2027), and as increased by three percent (3%) annually during any Renewal Term.

"UG NOI Share” means five percent (5%) of the Net Operating Income for any Measurement Period, payable by Manager to the UG pursuant to Section 5.3.

6/26/2026 EXECUTIVE SUMMARY
GROCERY STORE MANAGEMENT AGREEMENT
(SANTA FE GROCERS LLC dba UNITED MARKET)

1. **Parties.** The UG and Santa Fe Grocers LLC, a Kansas limited liability company, dba United Market ("Manager").

2. **The Project.** The Management Agreement provides for the operation and management of a full-service grocery store facility located at in the former Merc store located at 501 Minnesota Avenue, Kansas City, Kansas, on a UG-owned site (the "Project Site"), along with certain associated improvements and parking (as shown in Exhibit 7). Manager operates as an independent contractor and has no leasehold or property interest in the Grocery Store building or the land, subject to an Option to Purchase described in Section 11 of this Executive Summary.

3. **Initial Improvements and Pre-Opening Costs.** The parties agree that:

(a) **Initial Operator FF&E.** Manager will make certain improvements (the "Initial Operator FF&E") at Manager's sole cost and expense. Trade fixtures, movable equipment, point of sale systems, and branding elements purchased by Manager will remain Manager's property, provided they are identified on an asset register kept current and shared with the UG. All buildings, structural components, systems, and improvements installed by or on behalf of the UG shall remain UG property.

(b) **Pre-Opening Fund.** The UG will fund \$150,000 (the "Pre-Opening Fund") as a contribution toward demolition, hard construction costs and/or signage of the Initial Operator FF&E. Manager must submit documentation for reimbursement or direct payment, and the UG remits payment within thirty-five (35) days. Any misuse of the Pre-Opening Fund, and any default by Manager during the first twelve (12) months that results in a termination by the UG, will make the Pre-Opening Fund subject to clawback by the UG, payable within thirty (30) days following written demand.

4. **Operation of Grocery Store; Term.** The Grocery Store will be managed by Manager as an independent contractor for an initial term of three (3) years (the "Initial Term"). After the Initial Term, the Agreement automatically renews for successive one-year terms unless either party delivers written notice of non-renewal at least six (6) months prior to the end of the then-current term. Any holdover is on a month-to-month basis and does not extend the Option to Purchase.

5. **Occupancy Fee.** Generally, Manager pays the UG a \$5,000 per month "Occupancy Fee" on the first day of each calendar month. However, the Occupancy Fee is abated for a period of twelve (12) full calendar months at the beginning of the term. All Occupancy Fees paid are credited dollar-for-dollar to the purchase price if the Option to Purchase is exercised as described below. The Occupancy Fee increases by three percent (3%) annually during any Renewal Term.

6. **Budgets, Financial Reporting and Revenue Sharing.** The Agreement contains comprehensive provisions concerning Manager's financial reporting obligations, including requirements with respect to periodic submittal of statements of income and expenses, balance sheets, financial statements, copies of sales tax returns, and NOI Statements.

(a) **Operating Budgets.** Manager is required to submit to the UG an annual Operating Budget at least 90 days prior to each Fiscal Year. The UG agrees to review and comment within sixty (60) days. Manager may not exceed any line item in the Operating Budget by more than fifteen percent (15%) in any Quarterly Accounting Period without the prior consent of the UG.

(b) **Operating Expenses.** Manager is responsible for all expenses incurred in the operation and maintenance of the Grocery Store, including purchases of grocery inventory; equipment and fixtures; media advertising; cleaning services and supplies; utilities; personnel; ordinary maintenance and repairs; insurance; taxes and governmental charges; allocated expenses pursuant to an Approved Allocation Methodology; and all other direct costs and expenses.

(c) **Audit Rights.** The UG retains the right to audit financial records, operating expenses, and all revenue sharing calculations. If an audit reveals an error larger than three percent (3%) in Gross Revenues, Occupancy Fee, Operating Expenses, or NOI, Manager bears the costs of the audit.

(d) **Revenue Sharing.** After Manager has recouped its Initial Operator FF&E costs from Net Operating Income ("NOI"), Manager agrees to pay the UG five percent (5%) of Net Operating Income (the "NOI Share") during each Fiscal Year. If NOI is zero or negative, no revenue sharing is due. Manager is also entitled to a Management Fee of \$104,000 per year, included as an Operating Expense for purposes of calculating NOI. The Occupancy Fee and the NOI Share are separate and independent obligations; neither offsets the other. Article 5 of the Agreement contains detailed provisions regarding calculation, NOI Statements, and payment mechanics.

(e) **Allocation of Shared Costs.** Because Manager may operate other Affiliated Stores, the Agreement includes provisions governing the allocation of Shared Costs (costs benefiting both the Grocery Store and any Affiliated Store). Allocations must be commercially reasonable, consistently applied, arm's-length, and approved in writing by the UG prior to implementation. Prohibited practices include allocating costs exceeding actual amounts, disproportionate allocations, including profit margins or markups, using unverifiable allocation factors, or timing allocations to reduce NOI.

7. **Employees.** All matters pertaining to the selection, direction, employment, supervision, compensation, promotion and discharge of personnel are the sole responsibility of Manager. Manager agrees that all employees shall receive a minimum starting hourly wage sufficient to provide the necessities and comforts essential to an acceptable standard of living, and Manager will actively use its best efforts to recruit, hire and retain residents of Kansas City, Kansas (especially those in close proximity and adjacent neighborhoods).

