STATE OF KANSAS)
WYANDOTTE COUNTY)) SS SPECIAL SESSION, THURSDAY, APRIL 6, 2017
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, April 6, 2017, with eleven members present: Bynum, Commissioner At-Large First District; Walker, Commissioner At-Large Second District; Townsend, Commissioner First District (arrived at 5:20 p.m.); McKiernan, Commissioner Second District; Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Holland, Mayor/CEO, presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Joe Connor, Gordon Criswell and Melissa Mundt, Assistant County Administrators; Bridgette Cobbins, Unified Government Clerk; Emerick Cross, Commission Liaison; Edwin Birch, Public Information Officer; Marlon Goff; Interim Director of Economic Development; Wilba Miller, Community Development Director; Patrick Waters, Senior Attorney; Debbie Jonscher, Deputy Finance Director; Alyse Villarreal, Fiscal Officer; Angie Lawson, Deputy Chief Counsel; Rob Richardson, Director of Planning; Mark Wiebe, Asst. to Mayor; Maureen Mahoney, Asst. to Mayor/Chief of Staff; and Doug Bailey, Sergeant-at-Arms.

MAYOR HOLLAND called the meeting to order.

ROLL CALL: Walker, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Holland.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, April 6, 2017, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, for a presentation and discussion on the former Indian Springs Mall site.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Doug Bach, County Administrator; said tonight our discussion is about the Indian Springs site and it's really a two-fold discussion. First I thought I would run through a little more of a historical perspective of Indian Springs and where we were a decade ago and where we're lead up today. From then we will move into more of the discussion about taking the site from this point forward and our proposal we have on the table in front of us.

Indian Springs Mall Site

2006 Satellite Image

The Indian Spring site, as you can see in the image on there this is in 2006 when we still had some activity on the site.

Kansas City Area Former Mall Sites

Indian Springs really went the way of many enclosed malls in the Kansas City metropolitan area and this depicts where we see various structures throughout the metro.

Midtown Redevelopment TIF District

Date	Status/Action
2006	Mall is<60% vacant with U.G. and USD#500 leasing more than 150k square feet
12/21/06	Established Midtown TIF District
3/22/07	TIF Project Plan approved. $193M project costs and $68M in TIF revenue estimated
4/16/07	Direct legal proceedings related to eminent domain
6/20/07	Property taking → court appointed appraisal $7.5M
9/4/07	RFP (26-492) began negotiations with Raul Walters Company
3/16/09	Ceased negotiations with Raul Walters Company
2010-2011	Retail& Real Estate market conditions impact investment potential for the site
2/16/12	RFP – R23975 → No credible proposals advanced
7/2014	RFP process → Selection of Lane 4 to provide brokerage services for site development
12/1/16	R-81-16 → Debt financing of outstanding temp notes (Midtown TIF)

In 2006 when a decision was made to acquire the center you can see it was about 60% vacant, however; in noting that the rest of the space really was filled up of Unified Government offices, USD 500 and I believe Italian Delight was still there and it's operating in a different location today. At that timeframe we established the Midtown TIF District and throughout this time we built on a project plan that was approved which really looked at if we went in and took the mall

out of place, did a lot of redevelopment out of this area, we could put in the potential for close to a $200M project that could go into this area and a TIF could come into it. The Commission at that time—we tried to acquire the property, the landowner was not a willing seller at that time. Legislation was still allowed for eminent domain to be done and we enacted that on April 16th, 2007 so right about 10 years ago today.

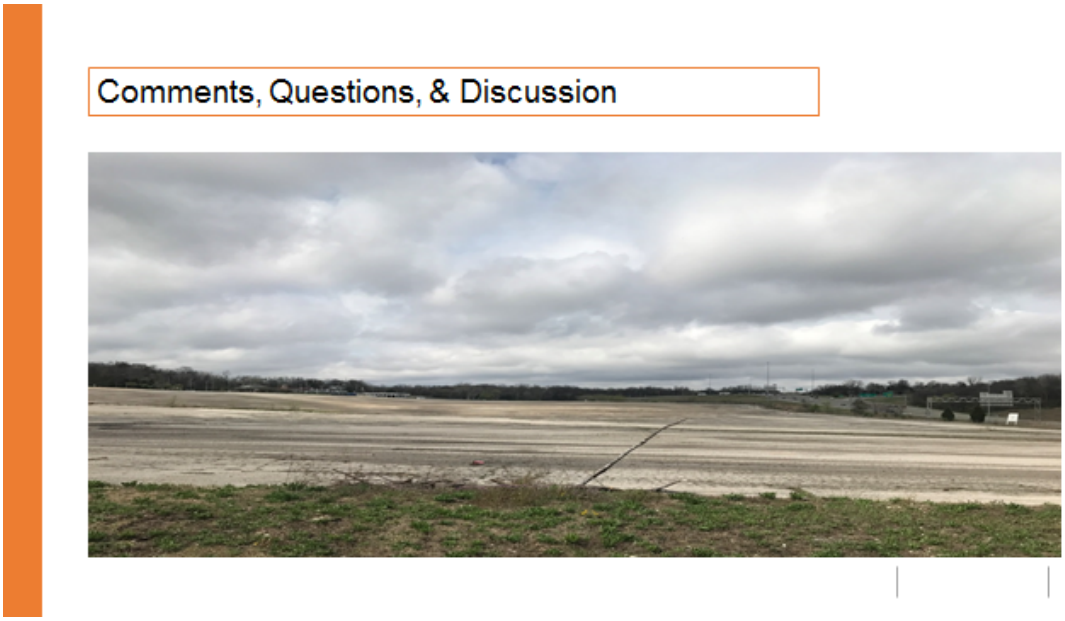
We moved through that process. The court appointed the appraisal that came in at about $7.5M to which was paid. Shortly after that time we had conducted an RFP. We moved forward with Raul Walters Company to have discussions about what we could do through our negotiations about moving forward with the multiuse project that they had come forward with. About 1.5 years later we ceased negotiations with that company because we were never able to really get anywhere close to the proposed project we had come forward with. In fact, it was one that really lead to being—if we ended up doing all the work on the site, cleared it all, there was no agree of transfer of any payment for the site and they would only agree to build about 40,000 sq. ft. and ultimately that was not acceptable to the Commission. We ended our relationship with them and part of that was the fact too that the recession had come into play so it changed a lot of the conditions about where we were when we went out to bid as we went through those negotiations and then for the next couple of years it kind of stayed in this limbo status.

In 2012 we decided to take another shot at this and we went out for an RFP on the site. Unfortunately we were not able to receive any really credible responses to come in that we were able to do anything with the site. A couple years later we went out on the site and this time we came back and moved forward with Lane4 to do more of a brokerage arrangement where they would go through and they said they would work the site, try to find retail proposals, see what they could do to get something on the site and that led us up to really where we are today.

Summary of Midtown Redevelopment TIF District

Expenditures (as of March 1, 2017)	Amount:
Acquisition Costs (June 2007)	8,822,695
Relocations / Legal / Issuance Fees	5,660,128
Demolition/Asbestos Removal/Engineering	3,553,971
Transit Center/Midtown Patrol/Neighborhood Resource Center	1,300,000
(Total budget: Transit Center/Midtown Patrol/NRC $5.5 million)	
Total Expenditures:	19,336,794

Total cost expended on Indian Springs for us dating back over the past 10-11 years is a little over $19M. You see our acquisition costs, we had a fairly large relocation cost that came into play, demolition of the center, site grading and such and then we also used money from that project that went into our share of the Transit Center, Midtown Patrol and the relocation of our people over into Neighborhood Resource Center. I will note of that $1.3M for the Transit Center and Neighborhood Resource Center that was a $5.5M project so we only had about $500K that had to end up going into that project for the Transit Center and then about $800K that went into the NRC Center. That was the good part of that financial equation but that's the total dollars that has been expended in relation to this project for the past 11 years.



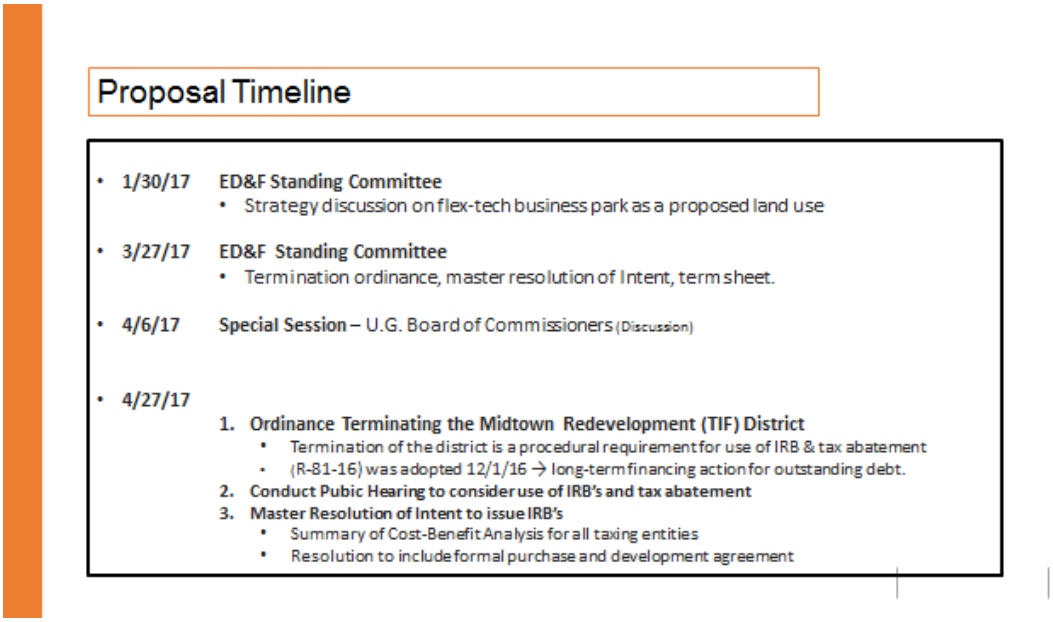
This site is kind of hard to see but if you look out across there you can see that there is nothing there and that's the Indian Springs site today. As we went through and cleared it decisions that were made over a decade ago have put us to the point where we are today.

