Unified Government of Wyandotte County and Kansas City, Kansas

Economic Development & Finance Meeting

5th Floor Conference Room
701 N. 7th Street Trafficway, Kansas City, KS 66101

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

MINUTES

Monday, June 2, 2025
5:00 PM-7:58 PM

Attendance:

Committee Members Present:

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

Committee Members Absent:

- None

Staff Present:

- Monica L Sparks (Unified Government Clerk's Office)
- Rodney Lucas (Interim Assistant County Administrator)
- Jeff Conway (Senior Counsel)
- Chelsee Chism (Economic Development Director)
- Andrea Vinyard (County Treasurer)
- Dr. Shelley Kneuvean (Chief Financial Officer)
- Debbie Jonscher (Deputy Chief Financial Officer)
- Michelle Wooten (Deputy Treasurer)

1. Call to Order:

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

2. Revisions to Agenda:

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

3. Approval of Previous Minutes:

There were no minutes available for approval.

4. Committee Agenda:

Item 4.1 - PRESENTATION: 2025 QUARTER 1 INVESTMENT REPORT (Discussion Begins: 3:13)

Michelle Wooten, Deputy Treasurer and Cash Manager, presented the quarterly investment report for January 1, 2025, through March 31, 2025.

<u>Key Points</u>

- Average yield: 3.07% (up from 3.02% in Quarter 4 (Q4) 2024)
- Days to maturity: 116 days (up from 100 days in Quarter 4 2024
- Portfolio composition: 67% cash, 33% invested
- Total interest earned in Quarter 1 2025: $2 million
- Two CDs matured at UMB, $5 million each

Shelly Kneuvean, Chief Financial Officer, explained that the limits relating to maturity showed "no" benchmark compliance due to overnight cash being included in calculations which skews the 30-60% target range to 66%.

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

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

Item 4.2 - RESOLUTION: FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT (HOMEFIELD PROJECT) (Discussion Begins: 25:50)

Richard Knapper, Homefield Representative, provided an extensive presentation on the proposed Fourth Amendment to the Homefield development agreement.

Key Points

Project Status:

- Original star bond approval: $150 million
- May 2022 bond issuance: $116,694 million (shortfall due to market conditions)
- $10 million held back by bond buyer, later released in August 2024
- Total investment since Homefield takeover: $430 million
- Additional $220 million under contract

Completed Facilities:

- Homefield Showcase Center (150,000 sq ft indoor facility)
- Homefield Baseball (8 artificial turf fields)
- Margaritaville Resort Hotel ($180 million, opening within 12 days)
- Atlas Nine Immersive Museum (opening late July/early August)

Visitor Statistics:

- Showcase Center: nearly 400,000 visitors in past 12 months
- Baseball complex: almost 500,000 visitors in past 12 months

Amendment Requests:

- Budget updates to reflect 2025 costs versus 2021 – 2022 projections
- Replace Jeep dealership with Hyundai dealership (under construction)
- Modify public/private ratio from 7/30 to 62.5/37.5
- Property tax pilot for Atlas Nine museum ($100,000 annually, increasing 4% yearly)
- Remove deadlines for TopGolf and arena due to uncertainty
- Extension of community investment deadline ($4.35 million) to 180 days after next star bond issuance
- Allow cosmetic dent repair facility (variance request)

Todd LaSala, outside legal counsel, explained that the variance for dent repair was not included in the amendment because staff and the Department of Commerce felt it didn't align with star bond program spirit. Mr. LaSala further clarified there are no changes to the original public/private ratios; the amendment provides accommodation for land acquisition costs and on-time waiver opportunity. The $4.35 million economic development investment would be escrowed at the next bond issuance with six months to invest in downtown/historically urban areas.

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 resolution to the June 5, 2025, Board of Commissioners meeting. The motion was seconded by Commissioner Stites.

Vote: Motion carried 5-1

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

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Item 4.3 - RESOLUTION: SAUER CASTLE INDUSTRIAL REVENUE BONDS (Discussion Begins: 2:04:10)

The Sauer Castle resolution was presented by Curtis Holland of Polsinelli Law Firm, with additional input from owner Mike Heitman and architect Angie Gabler.