8. **Use; Operating Covenant.** Manager shall cause the Grocery Store to be continuously operated during community-appropriate hours, and at minimum the hours of 8:00 AM through 8:00 PM each day, as a first-class retail grocery store offering a full range of meats, fresh fruit and vegetable produce, and customary goods, and for no other use. Manager shall accept EBT/SNAP and, if feasible, WIC, implement affordability pricing strategies consistent with community needs, and conduct reasonable community education programming. Manager shall operate under the trade name "United Market."

9. **Repairs, Maintenance and Alterations.** Manager is obligated to maintain and keep the Grocery Store in good repair and working order. Manager may make non-structural additions with the UG's prior approval, so long as they comply with applicable law and do not materially adversely affect the value of the Grocery Store. The UG has responsibility for maintaining, repairing and replacing if necessary: (i) roof, foundation, exterior walls, landscaping, drainage systems, utility systems and all structural repairs or replacements, (ii) capital repairs or replacements to parking areas, driveways, curbs, islands, exterior lighting and related facilities, and (iii) capital repairs or replacements of the refrigeration and compressor units.

10. **Exclusivity.** For the Initial Term, the UG will not lease or sell UG-owned Property for another grocery store within a one-mile radius of the Grocery Store Site, subject to exceptions for incidental grocery sales, a farmer's market limited to local producers, and a pharmacy primarily dispensing prescriptions. The exclusivity covenant does not apply to Land Bank Property.

11. **Option to Purchase; Right of First Refusal.** Manager has an exclusive option to purchase the Grocery Store Site and Grocery Store Parking Parcel, commencing on the first anniversary of the Effective Date of the Management Agreement. If exercised on or before the second anniversary, the purchase price shall not exceed \$3,200,000. Otherwise, the purchase price will be equal to Fair Market Value, less a dollar-for-dollar credit for Occupancy Fees previously paid by Manager. Fair Market Value is determined through negotiation or, if the parties cannot agree, through an appraisal process. Manager also has a right of first refusal (“ROFR”) if the UG proposes to transfer its interest to an unrelated third party. As a condition to closing under the Option to Purchase or ROFR, Manager and the UG shall execute and record a restrictive covenant requiring continuous operation of a full-service grocery store for at least 10 years after closing. The parties shall also execute a Reciprocal Easement Agreement addressing shared parking and cross-access rights, with the UG retaining perpetual, non-exclusive easement rights to access and park on the Grocery Store Parking Parcel.

12. **Default; Remedies.** The Agreement contains customary provisions concerning default and remedies. Manager defaults include failure to make payments (with a 5-day cure period after notice), material breach of any covenant (with a 30-day cure period after notice), and bankruptcy-related events. The UG may pursue all available remedies at law or in equity, including termination. Manager is obligated to indemnify the UG against all reasonable costs and charges, including reasonable attorneys’ fees. The UG defaults if it fails to perform and does not cure within 30 days after written notice, but UG liability is limited to actual amounts in question plus reasonable enforcement costs (no consequential damages).

13. **Assignment.** Manager is prohibited from assigning, selling, leasing, mortgaging, or otherwise transferring the Agreement or effecting a change of control without the UG’s reasonable written consent. Limited collateral assignments to lenders may be permitted, provided no transfer of operational control occurs.

14. **Insurance and Indemnity.** Manager shall maintain customary insurance (property and casualty, worker’s compensation, general liability, employee dishonesty, etc.) as an Operating Expense. The UG and Manager are named as insureds and loss payees. The Agreement preserves the UG’s sovereign immunity under the Kansas Tort Claims Act. Manager also agrees to indemnify and hold harmless the UG from claims arising out of damage or injury occurring at the Grocery Store to the extent caused by Manager’s negligence or conduct, and from any breach by Manager under the Agreement, except for claims arising from the UG’s negligence or willful misconduct.



Report to
Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div style="border: 1px solid black; padding: 2px;">Chelsee Chism, Director</div> cchism@wycokck.org X8046	Economic Development
AGENDA ITEM #4.3.		
RESOLUTION: CREATE REINVESTMENT HOUSING INCENTIVE DISTRICT (RHID) POLICY		
BACKGROUND		
RECOMMENDATION		
Approve		
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS		
N/A		
LEGAL/ POLICY CONSIDERATIONS		
ATTACHMENTS		
Resolution Approving RHID Policy, RHID Policy , RHID policy 6.29.26		

Approved by Mayor/Administrator to add to agenda.

RESOLUTION NO. _____

**A RESOLUTION ADOPTING A REINVESTMENT HOUSING
INCENTIVE DISTRICT POLICY**

WHEREAS, the State of Kansas has provided for the Kansas Reinvestment Housing Incentive District Act in K.S.A. 12-5241 – 12-5256; and

WHEREAS, the Act is designed to aid developers in building housing in communities by assisting in the financing of public infrastructure improvements; and

WHEREAS, based on the Countywide Market Analysis performed for Wyandotte County in September 2023, the County is projected to have a housing shortfall of 6,000 units by the year 2030; and

WHEREAS, the Unified Government would benefit by adopting a policy that would allow for clear and concise uniform application of the strategic use of this incentive.

**NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/ KANSAS CITY, KANSAS:**

1. The proposed Reinvestment Housing Incentive District Policy is hereby adopted.
2. The County Administrator, and the Unified Government's other officers, agents, and employees are hereby authorized and directed to take such further action, and execute such other documents, certificates, and instruments, as may be necessary or desirable to carry out and comply with the intent of this Resolution.
3. This Resolution will take effect and be in full force from and after its passage by the Board of Commissioners.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS, THIS _____ DAY OF JULY 2026.**

Crystal E. Watson, Mayor/CEO

Attest:

Monica Sparks
Unified Government Clerk

Approved as to form:

Wendy M. Green
Deputy Chief Counsel

Reinvestment Housing Incentive District
Policy
(RHID)



Approved: 07/18/2026

Commission Resolution: 2026 - __

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Reinvestment Housing Incentive District Policy

Section 1 - Authority

(A) This policy is adopted pursuant to the Kansas Reinvestment Housing Incentive District Act (K.S.A. 12-5241 through K.S.A. 12-5256, as amended), for the purpose of establishing local standards governing the consideration and approval of Reinvestment Housing Incentive Districts (RHID) within the City of Kansas City, Kansas (“City”).

Section 2 - Purpose

(A) The purpose of the RHID program is to encourage the construction, redevelopment, and rehabilitation of residential housing and supporting public infrastructure in a manner that addresses local housing shortages, advances Commission goals, strengthens the local tax base, supports housing opportunities, promotes reinvestment, and provides a measurable public benefit.

Section 3 - Eligible Projects

(A) Eligible RHID projects may include single-family residential development, multi-family residential development, duplexes, townhomes, mixed residential developments, upper-story residential redevelopment, infill residential development, existing lot residential construction or renovation, and redevelopment projects involving obsolete or underutilized property.

(B) Eligible projects may include the renovation or conversion of upper-story areas within buildings more than 25 years old for residential use where authorized under Kansas law. Eligible projects may also include residential construction or redevelopment located on existing lots served by existing infrastructure or within previously improved areas.

(C) Mixed-use developments may be considered eligible when the primary purpose of the project is residential housing development and when commercial components are secondary and supportive to the residential use. Projects primarily consisting of commercial development shall not be eligible unless otherwise authorized by state law.

(D) Projects shall be consistent with infrastructure capacity planning, and applicable zoning and land use regulations.

(E) Pursuant to applicable Kansas law, the City may designate no more than 100 for-sale housing units or 100 rental housing units within a calendar year unless otherwise authorized by state statute. No individual RHID project shall exceed 50 housing units per year unless otherwise authorized by state law. Multi-phase residential developments may be considered eligible provided each phase complies with applicable statutory requirements and approved development agreements.

Section 4 - Ineligible Projects

(A) Projects shall generally be considered ineligible for RHID assistance when the applicant fails to demonstrate financial feasibility, lacks sufficient site control, has unresolved code violations or delinquent taxes, or proposes development primarily for speculative land holding purposes. Projects that fail to demonstrate a measurable public benefit or that are inconsistent with the intent and objectives of the RHID program may also be determined ineligible.

(B) Projects consisting primarily of commercial or non-residential development shall not be eligible for RHID assistance unless otherwise specifically authorized under Kansas law. Projects in which commercial uses constitute the primary component of the development, or in which proposed improvements are not primarily residential in character, shall likewise be considered ineligible.

(C) Projects in which the average residence size exceeds 1,650 square feet, where such limitation is required by state law, shall be considered ineligible. Projects building more than 50 housing units within a calendar year, where such limitation is required by state law, shall also be considered ineligible.

(D) Upper-story redevelopment projects involving buildings less than 25 years old, or projects in which the proposed improvements are primarily commercial rather than residential, shall not qualify for RHID assistance.

(E) Residential redevelopment projects located in areas where supporting infrastructure is less than 10 years old shall generally be considered ineligible unless otherwise authorized under Kansas law.

(F) The Governing Body reserves the authority to determine whether a proposed project satisfies the intent, objectives, and statutory requirements of the RHID program and this policy.

Section 5 - Housing Need Findings

- (A) The Unified Government's 2023 Wyandotte County Housing Market Analysis shall serve as the official Housing Needs Analysis for purposes of the Reinvestment Housing Incentive District (RHID) program.
- (B) Based upon the findings of the Housing Market Analysis, the Unified Government finds that housing production within Wyandotte County has not kept pace with regional housing demand, resulting in continued pressure on housing availability and affordability. The Unified Government further finds that rental housing costs have increased significantly over time, development patterns within the community remain geographically imbalanced, and there is a lack of modern and diverse housing product types necessary to support the current and future housing needs of the community.
- (C) The Unified Government further finds that these conditions negatively impact housing availability, neighborhood stability, workforce attraction and retention, economic competitiveness, and long-term community growth.
- (D) The RHID program shall be utilized to encourage residential housing development, redevelopment, reinvestment, and public infrastructure improvements intended to address the housing conditions identified within the Housing Market Analysis and advance the housing and redevelopment goals of the Unified Government.

Section 6 - Public Benefit

- (A) All projects requesting RHID assistance shall demonstrate a measurable public benefit consistent with the purposes of the Kansas Reinvestment Housing Incentive District Act and the goals of the City. Applicants shall provide sufficient information demonstrating that the proposed project advances residential housing development or redevelopment objectives and that the anticipated public benefits justify the use of public incentives.
- (B) Public benefits may include, but shall not be limited to, the expansion of housing supply, redevelopment of underutilized property, reinvestment within existing neighborhoods, utilization of existing infrastructure, neighborhood stabilization, infrastructure improvements supporting residential development, and expansion of the local tax base.
- (C) Projects shall demonstrate that RHID assistance is reasonably necessary to support project feasibility and that the proposed public investment supports a legitimate public purpose authorized under Kansas law. The Governing Body may consider the overall economic impact of the project, consistency with adopted plans and housing goals,

long-term community benefit, and the extent to which the project addresses identified housing needs or redevelopment objectives.