With that I would see if there are any questions about that that took us to where we are now.

Commissioner Walker said I assume since we issued the debt we've been paying that debt. **Mr**. **Bach** said yes sir. **Commissioner Walker** said so the $19M in expenditures, what is the current outstanding balance on that $19M? **Mr. Bach** said I don't know if we would know the number off-hand. We can get that number for you and get it to you. It isn't one where we—you know like the last phase of it, like the $3.5M or so that we put into the demolition, we just did that. **Commissioner Walker** said I know. **Mr. Bach** said a year or so ago so that was a new portion of it.

Commissioner Philbrook said you say you're going to bring back our outstanding debt on this property and let us understand the payout on that. **Mr. Bach** said yes. That's really over under GO right now. It's a commitment the Unified Government has made for this piece of property so it's something we've had to put in line to pay and they're moving with. We have not had a

return on that. **Commissioner Philbrook** said I understand. I just want to know what that looks like.



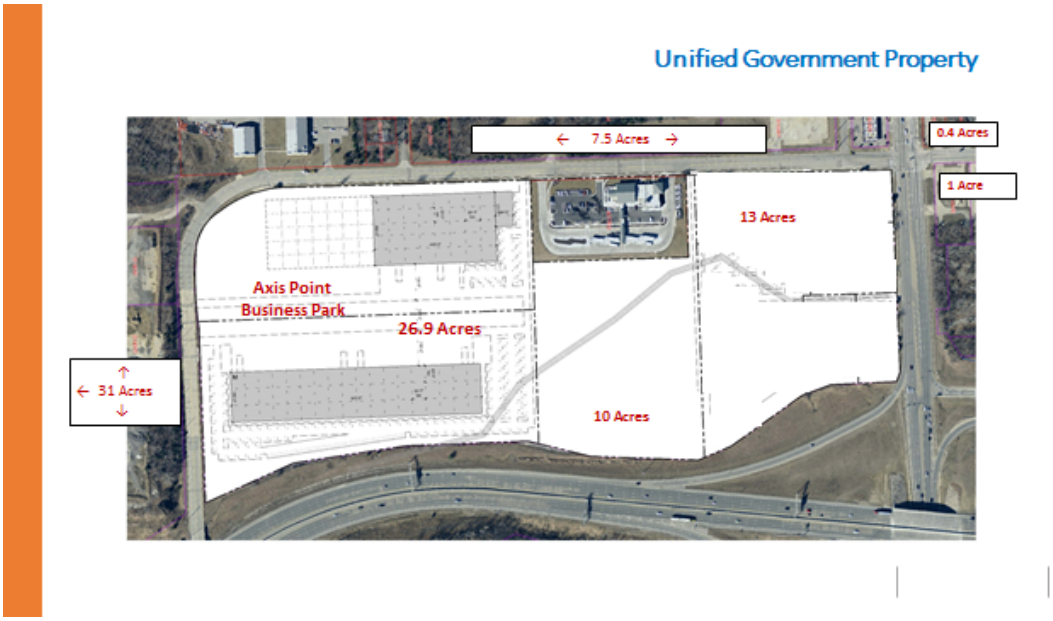
Mr. Bach said I'm going to turn this next section over to Marlon Goff and I will ask Hunter Harris with Lane4 if he or any of his members of his team want to come down. In January our standing committee came together and we came forth to talk about the fact that we had really changed where we were with what we had hired Lane4 for—we didn't hire them because we didn't actually pay them anything. They just went out over the site for a couple of years and tried marketing the site and working on it to see if they could come back with a development. I'll clarify that again, we did not pay them anything over that time period. They were working on it and they came back and said we think there are other opportunities here if you go more towards a flex-tech business park. We came forward as staff in January, presented this as a concept that we thought maybe that is the direction we wanted to consider as a Commission. The standing committee gave direction back to staff as well as asking Lane4 if they could work on a project to come forward with to propose something different, more of a business type park on the site and that takes us to where we ended up last month with the standing committee.

With that I'm going to turn this over to Mr. Goff.

Marlon Goff, Interim Director of Economic Development, said I'm going to allow my colleagues with Lane4 to introduce themselves for the record. Hunter Harris, Partner with Lane4 Property group. I've been hired to work on this project with you over the past several years and introduce my partner Owen Buckley.

Mr. Goff said of the items we're tracking and we want to present before you tonight is what's currently scheduled for the April 27th full commission meeting. The first item will be as a follow-up to the presentation Doug outlined an ordinance to terminate the Midtown Redevelopment District. The second item would be to open and conduct a public hearing based on a proposal we will review again and the use of our Tax Abatement Policy and then finally the Master Resolution of Intent to issue those financing instruments and then review the cost-benefit analysis for the various taxing entities and we will jump into some of that here this evening.

To start that last illustration of the site you saw a blank slate, cleared site. This is essentially what's represented and proposed for this project.



We also included kind of a breakdown of the footprint of UG owned property that encompasses this site. Essentially what we're proposing for Phase 1 is this 26.9 acre portion of the site.

Development Project Costs

Category	Amount
Land Acquisition	$750,000
Development Costs	$19,993,777
Financing Soft Costs	$672,408
Tenant Improvements	$3,583,815
Total:	$25,000,000

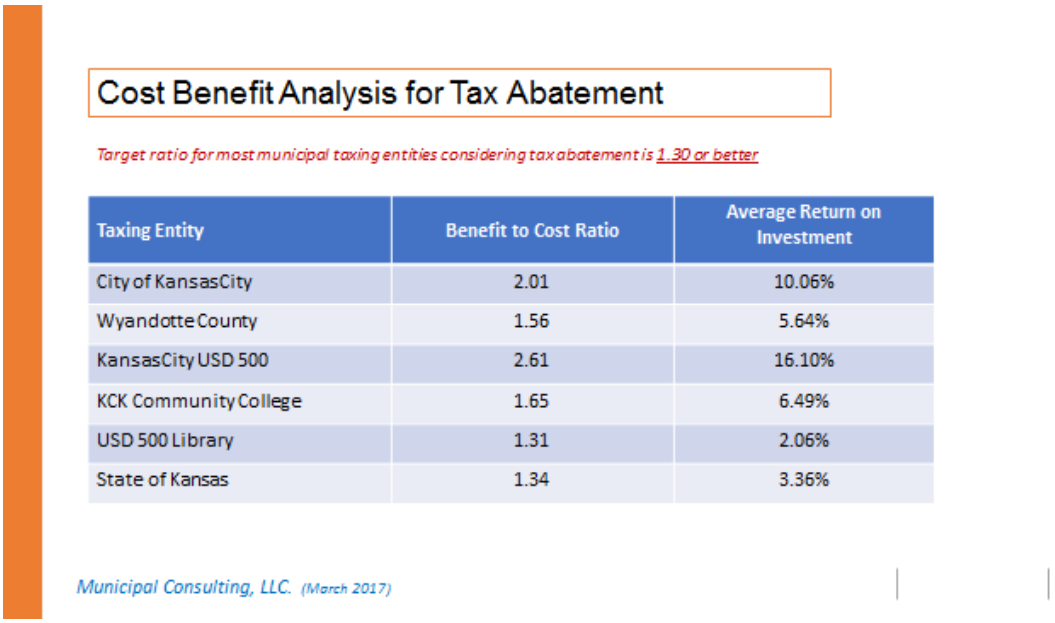
A quick overview of the investment incorporated with this project, $25M including acquisition. You see the breakdown for development, hard development costs, soft costs and then the tenant improvements.

Summary of Key Terms – Development Agreement

- The purchase price of $750,000 for the (26.9 acre) portion of the site equals $1.57 per foot
- 2017 WYCO appraised land value for the (26.9) acres equals $1.18 per foot
- Construction on first building phase (160,000 ft) must be completed within 2 years
- If first building is not completed within 2 years abatement percentage is reduced to 50%
- A 10-yr 75% tax abatement per building is proposed for the Flex-Tech Business Park
- Tax abatement applies only to buildings started within the first (5) years
- L/M/W participation goals to be included in development performance agreement

A couple of the key terms that we have included in the draft development agreement so to start when we look at the acquisition of that 26 acre portion we look at on a per foot basis you see the market value that's currently assigned to that from our County Appraiser's Office and what that purchase price translates for this offer. Some of the first few milestones we have is first the

building must begin construction within the 12 months and must be completed within the first two years. That's phase 1, the first building. If that building isn't completed then the call back provision is the 75% tax abatement is reduced to 50%. What's called out for the entire business park is the 10 year, 75% abatement for each building and this only applies if we get that product constructed within the first five years. As customary with most of our development projects we will have L/M/W participation goals included for that as well.