<u>Key points:</u>

Project & Location:

- Project: Restoration and adaptive reuse of Sauer Castle as a community/event venue
- Location: 911, 935, and 945 Shawnee Drive, Kansas City, Kansas (District 6)
- Entity: Sauer Castle LLC (owner: Mike Heitman)

Team:

- Curtis Holland (Polsinelli) – presented IRBs
- Mike Heitman – owner/developer
- Angie Gabler (Strata Architecture & Preservation) – project architect

IRB Request:

- Amount up to $11.5 million in Industrial Revenue Bonds
- Purpose: Sales tax exemption only on construction materials and (because it's a rehab) certain labor.
- No property tax abatement attached to these IRBs

Scope of Work:

- **Phase 1 (completed):**

    A. Structural stabilization; exterior saved from imminent collapse

- **Phase 2 (current):**
  A. Complete interior restoration (finishes, all new MEP systems)
  B. Rebuild historically appropriate rear kitchen/restroom addition (replacing a collapsed 1920s addition)
  C. ADA access: New lift serving lower level and first floor, accessible restrooms, accessible porch and site paths
  D. Reconstruct porches and restore site features (e.g., fountain, walks, landscape)
  E. Caretaker's house renovated for small meetings and limited overnight stays related to events
  F. New carriage/maintenance building for equipment storage.

Intended Use:

- Primary use: Small-scale event center and community venue:
  A. Weddings, receptions (with tented lawn options)
  B. Corporate or civic meetings
  C. Art fairs, community gatherings
- Public access:
  A. Periodic open houses/tours and community-oriented events
  B. Not a 9 – 5 daily public attraction; events scheduled and controlled
- Overnight stays: Limited, tied to events (e.g., wedding party in caretaker house), not positioned as a standard VRBO/STR operation.

Financial Structure & Rationale:

- Total project budget: ~$10.9 million (IRB cap at $11.5M to allow for contingency)
- Funding: Essentially privately financed by the owner; not a profit-driven project
- Goal: Generate just enough revenue from events to:
  A. Cover ongoing operations and maintenance, and
  B. Keep the property sustainable long-term (not a money-making venture)
- Historic incentives: Applying for state and federal historic tax credits; all work designed to meet Secretary of the Interior's Standards.
- Sales tax impact: Exemption has modest impact on government revenue, but is significant for project feasibility.

Neighborhood Revitalization Act (NRA) – Related Item:

- Separate, but related approval: a special NRA project:
    A. 75% rebate on the incremental property tax for up to 20 years
    B. Applies only to the increase in value; base taxes continue
    C. First special NRA project in ~13 years, used because:
        1. Historic property in NRA Area 1
        2. Project cost far exceeds standard NRA cap ($3M)

The Chairman opened the public hearing. The following comments were received:

- **Greg Kindle (Comment Begins: 2:43:27)**

The Chairman closed the public hearing.

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

Vote: Motion carried 6-0

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

Item 4.4 - RESOLUTION: SAUER CASELE NRA SPECIAL PROJECT (Discussion Begins: 2:47:06)

Discussion was made on this item along with Item No. 4.3 Resolution.

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

Vote: Motion carried 6-0

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

Item 4.5 - RESOLUTION: BUDGETARY AND FINANCIAL POLICIES OF THE UNIFIED GOVERNMENT (Discussion Begins: 2:48:19)

Dr. Shelley Kneuvean, Chief Financial Officer, presented the resolution for adoption of three new policies.

Key points:

Meal and Refreshment Policy:

- Requires business purpose for all food expenditures
- Tie reimbursements to federal per diem rates
- Standardizes retirement celebration refreshments
- Allows travel advances or actual receipts not exceeding per diem

Surplus Property Policy:

- Establishes process for non-real estate surplus disposal
- Requires public bidding process
- Creates consistent practice across departments
- Directs proceeds to replacement funds
- Updates insurance and fixed asset records

Gift Card Policy:

- Restricts gift card purchases due to fraud risk
- Requires pre-approval and business purpose
- Mandates detailed documentation and recipient signatures
- Intended for infrequent use only (youth programs, incentives)

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

Commissioner Townsend moved to adopt the resolution with amended language to the Meal and Refreshment Policy, non-alcoholic drinks. The motion was seconded by Commissioner Stites.

Vote: Motion carried 6-0

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

Adjournment: (Discussion Begins: 2:58:40)

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

Vote: Motion carried 6-0

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

The meeting was adjourned at 7:58 PM.

BJS