- (D) The Governing Body reserves the authority to determine whether a proposed project provides sufficient public benefit to justify RHID assistance and whether the project satisfies the intent and objectives of this policy and applicable Kansas law.

Section 7 - Financial Standards

- (A) Applicants shall provide a comprehensive feasibility analysis identifying all project costs, funding sources, projected revenues, financing assumptions, and other information necessary to evaluate the financial viability of the proposed project. Applicants shall disclose all public and private funding sources associated with the project, including all requested local, state, federal, and private financing assistance.
- (B) Applicants shall demonstrate that the project is not financially feasible without RHID assistance or that the project would not occur in substantially the same manner or timeframe without the requested incentive. RHID assistance shall be limited to the minimum amount reasonably necessary to address demonstrated financial gaps and support project feasibility.
- (C) All financial projections, market assumptions, construction estimates, revenue projections, and operating assumptions shall utilize reasonable and supportable methodologies acceptable to the City. The City may require independent financial review, market analysis, cost verification, underwriting analysis, engineering review, or other third-party consultant review at the applicant's expense as necessary to evaluate project feasibility and financial risk.
- (D) RHID assistance shall be limited to eligible project costs authorized under Kansas law and approved by the Governing Body. The City reserves the authority to establish reimbursement limitations, financing conditions, performance requirements, repayment terms, reimbursement schedules, or incentive caps as part of any development agreement.
- (E) RHID assistance may be approved for up to seventy-five percent (75%) of eligible project costs for a term not to exceed twenty-five (25) years, consistent with applicable Kansas law. The preference of the City is for RHID assistance to remain at or below sixty percent (60%) of eligible project costs and for reimbursement terms to remain at or below twenty (20) years unless extraordinary public benefits or unique project circumstances justify additional assistance as determined by the Governing Body.

- (F) The preference of the City is for RHID reimbursement to occur on a Pay-As-You-Go (PAYGO) basis. Bond financing or other financing mechanisms authorized under Kansas law may be considered when necessary to support project feasibility, public infrastructure delivery, or other public purposes authorized by the Governing Body.
- (G) RHID assistance shall be subject to a maximum reimbursement amount established within the approved development agreement. The development agreement shall identify the maximum amount of RHID revenues eligible for reimbursement to the project. Should the approved reimbursement amount be reached prior to the expiration of the approved reimbursement term, the RHID reimbursement obligation shall terminate upon satisfaction of the approved maximum reimbursement amount.
- (H) The City may require minimum developer equity contributions, financial guarantees, letters of credit, completion assurances, personal guarantees, reserve requirements, or other security measures necessary to reduce public financial risk and ensure project completion.

Section 8 - Developer Qualifications

- (A) Applicants and development entities requesting RHID assistance shall demonstrate the financial, managerial, and organizational capacity necessary to successfully complete, operate, and maintain the proposed project.
- (B) The City may evaluate the qualifications and capabilities of the applicant, development team, ownership entities, contractors, and affiliated parties when determining whether a project satisfies the objectives of this policy and applicable Kansas law.
- (C) In evaluating developer qualifications, the City may consider factors including, but not limited to, prior development experience, successful completion of comparable projects, financial capacity, project management capability, history of compliance with development agreements or public incentive programs, litigation history, bankruptcy history, unresolved code violations, delinquent taxes, and overall reputation and track record associated with prior development activity.
- (D) Separate evaluation criteria may be applied based upon positive or negative developer reputations, prior performance, demonstrated experience, financial stability, or prior compliance history with public incentive programs or development agreements.
- (E) Applicants shall disclose ownership information, development partners, affiliated entities, pending litigation materially affecting the project, and any prior defaults associated with public financing, public incentives, or development agreements.

- (F) The City may require financial statements, organizational documents, evidence of financing commitments, construction schedules, project references, market studies, cost estimates, operating pro formas, or other documentation reasonably necessary to evaluate developer qualifications and project feasibility.
- (G) The City reserves the authority to require performance guarantees, completion assurances, letters of credit, personal guarantees, reserve requirements, reimbursement conditions, or other financial security measures necessary to reduce public financial risk and ensure project completion.
- (H) Applicants shall continue to comply with all applicable development agreements, reporting obligations, financial commitments, and performance requirements throughout the duration of the RHID district and any associated reimbursement period.
- (I) The Governing Body reserves the authority to deny, modify, suspend, terminate, or recapture RHID assistance when an applicant or project fails to maintain compliance with approved agreements, financial obligations, performance requirements, or other conditions associated with RHID approval.
- (J) The Governing Body reserves the authority to determine whether an applicant possesses the qualifications, experience, financial capacity, and overall capability necessary to successfully complete and operate the proposed project in a manner consistent with the intent and objectives of this policy.

Section 9 - Applications

- (A) The RHID Application Filing Fee is \$2,500.
- (B) RHID Applications must be received no later than sixty (60) days prior to Committee consideration.

Section 10 - Development Agreements

- (A) All approved RHID projects shall be governed by a written development agreement approved by the Governing Body. No RHID assistance, reimbursement, or financing authorization shall occur until all required agreements and supporting documents have been fully executed.
- (B) The development agreement shall establish the rights, responsibilities, obligations, and performance requirements of the applicant and the City and may include provisions related to project scope, approved land uses, construction schedules, project timelines,

reimbursement procedures, reporting requirements, infrastructure obligations, and other conditions necessary to protect the public interest.