Cost Benefit Analysis for Tax Abatement

Target ratio for most municipal taxing entities considering tax abatement is 1.30 or better

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of KansasCity	2.01	10.06%
Wyandotte County	1.56	5.64%
KansasCity USD 500	2.61	16.10%
KCK Community College	1.65	6.49%
USD 500 Library	1.31	2.06%
State of Kansas	1.34	3.36%

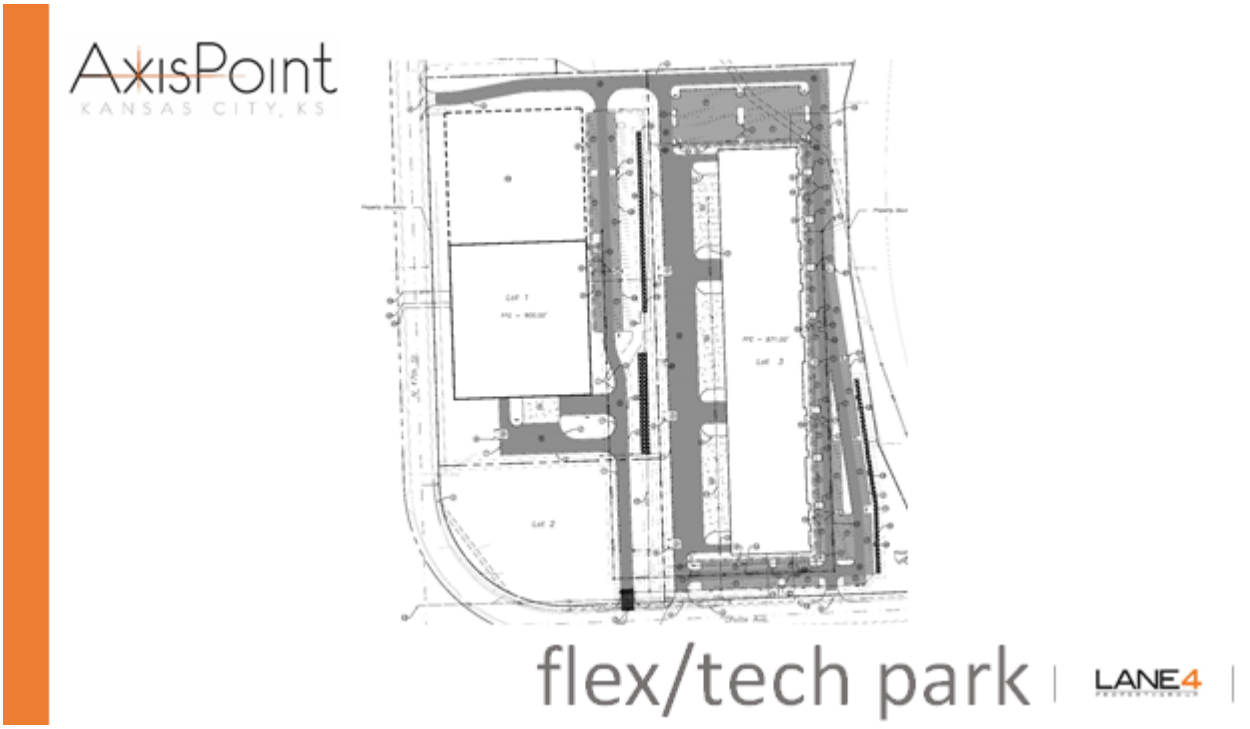
Municipal Consulting, LLC. (March 2017)

Part of the Statutory and Tax Abatement Policy we're required to do a third-party cost benefit analysis. This slide really illustrates the breakdown both from a cost of benefit ratio and return on investment for the various taxing entities. As pointed out the target for most taxing entities to consider the use of tax abatement is at least a ratio of 1.3 or better and as we can see each of the entities has reached that benchmark according to this analysis.

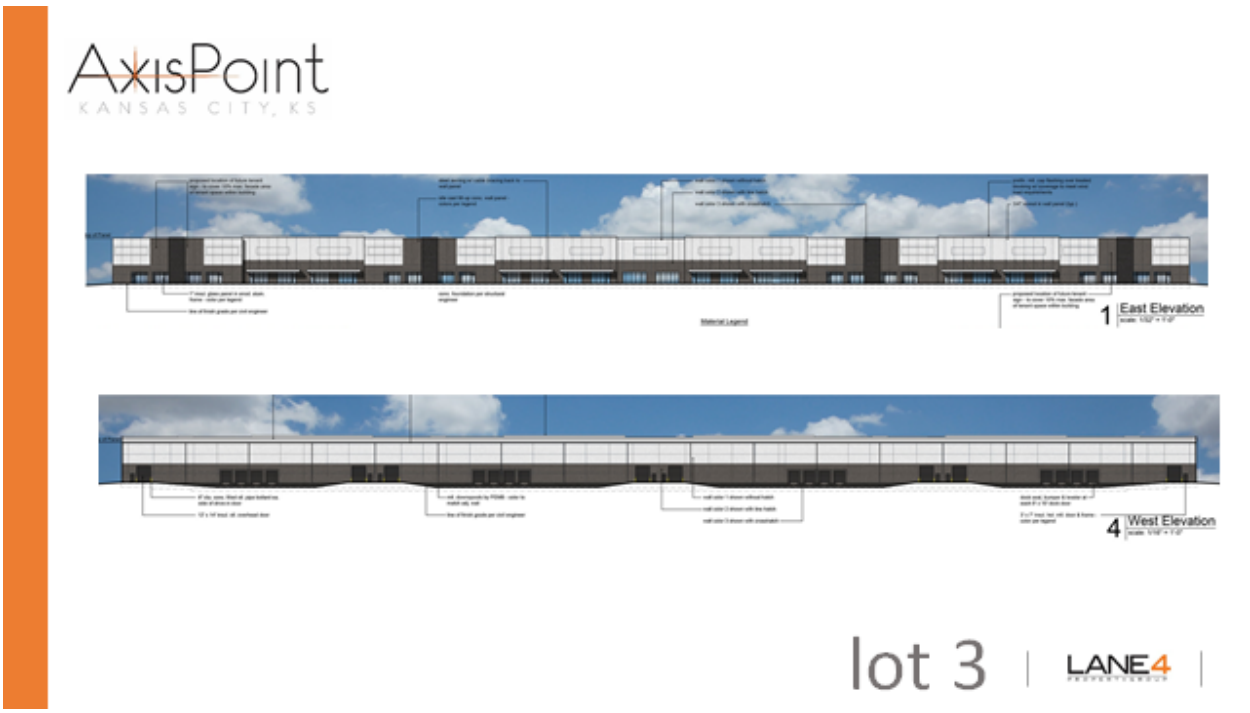
Revenue Analysis

Taxing Entity	Property Tax Revenue 2016	PILOT Revenue 10-Year Term	Sales Tax Revenue 10-Year Forecast	Property Tax Revenue (Year 11)	Property Tax Revenue (Years 12-20)
City of Kansas City	0	700,276	1,162,174	374,059	3,366,531
Wyandotte County	0	649,070	725,631	346,706	3,120,354
		Subtotal: $1,349,346	Subtotal: $1,887,805	Subtotal: $720,765	Subtotal: $6,486,885
Kansas City USD 500	0	824,595		440,464	$3,965,814
KCK Community College	0	457,140		244,185	$2,197,665
USD 500 Library	0	183,702		98,126	$883,134
		Subtotal: $1,465,437		Subtotal: $782,775	Sub Total: $7,046,613
		Column Total: $2,814,783	Column Total: $1,887,805	Column Total: $1,503,540	Column Total: $13,533,498

This is a breakdown of the revenue associated with this project inclusive of the 75% tax abatement. You see the first two rolls would be representing the Unified Government. We see with the 25% of the tax payment in lieu of taxes we'll collect relates to $1.3M over the 10 years. We see a forecast of potential sales tax revenue with this project as well and those numbers are reflected at just over $1.8M and so what we did was then to show after the abatement period of 10 years is over what might year 11 look like as the project is now paying full tax value. You see that reflect in these columns and then we simply just carry that over for another additional nine years just to give you a snapshot picture of how the project could perform from the revenue standpoint for a period of 20 years, the 10 years during the abatement period and then the 10 years post.



With that I'm going to transition and allow Hunter to talk about the project, talk about his vision for the site, why they feel strongly about the leasing activity and potential and then we can open it back up for discussion and questions.



Hunter Harris, Partner Lane4 Property, said thanks for your time this evening. I know this is a project that's inspired a lot of interest and there is a deep history of what's been here at this site. We're very cognizant of that. There is a community at stake here in Midtown Kansas City and when we set out on this charge for you it was very much eyes wide open for us. We were moving into a time where large format retail was moving into a decline and that has only accelerated since that time. We had the opportunity to debrief many of you in late August and September of this year in some smaller format sessions to present some data that we had collected about how this site compares to other mall sites that either our group or other groups are working on redeveloping in the metropolitan area.

At the time it was floated that we feel, and the market is telling us, that a business park component to this project is a very viable first step and something that we could launch on at that time. Moving forward we've worked with your staff that has been excellent to work with and working to advance a project all the while as we shared with you at the time we still view retail and a mix of uses at this site in the area as all viable things that can coexist here.

I didn't coin this, but very much I believe this first phase can be viewed as a foundation for what it's going to take is a positive first step to move this area forward and it might not be as glamourous as one may think, but it is good, positive economic activity on the site with a daytime population growth and a creation of jobs to help provide a footing forth for the area.

In addition to that we've also been thinking outside the box, not only about this site, but how our efforts could potentially improve multiple districts here, the overall area of how we can move this forward and that includes continuing focus on what we could view as a viable neighborhood retail shopping center. We are still finding success with those. We've turned around one in your community at 47th & Mission and we've built some new as well and those are the goods and services that are internet proof. We need within walking and driving distance a population that has been without a dearth of services for too long and we would like to help fix that.

There has been a great idea floated about a local mix of restaurants and how that can help provide the seed in something interesting from Commissioner Bynum and that's something that we want to spend our time on if we're so blessed to continue this path forward. In addition to exhausting a lot of other options that we view as viable in and around the area with the

daytime population there is going to be the need for housing and a lot of other things including medical services that we think could create another interesting district in and around this site.

I largely would stand for any questions, but wanted to give you a brief history of how we've gotten here today. Our sincere interest and desire to keep this project moving forward, we feel very, very strongly based off of all the economic data in our crystal ball looking into the future that the back half of this site is not needed for a large format retailer, not now and not in the future and while other uses could potentially go there we feel this project is here and now and something that we can help bring your community and provide that foundation from moving forward.

Mayor Holland said thank you for the presentation. I want to start out by thanking Lane4. We did an RFP for this and no one answered and so then we called Lane4 and said would you work on this for us and they have been a great partner in other parts of our community around Kansas City, Kansas of course around the metro and they said yes, we will look into it for you. We had a clear idea of what we wanted. We wanted retail. They are experts in retail and have been the leaders really in a lot of urban areas for retail and worked closely with them for a couple of years and they said, and I think accurately, retail does not want to come to this site. I think the thing that I think is true we replaced Indian Springs with Amazon. We just built 855K sq. ft. of what is the new retail in this country and its south on Turner Diagonal from I-70 so we need something new here. I think Lane4 has been a terrific partner in genuinely looking at what the market would do. I do believe the flex-base is something the market would do. What we need to talk about tonight is what does the Commission think about this project? This is the first viable project we've had proposed for this site in 10 years so it's the first one and the question is, is this one we're ready to move on or is there something different we want to do on this site but they I think have acted in good faith in bringing this forward and then we can talk about what our hopes and dreams are for Indian Springs.

We really wanted to bring this to a discussion of the Commission tonight. We won't vote on this for three more weeks, the 27th is when this is slated for the commission meeting, so this is just an open dialogue with the Commission to speak about what we would like to see here and does this fit with what we want to see. Obviously, I have some opinions about it, but I want

to open it up to the Commission and see where people are at in terms of what they think about this opportunity.

Commissioner Markley said I just have a question about the picture that is in front of us right now so I'm guessing other people are wondering about this too. You can of show buildings on one side and buildings on the other. Is the 10 acres in the middle—does it need to be there to be a buffer or is there potential for that site to be something as well? **Mr. Harris** said no, we had left it slated. We feel passionately that the front half of the site does still have good retail viability. I'm not sure what it wants to be and it might take some time to help figure that out. The reason why we left it blank is, and we've shown housing on that site and other things that can coexist well near or around this project, is just to point out the sewer line that is there as exists today and bifurcates to site in a way that makes that middle piece a little bit wonky in thinking through the uses there. It is still good real estate that should be put into service and value harvested.

Commissioner Markley asked can you kind of expand on you said—just expand on the compatibility of uses because I think some of the concern has been we used the word industrial and we talked about this flex-tech park which is the technical term I understand, but I think there is some concern about what does that look like and how does that coexist. So, talk about what that really means and what types of businesses would be examples of what might be located there.

Mr. Harris said these are probably some examples of buildings that are either in our community and in other jurisdictions or in other parts of the country that are illustrative of the intent of what we propose to do here on the back 26 acres. I fly in and out of Denver every once in a while, at least once a year, and the area that has exploded in and around their new airport where you see many buildings similar to this that exists next to hotels, housing, apartment communities and retail centers. You will see this on I-35 in Lenexa and Olathe as you drive south of some parks that are similar to this that are in and around neighborhoods and I believe they exists well. Really the fact of the matter is from the business park perspective here, because that is our underlying zoning for this site, is that we envision perhaps some smaller users that—I use an architectural firm that we use from time to time as an example where they started here and they needed the back half of the space for some surveying equipment and storage and other needs and the front half is office space. Others uses I often use the granite supply guy where it needs a showroom in the front and the back half for storage where people are coming and shopping and as such, Commissioner, I think that's why we're encouraged that this type of use—what's not driven home here in addition to just the property taxes created by just this project and just this project hopefully moving and expediting the balance of the redevelopment forward on a much quicker basis is that hopefully we find some uses in these buildings that produce sales tax for you and that's not accounted for on the developers side of the equation.

Commissioner Bynum said, Marlon, maybe you can help me understand on the slide that's the layout of Indian Springs, and that total acreage is what? **Mr. Goff** said what's shown here is in the neighborhood of 90 acres. **Commissioner Bynum** asked how did we get to 90 acres. **Mr. Goff** said since the breakout of the individual parcels all of which are controlled and owned by the organization and essentially if we did a quick math and I probably should have done a tally, it's in the neighborhood of 93 acres. **Commissioner Bynum** said but the white section looks like about 50. Is that right? **Mr. Goff** said okay, this main site right here. **Commissioner Bynum** said then what you're showing us is that directly south are 31 more and directly west is 7.5 more and a couple on the other side of the street. **Mr. Harris** said correct. **Mr. Goff** said about 60 acres or so here. The center and that's like another 3.8 acres.

Commissioner Bynum asked do you remember back in January when those of us that don't sit on the Economic Development & Finance Committee, but this is in our district and we're invited to the meeting just to talk about the future uses of Indian Springs, but prior to that conversation your department and I think some other departments brought us a presentation on how previous tax abated projects had performed once they rolled off of the abatement and onto the tax roll. Do you remember that presentation? **Mr. Bach** said it was Chuck. **Mr. Goff** said we talked about and maybe even looked at the test that had recently rolled off and now what those full payment values represented. **Commissioner Bynum** said I was trying to remember, Commissioner McKiernan, you might remember; I was trying to remember the dollar amount that those projects were now paying into local coffers. It was just something I was curious to know and hoping someone would remember because I don't. **Commissioner McKiernan** said just a second and I'll have it. **Commissioner Bynum** said when Commissioner McKiernan finds that he can tell us the answer. I wanted to be clear to everyone who might be here or watching on TV when we talked about in January and again at the most recent EDF meeting about this project. In January we asked as a consensus at that committee meeting for a project like this to be sought so I'll repeat that again as we stated at the Economic Development & Finance Standing Committee a week or so ago we asked you to bring the project. I think we also made it clear, as a matter of consensus, that we were only interested in a project like this on this south portion of the site. We think the community has told us multiple times that what they would like to have in this area, and frankly what they deserve, is services and retail. None of us have forgotten that. We know you haven't forgotten that since you worked on that for apparently 2.5

to 3 years without earning a dime to bring something like that forward. I would kind of like for you to expand on that a little bit, if you don't mind, the conditions of the market, the conditions of the retailers, those that you have spoken to, all of the places that you went to bring nationally known retailers if you would and you don't mind speaking to that. **Mr. Harris** said we've travelled in a lot of states talking to a lot of folks who, candidly I would prefer not to mention by name, but large format retailers offering a variety of goods and services under one roof in a large box. We've seen the number of new stores, not in the Kansas City metro, but nationally by some of these people be less than a fourth of what they were opening a year or two years ago. That's all to say why we got told a lot of no's and we knew that going in that this was going to be challenging project but we were up for it that there is still very much a need for neighborhood retail and those services and we've seen that be successful particularly with restaurants helping serve as an anchor. As such we were told by a lot of these people that well what's on the back half of this site. We talked to a fuel user who had interest in this area and what's on the back half, well we would kind of like to be this flex park, well that's great because there is my daytime population and that helped solve that. It has long been our thesis in order to expedite retail and provide the goods and services that the community needs and desires this helps put the pressure on us and force that to market and without which we see it being candidly safe for carving off a pad or two that you might get for a use that you may not be excited about up along State Avenue, a considerable amount of time to go achieve that objective.

Commissioner Bynum said remember in meetings with you, you brought us a slide where you had Indian Springs was the bullseye and you had rings around it showing us certain radiuses and retailers explaining to you that because we have a Wyandotte Plaza at 78th & State and because we have a strip center, a nice successful one, at 18th & I-70 that this population within your circles was being served. Do I have that correct? **Mr. Harris** said I think what we tried to convey by that is that the larger format retailers, so in our industry that's the big boxes and the junior boxes, feel they are already serving this area in some cases from within your community at Village West. Now, however; the smaller users which is why that gives us hope for potentially a grocer and restaurants and the neighborhood shops; we actually see a wide area to potentially capture and it's unfortunate that the grocery store closed across the street which helped might provide some fuel to getting something new back into this area. **Commissioner Bynum** said part of the reason I asked that is because that particular slide stayed with me

because what I see when I look at those circles is an area that does not have access to retail and services. **Mr. Harris** said we concur. **Commissioner Bynum** said I can't reiterate enough our desires flex-tech project or no to see retail and services come particularly to the north end of this location. **Mr. Harris** said we agree. **Commissioner Bynum** said and a concept that after the standing committee meeting a week or so ago that kind of developed in my mind was if you've done all your due-diligence and I know you're a successful developer and we're offering whatever the site can provide by way of incentives and abatements and we cannot attract a named brand restaurant or retailer and then my thought was we have a lot of people in this community successfully operating small businesses that live here and work here. The thought that I had at that point was why can we not take everything we can offer them, every tool in the economic development toolbox and instead of offering it to a brand name, offer it to our local folks. That's the concept that I'm committed to. The nuts and bolts of it you know are probably an entirely different thing, but the flex-tech possibly gets us started on a concept like that again if we produce the 26 acres with people coming to work potentially on our public transit, getting us a little bit more immediate density than perhaps we've got something combined with just a flat out need and desire of our midtown residents to have access, not only that, it kind of creates something that isn't on every street corner. I think that's what I kind of like about it the most. I can go to any community anywhere and eat at a Taco John's and that's a fact.

What I like about Wyandotte County is that we don't look like every other town and so I like the concept of trying to develop a small business program particularly around some local restaurants, but also local businesses where we as a body have made a commitment to take every abatement, every incentive, everything we've got and target it to a local business owner. I just kind of wanted to put that out for all of the commissioners to hear. I think it could be a part of a way forward for developing the rest of the site. It may be incredibly difficult, I don't know but I think it gives some credence to developing the flex-tech now. I also appreciate very much whoever pointed out to us that the selling price that's being offered is actually above the appraised value of that parcel.