- (C) Development agreements may establish project milestones, completion deadlines, occupancy requirements, infrastructure completion standards, reimbursement conditions, and other performance measures necessary to ensure timely project completion and continued compliance with approved project plans.
- (D) The development agreement may require documentation sufficient to verify reimbursable expenses and compliance with eligible cost requirements authorized under Kansas law.
- (E) Applicants shall remain subject to ongoing compliance review throughout the duration of the RHID district and any reimbursement period. The City reserves the authority to review project performance, financial information, construction progress, operating conditions, and compliance with all approved agreements and obligations.
- (F) Development agreements shall contain provisions addressing amendment procedures, default, noncompliance, suspension, termination, repayment obligations, recapture remedies, and other enforcement measures deemed necessary by the City to protect the public interest.
- (G) Material changes to an approved project, financing structure, development plan, ownership structure, or reimbursement request may require amendment of the development agreement and additional approval by the Governing Body.
- (H) RHID approvals and development agreements may expire if substantial progress toward project commencement or completion is not achieved within timelines established by the development agreement or approved by the Governing Body.

Section 11 - Eligible Costs

- (A) RHID assistance shall be limited to eligible project costs authorized under the Kansas Reinvestment Housing Incentive District Act, including K.S.A. 12-5249, and approved by the Governing Body.
- (B) Eligible costs may include public infrastructure improvements and public improvements necessary to support approved residential housing development or redevelopment projects, including streets, sidewalks, curbs, gutters, water systems, sanitary sewer systems, stormwater improvements, drainage facilities, utility improvements, site preparation, grading, lighting, and other improvements authorized under Kansas law.

- (C) Eligible costs may also include authorized residential redevelopment costs associated with upper-story residential redevelopment projects, redevelopment of existing residential lots, renovation of qualifying older structures, and other residential redevelopment activities specifically authorized under K.S.A. 12-5249.
- (D) Upper-story residential redevelopment costs may be eligible where authorized by state law for buildings more than 25 years old and where residential improvements are located on the second floor or higher within qualifying districts authorized under Kansas law.
- (E) Existing lot residential redevelopment costs may be eligible where the project is located on an existing lot served by infrastructure at least 10 years old or otherwise meeting statutory eligibility requirements under K.S.A. 12-5249.
- (F) All eligible costs shall be directly related to and necessary for the approved RHID project and shall comply with applicable Kansas law and the approved development agreement.

Section 12 – Development Plan Requirements

- (A) Applicants seeking RHID assistance shall submit a development or redevelopment plan containing the information required under K.S.A. 12-5245.
- (B) The development plan shall include, as applicable, a legal description of the proposed district boundaries, project maps, existing property uses, proposed land uses, project descriptions, proposed public improvements, estimated project costs, financing information, development schedules, ownership information, developer identification, and supporting feasibility information.
- (C) The development plan shall identify proposed public and private improvements, estimated infrastructure costs, anticipated project timelines, proposed financing structures, and other information necessary to evaluate project feasibility and public benefit.

Section 13 - Evaluation

- (A) In evaluating RHID applications, the City will consider the extent to which the proposed project advances the purposes of the Kansas Reinvestment Housing Incentive District Act, supports adopted housing and redevelopment goals, and provides a measurable public benefit consistent with K.S.A. 12-5244 and K.S.A. 12-5245.
- (B) The Governing Body will evaluate the overall financial feasibility of the project, the reasonableness of project costs and financial assumptions, and whether the requested

RHID assistance is proportional to the anticipated public benefits associated with the project.

- (C) The City will evaluate the anticipated impact of the project on the local tax base, property values, public infrastructure, municipal revenues, housing supply, neighborhood revitalization efforts, and other economic development objectives of the community.
- (D) The City will consider the extent to which the proposed project supports reinvestment within existing developed areas, utilizes existing infrastructure, addresses local housing shortages, promotes housing opportunities, or redevelops underutilized property.
- (E) The Governing Body will evaluate potential impacts of the project on surrounding properties, existing businesses, infrastructure systems, public services, and overall community development patterns.
- (F) The City will also consider whether the proposed project would reasonably proceed in substantially the same manner or timeframe without RHID assistance and whether the requested incentive is necessary to address demonstrated financial gaps or redevelopment obstacles.

Section 14 - Authority of UG Commission

(A) The Board of Commissioners reserves the right to deviate from this policy, but not any procedure set forth in the Policy or any other procedural requirements of State law, when it considers such action to be of exceptional benefit to the Unified Government or extraordinary circumstances prevail that the Commission believes such deviation is in the best interests of the Unified Government