Commissioner Kane said you know when I got here 12 years ago Fairfax was almost empty. One of my goals was to fill it up and we've done that. We're filling it up and it took a long time to get there but you put the right jobs in the right place. How long have they had to sell this

property? **Mr. Bach** said they worked on the brokering for about two years. **Commissioner Kane** said Crossland and Lane4 are they tight? Do they work together quite a bit? **Mr. Harris** said Crossland Construction is a company that we use. We also work with JE Dunn and Centric and a number of other vendors. **Commissioner Kane** said and then your-our salesperson was Mattie Crossland, is that correct? **Mr. Harris** said no. **Commissioner Kane** asked who was it. **Mr. Harris** said Mattie Crossland works for Lane4 as our employee. **Commissioner Kane** asked who was the broker. **Mr. Harris** said Tom O'Leary. **Commissioner Kane** said so Mattie didn't have anything to do with this project. **Mr. Harris** said no, Mattie assists me and Tom O'Leary was working on the site, the gentleman who works for Owen and I. **Owen Buckley, Lane4,** said Tom has 33 years of experience in retail primarily and also has done a considerable amount of office development. **Commissioner Kane** said when we talk about this retail and this access point and one of the things that should scare all of us is they have to have public transit so what are the quality of the jobs that are going to be there? We've sank a lot of money in this. If you only make $9 or $10 an hour you've got to take the bus so we're not sure what kind of quality jobs, quality pay these jobs would be. We wanted this to go out as retail and I don't want to shortchange ourselves and I think, Mayor, you and I talked about this not too long ago, we wanted something that would suit the community. We didn't want a truck stop, we didn't want something that wasn't going to bring in what we wanted to bring in and I don't believe this brings in what we want to bring in. Low paying jobs don't work for me and it's a prime location. We have spent a lot of money on that and I don't want to waste our money by going and getting something that may or may not work and if we have to hold on to it a little bit longer then we hold on to it a little bit longer.

Mr. Buckley said so can I ask you what you think would work there. If you had a wish that you could have granted, what would it be and do you think that's realistic? **Commissioner Kane** said realistic I think that we could put that back just the way it was with some big boxes, some restaurants. **Mr. Buckley** said so a mall. **Commissioner Kane** said not necessarily a mall. It could be an outdoor mall. **Mr. Buckley** asked what would some of the big boxes be. **Commissioner Kane** said well I would like to see like a Menard's or something like that, a Lowe's, a Home Depot; something that's going to bring—**Mr. Buckley** said but you can only have one of those so what else? **Commissioner Kane** said if you want a fight brother you've got the fight out—**Mr. Buckley** said I'm not fighting, I'm being realistic. **Commissioner Kane** said

if you want to start some trouble—**Mr. Buckley** said this is an important piece of property for everybody so let's talk about what can realistically be built there. **Commissioner Kane** said it's hugely important and what we want is what's best for the community, not what's best for you. I'm telling you right now we want—**Mr**. **Buckley** said Menard's, Home Depot and Lowe's don't go together in a row. **Commissioner Kane** said there's something else, I want proof of who they talk to, when they talk to so I can call them and ask them.

Mayor Holland said I think we're here to figure out what we want. There are two things. There's what we want and then what the market will do. **Mr. Buckley** said exactly. **Mayor Holland** said those are two big issues and I think that's what we're here today to talk about because if we've been 11 years getting to this point and three years most recently so let's keep going through the discussion, hear what the other commissioners have to say, and we will just continue down this road. **Commissioner Kane** said I would like a list of the names of the people they talked to so I can call them. **Mayor Holland** said we can talk about that. I don't know what the feasibility—**Commissioner Kane** said I don't want to talk about it. I want a list of them. **Mayor Holland** said well we'll look into it.

Commissioner Walker asked could we go back to the one on the money, the picture, what we've spent. Okay, that's what we've spent today. Are those numbers including the interest that's accruing? **Mr. Goff** said you mean with respect to—**Commissioner Walker** said by the time all that debt is paid off, are you telling us that we will have spent only $19M or will we have spent somewhere closer to between $27M to $30M? **Mr. Bach** said interest that we pay on that, this is money that's outstanding so there is interest that's out on it every year. This is money we spent on the project area. **Commissioner Walker** said so that number is really by the time we're done with the debt is going to be higher and I can't do it in my head because I don't know what the interest was on the debt, but I would say it's at least $2M,$3M,$4M higher if not more. Then when we look at the numbers where you have projected what all the financial benefits that we're going to receive out over 20 years if I looked at that correctly, we don't come close to breaking even. I want to say—first of all I frequent many of Lane4 projects, the aftermath of where they do business, up by KU Med, out by Mission over off of 47th & Rainbow, I mean they're all over and the product is fine, the stores are there; but it seems to me and I don't

know how to describe this is not five miles south on 635 are a couple, I believe, of Lane4 projects. I know I think you built the apartment complex, did you not, at Mission & Johnson, 61st &--**Mr**. **Buckley** said yes, it's a senior living community, correct.

Commissioner Walker asked didn't you build the restaurant/gallery there Culver's, Chick-fil-A and so forth? **Mr**. **Harris** said correct. **Commissioner Walker** said now that's five miles south of where we're talking about if that. Maybe it's a little farther but I think it's about five miles. Now, we have a site that to a simpleton like me we've got interstate access that in some communities businesses would die to have, I-70, I-35, 635, 435, I-29 all are accessible from this location. Now, five miles south that project out there, that total complex, is ideally what I would be jumping up and down if you brought that to us. Five miles south and what's the difference? I'll tell you the difference is, and it's not you, it's the beef of the people you're dealing with. There is an insidious kind of discrimination that the law the does not protect us from and it's called economic discrimination. Businesses want to go where people have money and people who have money are usually not in a diverse minority area, in an urban core setting and it just drives me insane that this site in Johnson County would have been gobbled up and built and producing already and they wouldn't have gotten it for $750K, not even close. In fact we might not have even had to take the property to do something with it because the original owner would have already sold it to somebody who had dreams.

There is old saying about everyone dreams, but we don't all dream equally. This proposal is not my dream and I'm at the point where all things considered I don't want to take anymore something is better than nothing. No, that's not true. Sometimes nothing is better than something because something is just not good enough. That piece of property—I heard all the conversation when we took that property from I guess maybe Commissioners Murguia and the Mayor might have been there in 07 when that property was acquired, maybe Mike—**Commissioner Murguia** said no sorry, Commissioner Walker, not to interrupt you but before you get further down the road, no, Mayor Holland, a commissioner at the time; and myself were just coming on. **Commissioner Walker** said that's right. We had to acquire that before you guys were—**Mayor Holland** said sworn in. **Commissioner Walker** said because we were running out of time before the state law took effect. **Commissioner Murguia** said so I did not vote to do eminent domain. **Commissioner Walker** said at the time the dream was that this

would be the anchor to stop the decline or at least what was described as decline of that whole surrounding area and I'm just not inspired.

I guess at this point if I had to make a decision tonight I would say leave it empty. We've already got our cost fixed in it. Let's not just take something. It may not be this year, it may not be next year, but sometime someplace somebody is going to come forward with an idea that will make us excited, that will pay some taxes on it, that will generate some sales tax and that's just kind of how I feel. I don't have any problem with what they looked at. I mean there are places for that but when we can't get retail on a location like this it's like I know it's discrimination, I know what's going on in the develop—not developer, the businesses that they're trying to acquire. They don't want to go there. There's people around there with no money, high crime, poor people, we want to be where there is a lot of money flowing. Unfortunately, that's the way it is and I'm not confident the 13 front acres are going to develop just because the back is there so that's where I stand.

Commissioner Philbrook said I'm not really sure where to start on this other than when I was elected just about four years ago—since I've grown up in this community I have watched Indian Springs in its heyday, as it started declining, as it went to heck in a handbasket, as it became a nasty looking mess and then the City bought it and developed a little bit of part of it and I love what we've done so far because I think we've done some really good things on that property. My dream would have been to have oh yes Zona Rosa there, but as everybody realizes there is that discrimination but these people are in business. They're in business to make money, that's what business is. I hate to say that, but it is and if they don't think they can make money there, they're not going to put themselves there because that's what they're for. Having said that, that doesn't mean that they're right, it just means that's what they think and if that's what they think, that's what they're going to act on. Unless we can change their minds we're not going to see big box or big business so the option of bringing in businesses that have cut their eyeteeth on our community and there are locally businesses is very exciting to me because it's about time that our local government stepped up and supported our local businesses and gave them an opportunity to come in on something like this. I love that Commissioner Bynum jumped up and down and told me and was excited about it because I agree with her. We're long past that time. Our businesses have been supporting us for years you know with paying the 25% tax on their

properties, me along with everybody else and I think it's time that we give back to them now on that north end.

Having said that, I need to ask a question, on the revenue analysis page, that money, that $13M total back that just relates to those 26 acres, is that correct? **Mr. Goff** said that's accurate and it actually represents let's say years 12 through 20 so I guess if you combine it with the column adjacent to it the $14M would represent—**Mr**. **Bach** said no, Marlon, it just represents the 26 acres that they're talking about, not the other properties. **Commissioner Philbrook** said not any of the others, just that. Why would we expect half of it or a third of it to give us the whole 20 back when it's not even half of it? That doesn't give me heartburn. I just wanted to point that out that we're asking why can't we have our 20 back when it's not even half of the acreage so I don't have a problem with that. I just wanted to point that out.

I'm also not concerned that the south part would be flex because of the fact that as was shown in other pictures there is so much stuff that abuts each other in Johnson County and I don't hear any outrage about oh no I have a flex park next to me. You've got houses out there for half a million next to a flex park, they don't seem to be too worried about it so I guess I'm not going to worry about it especially if it's done appropriately.