Reinvestment Housing Incentive District - RHID

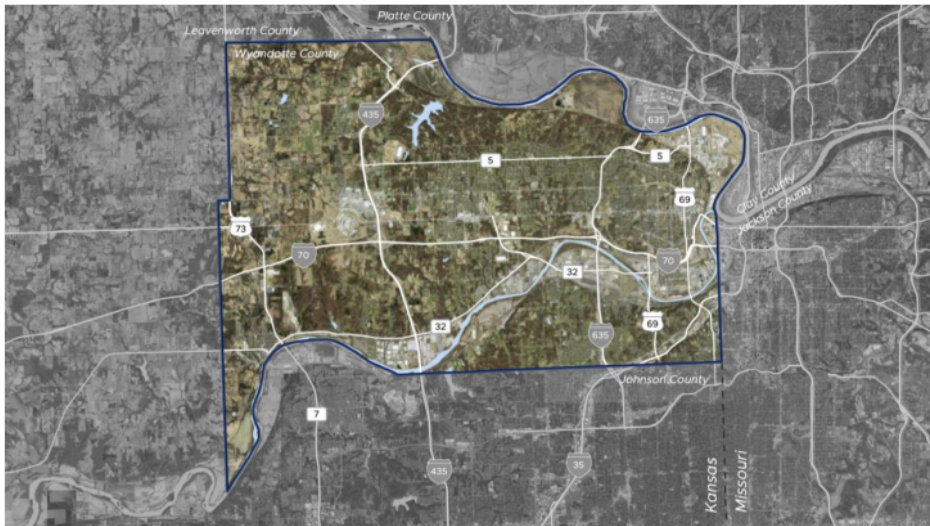
Policy Adoption



WHY DO WE NEED RHID

Housing Needs

- Housing production has not kept pace with demand
- Housing shortfall of 6,000 units projected by 2030



COUNTYWIDE MARKET ANALYSIS

Wyandotte County, Kansas

September 25, 2023

Infrastructure

- Costs prevent residential development

RHID allows future property tax revenue generated by the project to help fund the infrastructure needed to make the development possible.



WHAT IS RHID

- State authorized incentive program (policy mirrors state statues)
- Similar to a TIF district
- Focused on residential housing
- Can reimburse eligible infrastructure costs
- Maximum term 25 years at 75%
 - Proposed UG Policy – 20 years at 60%
- Uses future property tax growth generated by the project to pay for infrastructure.

KANSAS
COMMERCE

BUSINESS ▾ REGIONS MADE IN KANSAS NEWS GRANTS

Services / Community Programs / Reinvestment Housing Incentive District

Reinvestment Housing Incentive District (RHID)

RHID is a program designed to aid developers in building housing within communities by assisting in the financing of public infrastructure improvements. RHID captures the incremental increase in real property taxes created by a housing development project for up to 25 years. The revenue can be used for reimbursement for incurred costs or to pay debt service on bonds.

[CONTACT WITH QUESTIONS](#)

RHID ELIGIBLE COSTS



Rehab

Lighting

Sidewalks

Roads

Curbs

Site Preparation

Utilities

Stormwater

Sewer

Water



HOW RHID WORKS

Before Development Vacant Lots



Current Property Tax (50 lots)
\$3,000 / Year (non-Land Bank lots)

- Vacant Property
- No New Housing
- No Infrastructure Improvements

During RHID Term (20 years) Homes Built – Tax Increment Generated



Post Development Property Tax
\$130,000 / Year (50 New Homes @ \$300 K)



After RHID Term UG Receives 100% of Taxes



City Receives
\$130,000 / Year (50 New Homes @ \$300 K)

- RHID reimbursement has ended
- UG retains 100% of taxes
- Housing and infrastructure remain

Results:



New homes



Better
Infrastructure



Stronger
Community



Increased Tax
Revenue



RHID PROCESS

Developer Application

- RHID Application
- Financial information
- Funding Agreement

UG & State Approval

- UG passes resolution to create RHID district
- Resolution submitted to Secretary of Commerce

Project Construction

Internal Review

- Project eligibility
- Infrastructure plan
- Feasibility study

Public Hearing / District Approval

- Development Agreement
- Ordinance creating district
- Development plan

Reimbursement

- Tax increment generated



LESSONS LEARNED FROM PREVIOUS INCENTIVES

Past challenges	What is different today?
Projects did not fully build out	Pay-as-you-go (Pay-Go) preferred
UG assumed financial risk	Developer carries financing risk
Infrastructure	Feasibility analysis required
	Developer qualifications reviewed
	RHID assistance generally limited to 20% of project costs
	Preference for 60% reimbursement rather than 75%
	Preference for 20 years rather than 25 years



HOW WILL WE EVALUATE PROJECTS

Proposed Evaluation Standards	Key questions we will ask
Financial Feasibility (But-for analysis)	Can the project proceed without RHID?
Developer qualifications	Does the developer have a successful track record? Does developer have funding or financing available to complete the project?
Public benefit	What is the population increase? Impact on housing inventory?
Infrastructure need	Are the infrastructure improvements needed?
Housing impact	Does the project address a housing need?
Tax base growth	How much does the UG receive now vs future?
Long term community benefit	Will taxpayers benefit?



HOW OTHERS ARE USING RHID

The Hutch - Topeka



- \$50 million mixed-use housing development
- 192 market-rate apartments
- 2,500 SF ground-floor commercial space
- RHID approved as part of financing package
- Estimated RHID reimbursement: ~\$5.8 million over 25 years
- Demonstrates RHID's use for large-scale urban infill housing projects rather than traditional subdivisions.

Union at Tower District - Topeka



- 250 income-qualified apartment units
- Affordable housing development by Annex Group
- RHID reimbursement initially requested at \$7.6 million
- Final RHID agreement capped at \$12 million with clawback provisions
- Illustrates RHID's ability to support workforce and affordable housing while maintaining public protections.



QUESTIONS?

RHID uses future tax revenue generated by new development to help fund the infrastructure necessary to make housing projects possible

Transforming Infrastructure Investment into Housing, Tax Base Growth, and Long-Term Community Benefit



Report to
Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div data-bbox="586 384 1036 443" style="border: 1px solid black; padding: 2px;">Chelsee Chism, Director</div> <p data-bbox="581 485 870 548">cchism@wycokck.org X8046</p>	Economic Development
AGENDA ITEM #4.4.		
RESOLUTION: MIDTOWN STATION UPDATE		
BACKGROUND		
A presentation providing an update from Eastside Innovation, the developer of the Midtown Station project. Staff is requesting direction from the Committee.		
RECOMMENDATION		
<p data-bbox="105 915 220 947">Approve</p> <p data-bbox="105 989 1471 1052">Staff is requesting direction from the Committee to proceed in the negotiation of a development agreement with Eastside Innovation or direct staff to reissue a Request for Proposals.</p>		
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS		
N/A		
LEGAL/ POLICY CONSIDERATIONS		
ATTACHMENTS		
Resolution authorizing Termination of RFP, Resolution for continuance of negotiations, Midtown Station LOI Overview 6.22.26		

Approved by Mayor/Administrator to add to agenda.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE TERMINATION OF
THE AWARD OF THE REQUEST FOR PROPOSAL**

WHEREAS, a Request for Qualifications was issued by the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) requesting qualified developers for the redevelopment of three Unified Government owned sites, one of which was the former Indian Springs Mall site, in 2023; and

WHEREAS, the Unified Government selected three developers in September 2023, one of which was Eastside Innovation Kansas LLC (“Eastside Innovation”); and

WHEREAS, the Unified Government issued a Request for Proposals for the redevelopment of the former Indian Springs Mall site in February 2024 which was open only to the three developers chosen through the RFQ process; and

WHEREAS, Eastside Innovation was awarded the project for the redevelopment of the former Indian Springs Mall site through the RFP process in October 2024; and

WHEREAS, Eastside Innovation, through its attorney, was provided a funding agreement and was requested to provide funds in the amount of \$30,000 in November 2024 so that negotiations on a development agreement could begin in earnest as the execution of a funding agreement and the provision of funds for said agreement are standard for economic development projects; and

WHEREAS, a series of meetings took place between Eastside Innovation, Unified Government Staff, and Wyandotte Economic Development Council between March 2025 and July 2025 with Eastside Innovation sending a proposed term sheet to Unified Government staff on July 7, 2025, but not a signed funding agreement or funds; and

WHEREAS, further communication occurred from August 2025 through December 2025 with Unified Government staff submitting a response to the proposed term sheet to Eastside Innovation in September 2025; and

WHEREAS, legal counsel for the Unified Government sent a letter to Eastside Innovation on March 17, 2026, requesting missing information and documentation as well as the executed funding agreement and the funds requested in November 2024; and

WHEREAS, Eastside Innovation responded by email on March 23, 2026 to legal counsel for the Unified Government by providing documentation previously sent to Unified Government staff and suggesting an additional response would be forthcoming; and

WHEREAS, legal counsel for the Unified Government sent a response letter to Eastside Innovation on March 27, 2026, reiterating the need for the requested documentation and information that had yet to be provided as well as an executed funding agreement and funds by

close of business April 6, 2026 or the award of the project would be terminated per Section 2.07 of the RFP; and

WHEREAS, legal counsel for the Unified Government received a redlined version of the funding agreement from Jonathan Arnold with Arnold Development Group, a partner of Eastside Innovation in the project, on March 27, 2026, with an email stating a comprehensive response would be provided the following week; and

WHEREAS, a joint response was provided to the Unified Government staff by Eastside Innovation, Arnold Development Group, and Keystone Community Corporation on April 1, 2026; and

WHEREAS, a final revised funding agreement was send to Arnold Development Group, Eastside Innovation and Keystone Community Corporation on April 6, 2026, by legal counsel for the Unified Government by email stating an executed copy and funds in the amount of \$30,000 was required to be received by close of business April 10, 2026, in order for their group to proceed as well as providing a list of concerns with some of their referenced incentives; and

WHEREAS, an executed funding agreement and funds in the amount of \$30,000 was received from Eastside Innovation and Eastside Opportunity Ventures the afternoon of April 10, 2026 along with a response letter and documentation from an attorney representing the development group of Eastside Innovation, Arnold Development Group and Keystone Community Corporation; and

WHEREAS, Unified Government staff and legal counsel for the Unified Government continue to have concerns regarding the proposed terms for the development.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS:**

Section 1. The award of the project for the redevelopment of the former Indian Springs Mall site to Eastside Innovation Kansas, LLC is hereby revoked.

Section 2. Unified Government staff is hereby directed to review, revise, and reissue the RFP for the redevelopment of the former Indian Springs mall site.

Section 3. The Mayor, the County Administrator, and the Unified Government's other officers, agents, and employees are hereby authorized and directed to take such further action, and execute such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED
GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
THIS ____ DAY OF MAY 2026.**

Christal E. Watson
Mayor/CEO

ATTEST:

Monica Sparks, Unified Government Clerk

Approved as to Form:

Wendy M. Green, Deputy Chief Counsel

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE CONTINUATION OF
NEGOTIATIONS FOR A DEVELOPMENT AGREEMENT FOR THE
REDEVELOPMENT OF THE FORMER INDIAN SPRINGS MALL SITE**

WHEREAS, a Request for Qualifications was issued by the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) requesting qualified developers for the redevelopment of three Unified Government owned sites, one of which was the former Indian Springs Mall site, in 2023; and

WHEREAS, the Unified Government selected three developers in September 2023, one of which was Eastside Innovation Kansas LLC (“Eastside Innovation”); and