The other part around that is if we're concerned that the flex park is too large, that part of it is too large, is it possible to still be viable and cut down the amount of property that we used to create a flex park? **Mr. Harris** said yes, I'd put most anything within the realm of possibility. We drew the line straight across from the transit center because—and that's what we've really always kind of shown you because that seems to be the most logical way to devise a site. **Commissioner Philbrook** said the only reason I'm asking that is because I know that our community would like to see, especially the north end, become multifaceted with amenities for our community with a nice grocery store and that would be great if it could be a local owner and all kinds of attributes like that, a new Tickled Pink down east, just throwing out names. There are plenty of people out there that are part of our community and have contributed a lot and in the center part where the 10 acres is if that becomes homes of some type, and what I mean homes of some type, more like the development like we have out west of the Legends. More like that with a lot of different attributes. I mean it's right off the highway, there is no reason we couldn't get market value right there and if you have people living there then they are going to utilize that north end and that just helps spur the whole thing. That's where I'm coming from on this and I

would like to see some movement because if we just—for me I kind of feel like I'm a goose and I've got this egg I've been sitting on for years and it's not doing anything. So I would really like a new egg to start growing a new chick you know, that's just where I'm coming from. You know that's the deal. The whole concept of growing something and we're not growing anything right now and so I would like to see us try to grow something and let us actually be creative and inventive and to give us a possibility to move forward. I agree with most what everybody has been saying and I understand wanting to hold out but I guess I'm tired of holding out. I want to create something new.

Commissioner Johnson said I have been contemplating and thinking about this for a long time and I'll admit to you, first of all I agree with Commissioner Walker, this is economic discrimination. I've sat on the other side of the table and I know what it looks like on both sides of it. Something is not right about it and the other part of me waxed this nostalgic for the days of yesteryear, Topsy's Popcorn and Jeans' West—**Mayor Holland** said Orange Julius. **Commissioner Johnson** said okay, you know what I'm saying. Those were good days, Italian Delight absolutely, but times have changed and I don't believe—I'll say it like this, I believe in my heart if we could have that, we would have had it by now. I don't know what this bird in the hand looks like—what it is, flex-tech space, I don't know what it is but it's something and it is my opinion that we waited long enough.

Lane4, I appreciate the work that you all have done. I think you all have been frank, you've told us not necessarily what we wanted to hear, you told us what the market will bear. I've also seen you all do some retail projects and my sense is if there is a way to get retail in, you guys would figure it out. I mean you've done some good projects. We can see it around other areas in the city where it speaks for itself so I believe if there is way to leverage that then the current proposal can bring retail later. I will ask the question, how long is later for something like this? Is there a way to be able to speculate how long it will take to leverage something you know retail and services off of something like this? **Mr. Harris** said it's tough to say because I'm never going to tell you the answer you want to hear and with that being said our thesis is sooner, not later by moving forward now. We think it helps give us the right tools in the toolbox to make that happen, but for answering questions about what this site is going to become it could be an awfully long time.

Commissioner Johnson said I agree with the analysis that Commissioner Philbrook gave with regard to the fact that the revenue analysis is based on just the 26.9 acres and does not include the other portion of that property, what it could generate as well, so we're not really looking at an apples to apples comparison of what has been spent versus what could be made. I'm not by any stretch of the imagination saying that we're going to be back at breakeven anytime in the foreseeable future, but moving forward is better in my opinion than not moving at all. I will say this, and I think I've said this before, what the public wants is what is most important to me. If the public says we need to wait and rethink this, then my opinion could probably be swayed otherwise, but until I hear that overwhelming dictate I think that the notion of trying to deconstruct the big box seeing if we can bring in retail, if we can bring in housing leveraging off of this flex-tech space, I'm willing to try it. Nothing ventured, nothing gained and so with that I'll stop right there.

Commissioner Walters said I'm going to agree with some statements here. Mostly though the statement made that this is a very important site and we only get one chance to do this right and as you said, Mayor, there are two ways to look at this; you can either go down the road that the market is leading you or you can think about what you want to be there and make that happen. I think we may be at a point in time where we need to step back and think a little bit more about what we want to see there rather than having to accept what the market is saying should be there.

I was at the standing committee meeting in January when we looked at this and correct we did say please bring us more information. The tone that I recall from that discussion was we don't know what is going to go on the front, but this back 26 acres could be the economic engine that will subsidize and leverage better development on the front that may not be as economically viable. So, yes it is important to think about how much revenue we get from this back part because the inference was that some of the stuff that we may want to see along State Avenue may not be as economically viable or maybe it would have already been there, but with this industrial flex-tech space we can justify doing developments that are not as economically strong. Now that we have the numbers that has not proved to be the case, at least what I'm seeing is we're going to receive about $130K a year in revenue for the first ten years and I'm sure that amount of money is dwarf by what we're paying out annually just on the debt service. Yes, it's $130K that we don't have now, but it's not a game changer and it doesn't achieve my dream of

having this space become transformational and have it be something that people who drive on 635 see as something new and startling different than what was there before.

I understand the desire to get something done but we do need to make sure we're doing what we want to do. I'm an advocate of planning and it did bother me two months ago when we say okay we're going to take more than half the site and we're going to do this with it, we don't know what we're going to do with the front half of the site and to me that's like I'm going to build a house, I'm going to build a kitchen first, I don't know what the rest of the house is going to be like but I'm going to start with the kitchen and that's not the best way to build a house and I don't think it's the best way to design and develop a large parcel of ground like this. I would like to see a comprehensive plan for the entire 50 acres and as I said before, I could have gone along with it if it was such an overwhelmingly viable financial scheme that we could do a lot of things on the front, but that's not what I'm hearing now. I advocate for stepping back and really game planning what we want to have happen on this very important site.

Commissioner McKiernan said well we've all kind of outlined the classic conundrum here, do you take the bird in the hand, not a very pretty bird but it's in the hand, or do you wait. Do we let this land lie fallow, do we cut the grass potentially for 100 years before that deal that we want finally comes along. As I'm sitting here tonight, and I'm glad I have more time to think this over, but I'm sitting here tonight I'm leaning towards let's take this and make this the catalyst for the redevelopment. Yes, I'm going to build my kitchen first, but I think this could be the catalyst for redevelopment and if we chose not to do that, if we chose to just wait for a better deal then I think the one very fundamental question we need to ask ourselves is this, what are we going to do intentionally and methodically to change the economic and demographic makeup of that neighborhood if in fact there is economic discrimination. What can we do that will make this a more inviting target for a development like there is at Martway & Metcalf and I think that we can't just let it lie fallow and cut the grass. There has to be an intentional plan on our part to change the dynamic of the surrounding community that will then make those developers say I chose to, I want to, I will be there.

Mayor Holland said I wanted to say a few words too. I've gone around and around on this. I'm very appreciative of Lane4's work. They have been great; they are great partners in our

community and have done great work. I do believe them when they say, because I've been with them at ICSC. I've been out to ICSC, I've been in meetings with them when we've talked to retailers and just looking at the statistics the years of Walmart building 100 new supercenters a year across the United States are over. Target lost their shirt in Canada. They're not building anything right now. I've talked to the retailers with them, I've seen the reality that the game has changed and Amazon is a big reason for that and Walmart is not even building a new supercenter in the Kansas City metro. They're building a facility just like Amazon built for their internet fulfillment. The idea of a big box coming in here or a power center, as they used to call them, coming into this site which is really my first choice. My first choice is Super Walmart with a Menard's and a couple of other big box, Kohl's and a Penny's and a brand new grocery store and we're going to rock and roll all the way to the bank. That's what I want. I don't believe that's going to happen. The numbers on this site I think this is the right project with the right developer. I think it's in the wrong site. I think we have acreage, interstate frontage acreage that we own and control. They could take this project and I would support it in a minute to go on different site. We have I-70 frontage property that I think this project would be ideal for. It would be a big win. We have property that's undeveloped along I-70 and that we could work with the developer because we had to do this with Amazon. The site that Amazon went on was so tricky and so hilly it took additional incentive to level it out to literally level the playing field. I'm prepared to do that in other places because this kind of commercial development long-term is the low-hanging fruit for our community to build our tax base and a ten year incentive process does not bother me, it's just a part of the way the world is either we incent businesses or we're not getting development. The deal doesn't bother me. The developer I'm thrilled with and I try to be rational and not emotional about Orange Julius, right, because as a kid that's where we went to the mall. I get it that those days are over. I do believe there is a higher and better use for this site than commercial and I do believe once we commit to the flex space we've committed that site and other developers to want to do that more fully. I think we could develop this whole thing as flex space, all 50 acres, and we would make our $20M back and we would breakeven. It would take a while but we could get there.

Here's why I'm not excited about that. We have a $4.5M Transit Center which is a gem and the opportunity for transit oriented development is huge. I would like to put 300 apartment units or condos on this site. I would love to do a senior housing project on this site to

bring the population to this area and to completely change the character of this area. Midtown has been in decline for a long time and part of it is because of the mall. You know the mall is like a black hole. For all those years it sucked all the retail to it and then when it died all the retail was gone and the first big box retail that we have within a five mile radius of this site is K-Mart at 78th & State and all the benefit that's bringing our community each and every day.

I think that we want to think about we're not the only mall site that died. Metro North, Metcalf South, Bannister Mall, Mission Mall has sit vacant for how many years with the ground scraped, ten years; those are all in private hands which made it harder. We're fortunate I think to have control of our property. That's unique. I'm glad we have control of this property. Great Mall of the Great Plains went under before they finished paying off their bonds to build it. If you're familiar with Topeka, White Lakes Mall is dead. I do think it is a conspiracy by developers. I think in 30 years they're going to tear down all the open air malls and build closed air malls again and they are going to just closing down the old and building new and tell us they can't do it that way anymore. That's just a conspiracy theory I have.

I do think this site if we did a Midtown Master Plan, Commissioner, to your play and I'm a fan of—I mean we just did a master plan for Rosedale but I think is going to bear huge fruit for us because it gives us an idea of great usage. We're doing a Northeast Master Plan. The Downtown Healthy Campus, the market in downtown wants blight and it wants absentee landlords milking the last nickels out of that site. That's what the market wants downtown as blight. Well, we didn't accept that and we're moving forward with a new community center. We've got $14 of the 16M for that, we're moving forward with a new grocery store, we're working with two operators to get one of two operators to get that done. We need to get that moving forward but we had to do a plan and we had to get all the neighbors involved, all the stakeholders involved downtown and say what do you want? They said we want a grocery store, we want activities for our kids and for seniors and so we're building that and it's going to be a game changer. It's going to be the largest economic development investment in downtown in generations and we went out and asked for housing and housing groups have come because they're excited about the change in the Healthy Campus and what that means for downtown. It starts to change the character of the community and the benefit of the Healthy Campus is those two projects by themselves aren't what we're shooting for. We're shooting for a complete redevelopment of downtown and using those as a catalyst.

I want Indian Springs to be a catalyst to go all the way down State Avenue; we've talked about this, all the way down State Avenue to 72nd Street and all the way to 38th Street. I think we look at Indian Springs as a catalyst to transform the character of this community, this part of our community, to build something new and nice. Look at condominiums, look at townhomes, look at apartments; I don't think they're building condominiums anywhere in this market in the metro area, but they are building a lot of apartments. Looking at what we could build around this site that would leverage the kind of local restaurant flavor you've talked about, Commissioner, I think that's a great idea. If we could get the kind of retail we have at 78th & State that would be huge. You know a grocery store and all the amenities that go along with that. We have a Transit Center that connects to Johnson County, Legend's, Kansas City, MO., I think we could master plan this to do something amazing and I'm with Commissioner Walters. If these 26 acres generated so much money that it was the engine that allowed us to develop the rest of it, I think I would have to do it. I just don't think it's that big of an engine and the other piece is the top box is the only one that we're able to commit to at this time. The developers are not able to put in writing the whole 26 acre development. We only have half of that so the only guarantee of money we have is $650K for the first ten years. I just don't think that's enough commitment to create the engine moving forward and I think this is exactly what the market is calling for. I'm disappointed because I want the market to want what I want and darn it, it doesn't, but I think it's going to take a game changing vision and master plan to bring in a national group that does urban redevelopment that could come in and look at a housing solution more of a mixed-use.

We also have 31 acres to the south that's undevelopable going down to I-70 it's undermined. We need to fill that in like Briarcliff did. That's a ten year project. We could put youth fields up there, we could do green space up there, we could do a lot of things up there. We could do some trails, we could do—there is a lot we could do with ballfields up there that we could do safely on an undermined site and if we had some housing to leverage that and then looking at the out lots. We have ten acres on the outside of that and then going down State Avenue so I just think we need to dream a bigger dream. I do agree with the bird in hand but this is probably my deciding factor, because I could flip a coin and probably be happy with the outcome. My deciding factor is I think if we don't do anything and we just spend the next year planning it and we don't come up with a better idea, I think the market will build this next year

or two years from now. I don't feel like this is a once in a lifetime development that if we don't do we will never get back. For me I feel like we could do this. The market is going to want this interstate frontage for commercial forever. I don't think that's going to change but I do think we have an opportunity to think a different thought.

That's a long statement but I really appreciate Lane4's work on this and this is the first time I think in my ten years up here we've had the right developer with a legitimate project that I've not wanted to do. We have the right developer, we have a legitimate project, I would like to put it somewhere else and build it.

Commissioner Walker said I won't belabor it but we were talking about the economics of it and I realize that we of course only have 26 acres and numbers to look at, but I want you to be realistic on the 10 acres and 13 acres I would be stunned, no more than that; whoever comes in and says we want to develop that—let's say we develop that 10 acres into some kind of mixed-use apartments, that kind of thing and retail commercial on the front, don't believe for a minute that they're going to come in the door and pay full taxes and sales tax. They're not. That's not how the world operates. Again, because we're not in a position like parts of Overland Park to say we don't care if you come here. We're going to be hit with the 75% tax abatement, a CID so this idea that somehow we're going to make up that other half on what's going to occur on the front, that's not happening. Don't dream that dream. This is not going to pay off.

A friend of mine who is an accountant with just some hypotheticals about the front end told me that told me that I would be on the—well probably on the north side of 100 years old before one dime of profit rolled in over what we've put into this project. He has no crystal ball as to what the 10 acres and 13 acres are. You're looking at 35 years. I've got people emailing me, calling me on the phone saying when are you going to do something for us now and quit worrying about 35 years from now. We don't know about 35 years. I don't know. I'm going to stick with what I said before. I want to roll the dice. Just leave it open. I agree with the Mayor that somebody will walk in with a proposal that will be too good to turndown and won't ask us for tax abatement or the same level of tax abatement and generate sales tax. I mean that close to the interstate—like I said five miles down the road they're booming. You have to stand in line at any of the restaurants to get food from them, not stand in line, but stand in the drive-thru.

Mayor Holland said I do think too the $20M we've spent, we've spent and I don't regret it. The Commission before us made that decision. I don't regret it. I think we have followed through with it. I think having this site in private hands in an absentee landlords hands and watching it fall down in our city would do more damage than it is, we could put it to corn and it would be better than having a dilapidated mall site tearing down the image of our city. I think we're better off where we are now than if it were just in forever foreclosure. How hard is it to get a house out of foreclosure? Mercy, if we had this whole mall in foreclosure, we would be ten more years before we could get our hands on it. I'm pleased that we actually have control of the site, a blank canvass that we can work with.

Commissioner Bynum said I've been listening and wondering what kind of project would recoup the $20M so I feel like I've heard a couple different positions on that. One being we never will, one being that we could recoup some of it, so I don't have an answer for that, but I just wonder what kind of project would this Commission support that we think would recoup the $20M investment we've made over this past decade. That's just a question for us to contemplate but I'm a fan of planning as well and teamed up with Commissioners Townsend and Johnson to push for the Northeast Master Plan. I like the notion of planning but we put out an RFP in 2014 that no one responded to and then we went to one of our most successful developers and said if I'm recounting this wrong, Mr. Bach, tell me. We went to one of our most successful developers and said no one has responded to this RFP so will you please come and see what you can do and three years later we've decided maybe we would like a plan after we've let you work. If I'm saying it wrong, just tell me; but that is what I think I'm hearing.

Commissioner Walters said I think I heard we went to Lane4 in 2014 and said come back with a retail development. **Commissioner Bynum** said I wasn't here so I don't know what we asked them to do. **Commissioner Walters** said and that may have been a fatal flaw there if we tied their hands and say bring back a retail development. You know this site failed as a retail center. **Commissioner Bynum** said it would be interesting to know what we asked them to bring us.

Mr. Bach said we asked them to work on a retail development on the site and that was the direction we went with and they worked the retail element for two years and that really came to

more of a conclusion last summer which more about our two year time period. It was at the conclusion of that after having worked on it through that time period that they started going you know if you want to do something the market is really looking more at this flex-tech and that's something you ought to look more to. That's when the concept started to change.

Commissioner McKiernan said I just want to say that I appreciate the insight and the perspective of everybody who has talked tonight because it helps me shape my ultimate decision and this discussion is why I recommended at our standing committee that the first time we discuss this should not be on the night when we are about to take a vote. I appreciate everybody coming here tonight where we can have a discussion with still time to thoughtfully deliberate before we actually take action on this project so thank you.

Commissioner Murguia said I have taken a ton of notes and I can't even keep track anymore because there is just so many topics and so many comments that everybody has raised so I will start with this. Out of everything that all of the commissioners have said I agree with a little bit of what each one of them have said and then I follow that with I think this is a great project. I think it's a fantastic project. I think it is a great starting point. I would agree with McKiernan when he says this could be a catalyst to begin to move this site forward.

My issues with voting in favor of this project are bigger for me. It's about how we do business here and it's about fairness and equity and it's not just in regard to the project that I spoke to at standing committee, which I will talk about again, but it's about how we treat developers. I'm going to jump back and forth a little bit. Just as a reminder and I just want to reiterate what other people have said. We went to Lane4, they didn't come to us and my understanding and please if I'm wrong, don't hesitate to jump in and correct me. We have not paid them anything, not one dollar to do the work that they've done. They're in business, they're not volunteers. They have to make money and we all may want to hate the evil developer but the reality is those gentlemen are in business and I'm not just speaking in regard to Lane4, I see us do this to developers across the board. We go get them, we beg them for help, and we ask them for their professional opinion because candidly I don't mean to my fellow commissioners, but if you've got a better idea for this site, bring them to the table. I mean come on; you can't do what you expect others to do, so I think that's pathetic frankly. My bigger concern is we're going—

the more time that goes on the longer I'm up here, I keep seeing the same developers over and over and I even see developers drop-off so now we have less number of developers that our government works with and frankly I think that's our fault because I think that's the way we treat them. We ask them to come in, do work for us, they do it for free, we run them ragged, we cast one vision, they come back and say it won't work, we tell them to bring something to the table, they bring something to the table and we don't like it. It's just so dysfunctional I will tell you.

I did want to say something to what Commissioner Walters said. You know you had said this before that you're a planner, an architect and you know at first I thought you know I don't think I'm like that but you know what, I go back—I agree with you, Commissioner Walters, I think I am a planner like you and we wouldn't be in the trouble we're in today if there had been some planning around this site to begin with. We are saddling these gentlemen with $20M in debt and a hard to develop site right out of the gate. I've got to tell you I sort of question your judgement on volunteering. I don't know what you were thinking to tell you the truth. I would have told us to go away and what bothers me about from a fairness and equity standpoint is, and I'm not condemning this, I think this was fine but then we paid money to another developer who has really never done anything of value in our county to come up with a plan for downtown. If you look east of 635 they have been the pioneers of some of the biggest and best projects we've ever seen east of 635. I know that because most of them have been in my district. I'm appreciative of that. It's the fairness and equity in the way we treat developers and how we treat some areas of our city different than other areas. I just think that's concerning to me. We often times—I don't think—I want to try to remain calm on this. I want to believe it's not intentional but sometimes it's hard to believe that.