WHEREAS, the Unified Government issued a Request for Proposals for the redevelopment of the former Indian Springs Mall site in February 2024 which was open only to the three developers chosen through the RFQ process; and

WHEREAS, Eastside Innovation was awarded the project for the redevelopment of the former Indian Springs Mall site through the RFP process in October 2024; and

WHEREAS, Eastside Innovation, through its attorney, was provided a funding agreement and was requested to provide funds in the amount of \$30,000 in November 2024 so that negotiations on a development agreement could begin in earnest as the execution of a funding agreement and the provision of funds for said agreement are standard for economic development projects; and

WHEREAS, a series of meetings took place between Eastside Innovation, Unified Government Staff, and Wyandotte Economic Development Council between March 2025 and July 2025 with Eastside Innovation sending a proposed term sheet to Unified Government staff on July 7, 2025, but not a signed funding agreement or funds; and

WHEREAS, further communication occurred from August 2025 through December 2025 with Unified Government staff submitting a response to the proposed term sheet to Eastside Innovation in September 2025; and

WHEREAS, legal counsel for the Unified Government sent a letter to Eastside Innovation on March 17, 2026, requesting missing information and documentation as well as the executed funding agreement and the funds requested in November 2024; and

WHEREAS, Eastside Innovation responded by email on March 23, 2026 to legal counsel for the Unified Government by providing documentation previously sent to Unified Government staff and suggesting an additional response would be forthcoming; and

WHEREAS, legal counsel for the Unified Government sent a response letter to Eastside Innovation on March 27, 2026, reiterating the need for the requested documentation and

information that had yet to be provided as well as an executed funding agreement and funds by close of business April 6, 2026 or the award of the project would be terminated per Section 2.07 of the RFP; and

WHEREAS, legal counsel for the Unified Government received a redlined version of the funding agreement from Jonathan Arnold with Arnold Development Group, a partner of Eastside Innovation in the project, on March 27, 2026, with an email stating a comprehensive response would be provided the following week; and

WHEREAS, a joint response was provided to the Unified Government staff by Eastside Innovation, Arnold Development Group, and Keystone Community Corporation on April 1, 2026; and

WHEREAS, a final revised funding agreement was send to Arnold Development Group, Eastside Innovation and Keystone Community Corporation on April 6, 2026, by legal counsel for the Unified Government by email stating an executed copy and funds in the amount of \$30,000 was required to be received by close of business April 10, 2026, in order for their group to proceed as well as providing a list of concerns with some of their referenced incentives; and

WHEREAS, an executed funding agreement and funds in the amount of \$30,000 was received from Eastside Innovation and Eastside Opportunity Ventures the afternoon of April 10, 2026 along with a response letter and documentation from an attorney representing the development group of Eastside Innovation, Arnold Development Group and Keystone Community Corporation; and

WHEREAS, Unified Government staff and legal counsel for the Unified Government continue to have concerns regarding the proposed terms for the development.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS:**

Section 1. Unified Government staff and legal counsel are hereby directed to continue to work with Eastside Innovation and its partners on a development agreement for the redevelopment of the former Indian Springs Mall site and to bring forth such agreement to this commission by way of the Economic Development/Finance standing committee for approval.

Section 2. The Mayor, the County Administrator, and the Unified Government's other officers, agents, and employees are hereby authorized and directed to take such further action, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED
GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
THIS ____ DAY OF MAY 2026.**

Christal E. Watson
Mayor/CEO

ATTEST:

Monica Sparks, Unified Government Clerk

Approved as to Form:

Wendy M. Green, Deputy Chief Counsel

MIDTOWN STATION | LETTER OF INTENT

UG Offer	Midtown Station Counteroffer
Land Acquisition: \$6.12M (Appraised Value)	\$5,974,000
Phase 1 – \$1,224,000	Phase 1 – \$750,000
Phase 2 – \$1,224,000	Phase 2 – \$750,000
Phase 3 – \$1,224,000	Phase 3 – \$1,224,000
Phase 4 – \$1, 224,000	Phase 4 – \$1, 500,000
Phase 5 – \$1,224,000	Phase 5 – \$1,750,000
Payment due to the UG in immediately available funds at the closing for the corresponding parcel/Phase	Payment due to the UG in immediately available funds at the closing for the corresponding parcel/Phase
Public Incentives:	TIF:
Tax Increment Financing (TIF) District – 75% (property tax)	100% in Phase 1
	95% in Phase 2
	90% in Phase 3
	85% in Phase 4
No property tax TIF on Project components that are contributing sales tax to STAR Bonds.	80% in Phase 5
STAR Bonds – Specific amount requested	Requested 85% Sales Tax TIF for all Phases if STAR Bonds are not approved by the State
	Want property tax TIF and STAR Bond sales tax contributed on components subject to STAR Bonds
IRB for Sales Tax Exemption on Construction Materials	STAR Bonds – unresponsive on amount (says “to be sized through underwriting”)
	IRB for Sales Tax Exemption on Construction Materials



Report to
Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div style="border: 1px solid black; padding: 2px;">Chelsee Chism, Director</div> cchism@wycokck.org X8046	Economic Development
AGENDA ITEM #4.5.		
UPDATE: HOMEFIELD - UPDATE ON NEW HOMES PROJECT		
BACKGROUND		
RECOMMENDATION		
For information only		
BUDGET IMPACTS / FINANCIAL CONSIDERATIONS		
N/A		
LEGAL/ POLICY CONSIDERATIONS		
ATTACHMENTS		

Approved by Mayor/Administrator to add to agenda.