I am going to use my last few minutes for self-serving purposes in my district because that is my job to advocate for my district just like it's everybody else's job up here to advocate for theirs. I'm going to say again, there was a $3.5M deal on the table to put fast-food in my district. Just comparing it to this, which I've already said is a good project so don't take this the wrong way, but the land in that project was free. I personally went to the State and got the State to donate it. It was free, it didn't cost a dime. The land in this case cost us $20M. I'll also tell you that I was personally involved in raising $1.2M to offset the cost of this development. There is no grant money involved in this project. We don't even have grant money to pay the developer to do all the work they've already done. Based on the amount of government

incentives that we are currently negotiating in the fast-food franchise for my district, it creates 71 jobs, 50% more jobs for the government investment than currently what is being proposed tonight. It's hard to believe that it's a level playing field and fair and that business is done fairly in Wyandotte County when these kinds of things happen. It's bothersome to me.

The third concern I have and my final concern is when we do business like this it ruins our reputation across the board. I hate to do this to you. It's a good project, I think it's a great start to a good site, a site with potential; not necessarily a good site, you definitely have a lot of challenges but I'm sticking to what I said. Until I see some fairness and equity in particular in regard to the $3.5M deal in my district, I'm not moving to move any other economic development projects forward because it's setting our county up for failure and it gives us a terrible reputation. People think nobody is paying attention. People are paying attention. Developers out there that would like to maybe start to dabble in Wyandotte County if you think they don't watch this and don't say I'm never going there, you're wrong because that's exactly what happens. I don't want to be part of that circus. I hope we can all rise above the fray and do what's in the best interest for the whole county and every district be supportive of each other's visions. I think we all got elected for a reason. We bring something to the table and I just hope we can do that.

Commissioner Kane said I was here when we bought that property or we took it over. I guess we didn't buy it and at the time the economy was booming, it was the right thing to do and then everything went into the tank. It's not our fault. We were doing what we thought was the best thing to do and we had people willing to do something right then and there and it's frustrating to see that drop. I also got here when we had money and then Ann and the Mayor showed up and we didn't. Here's the deal, and I said this and the Mayor said it better than I did, there is a place for this; just not on that property. We've got other places where we could put this type of industry and then sit on this and if we have to sit on it for a year, then they come back in a year. Doing this would be, in my mind, not the best thing for the property and not the best for the community and I have had people in my district reach out and say this isn't what we want and I hope the people looking on TV that they reach out to their commissioner and tell you guys what they want.

Commissioner Bynum said thank you, Commissioner Kane, for reminding me with your last comment that I did want to say that Commissioners Johnson, Philbrook and myself along with Mr. Harris from Lane4 have agreed to have a community meeting to talk about this topic because we do want the community to talk to us about what they want. That meeting is set at the Neighborhood Resource Center which is at 4951 State Ave., it will be held at 6:00 p.m. on Wednesday the 12th of April which is next week. Thank you for reminding me because I meant to start with that.

Commissioner Murguia asked do we hear from the public at a special session like this. **Mayor Holland** said no, we don't.

Mayor Holland said the 27th this will be on the agenda. I am glad to hear there is a community meeting. The 27th there will be an opportunity for public comment. We will have a public hearing for this but I would ask the developers, do you have any summative comments you would like to make.

Owen Buckley, President, Lane4; said I do. First of all I just want to address Commissioner Kane. His question about who we have talked to. That's his right to ask that question. It's a good question and it's his right to have the names of the retailers. I personally have just written down about 30 of them. I would be happy to get on the phone and provide phone numbers and contact people with those 30 retailers. We contacted way more than that 30, but that's his right. Our job was to go contact retailers and find out would you go here, why won't you go here and let's go back a little bit to why did we take on this job and we did say no the first time. Then the second time we said no. I will tell you why we took it on because it's what we do. We do retail and we're doing a lot of other things too now. It's just the retail world is changing drastically. I sat in our office today with a very well-known competitor, but a developer, and we talked about has there been any track of land 50 to 70 acres in the Kansas City metro developed for retail in the last five years and we couldn't think of any.

The 61st & Metcalf location that people have brought up and thank you for the compliments on that, we're very proud of that. What is that six acres, Northwood five acres, Red Bridge Shopping Center we're redoing that over on the Missouri side, 14-15 acres; and we're

high on that stuff, we're high on local restaurants. You have to have someplace to go get your hair done, run your errands, drop-off your dry-cleaning, exercise, all kinds of different fitness places coming. You can't exercise on the internet because you're the only one there and you need people around you to motivate you and that's a great internet proof use. We're excited about some of the things that we can bring to the front of this, but also back to why did we take on this assignment. We took on this assignment because of the relationship we have with you and it started with Sporting which I thought—that's when I met Doug and met a lot of you and it was a very cool experience and I still talk about it to this day and I talk about 39Rainbow, same thing. Argentine, who would have ever thought—I didn't think we could get a grocery store down there but we did it and we did it a lot because of all of you.

We thought this is a city, this is a municipality that we could do business with and so the third time when you came around I remember going and meeting with Mayor Holland and we've got to help these guys because we want to do more business with you and we still want to do more business with you and we are doing more business with you, Northwood, the other project and other things we're working on. That's why we did it. We did ask one little stipulation and whether this project gets approved or not I think it's really important and I was out-of-town at the meeting last week where somebody compared us to Dick Cheney. We did say we are developers and Commissioner Murguia is right, we are in the business of making money, that's what we do and we said if whatever project happens here, and by the way it wasn't just retail, that was the primary thing of course but we were also out—I remember talking to office brokers about some pretty big office users around town, Tom O'Leary I mentioned in our office, bring them over to Indian Springs I mean it's perfect. People that live north of the river can get there blah, blah, blah. We talked to a lot of different people including hotels, everything like that. What we did say is if there is an opportunity for development where a third party developer needs to come in, so for example, IKEA, they develop their own buildings. They don't go to a Lane4 developer. They say thank you very much, we will build our own building. Cerner does the same thing so situations like that, no problem.

If there is an opportunity for a developer we would like it written in the agreement that we will have that first right of refusal so I just wanted to clear the air on that and make sure everybody understood that and we thought that was kind of our deal so to speak.

I appreciate everybody's comments tonight. Retail has changed drastically. I think the multifamily, the senior, some of the things you see around town can be done. I think as you drive by this site today unfortunately we all know it's somewhat dismal and depressing. If we can get some of those buildings that Hunter showed that are reflective of what we see in some of the other areas of Kansas City and in Denver as you leave the airport, I think that starts to change the fabric of this area. I think you have plenty of land leftover because I mentioned how small some of these retail projects are now. It's becoming more neighborhood and they will drive to Costco and go you know 20 minutes if they have to to do the big stuff. We want them to do their community neighborhood stuff here. I think you have a lot of land leftover and just anecdotally and I won't name the site, but you're really familiar with it and it's one that's very familiar to Indian Springs, we were working with a retailer and we were working with some multifamily people and the multifamily people were excited. When the retail thing fell through, which a lot of them do these days, the multifamily said no thanks we're out of here.

I think this is the beginning of something. It's a lot of land. This is a really big piece of ground. Go down I-49 as you go down through Grandview, Belton and Harrisonville, there are huge tracks of lands along there and lots of things going on, CenterPoint, all these things. This is a big piece of ground. I would start chopping away at it if I were in your shoes. We don't just talk to the retailers and the office users and the industrial people, we're talking to our friends that are in the business at the ICSE Convention, people that are cohorts that do industrial more than we do, the Zimmer people that we've teamed up here with. You are the Commission, you're going to vote, but from what I've seen in my 32 years it's tough out there right now. You've got a big piece of land and you've got to start chopping away and I think as you drive by this site and you see a very desirable new building that's creating jobs and some of the people that work in that flex space can run over to their new home that they purchased eight blocks away for a pretty good price because you can get a pretty good value here, things start to build. It's not going to happen in two years. I think that's another little problem we have; we all have, because we all want things to happen fast. I think that was a problem in downtown Kansas City, MO. You can't think 20 years anymore, you have to think 40. Nobody wants to really think that but you've got to start somewhere. I appreciate the opportunity. I wanted to clear the air on a few things and, Hunter, if you have anything to add to that, please do.

Mr. Harris said excellent summation. We look forward to continuing the discussion on this project and if you're so inclined to move forward on this and look further, we don't want to stop here. We want to help transform midtown Kansas City, Kansas.

Commissioner Philbrook said I want to be the last word tonight because it is my district and I feel very passionate about us stepping out on some skinny branches, that's my favorite term, and taking some chances that we haven't done before to create things for our community that we haven't done and to actually let people who are the professionals in doing this sort of work give us the lead on this. They're out there beating the bushes every day and I appreciate that and I also appreciate the fact that when I was talking to Hunter and when Commissioner Bynum was talking throwing out other concepts and other ideas he was actually listening to us versus sometimes how we are about not listening to folks that are paid to do what they do and in this case not paid a dime, thank you very much, and spending all the time. I really, really want to thank Mr. Buckley and Mr. Harris with Lane4 and I appreciate all the hard work you've done so far. There is no way I can let you know how much I appreciate that.

Mayor Holland said we have one announcement. We were going to do an executive session. We believe we do not need to do an executive session, but in lieu of an executive session Mr. Bach is just going to make an announcement and then we will adjourn to the 7:00 p.m. meeting.

Mr. Bach said as the Mayor said we thought initially we would need an executive session but as we followed up on it its public information which has led us to why we just wanted to clarify it all with you so you understood. You may be hearing parts of it and I wanted to make sure everybody knew the end of January we moved forward with the labor contract. You voted on that to approve for the Fire Department. All of our other unions either have those contracts approved at the time or I think they were all approved at the time we did the vote; they have not signed theirs yet. They haven't signed it yet. I talked to the President of the union and he said they would get it done within the next couple of weeks. We have moved forward with all the terms of the contract as though it's in place including their pay raise and everything is advancing from that perspective. I just wanted to clarify that with you and we anticipate we will have the final document from them as you approved it in the next two weeks.

MAYOR HOLLAND ADJOURNED

THE MEETING AT 6:45 p.m.

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Carol Godsil

dt Deputy Unified Government Clerk