ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, March 27, 2017

The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 27, 2017, at 6:47 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Bynum (appearing on behalf of Commissioner Walker), Walters, Murguia, and Townsend; and BPU Board Member Alvey. Commissioner Walker was absent. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Assistant County Administrator; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Assistant Finance Director; Debbie Pack, County Treasurer; Lisa Nolan, County Treasurer's Office; Reginald Lindsey, Budget Manager; Marlon Goff, Interim Director of Economic Development; Patrick Waters, Senior Attorney; and Officer Doug Bailey, Sergeant-At-Arms.

Chairman McKiernan called the meeting to order.

Roll call was taken and members were present as shown above.

Chairman McKiernan said just to remind everybody, I know that you know this, but we did have a blue sheet that was the details of support for Item No. 5, the Indian Springs discussion. That came out last Thursday afternoon. So, you either got it electronically or on paper. That's one revision we have, just a reminder about that.

Approval of standing committee minutes from December 12, 2016, and January 9, 2017. **On motion of Commissioner Murguia, seconded by Commissioner Walters, the minutes were approved.** Motion carried unanimously.

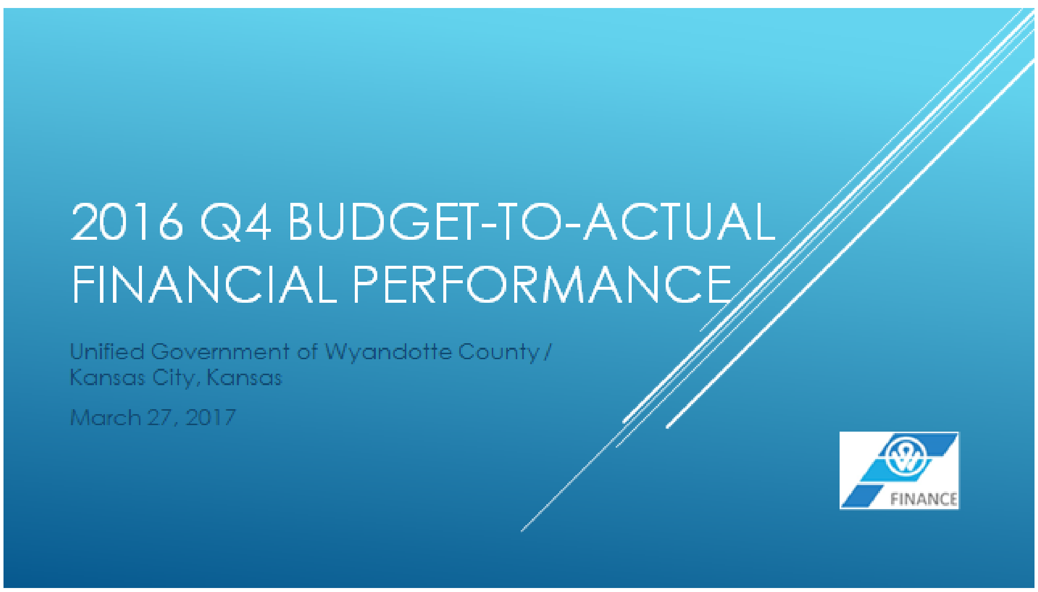
Committee Agenda:

Item No. 1 – 17965…REPORT: 2016 FOURTH QUARTER REPORTS

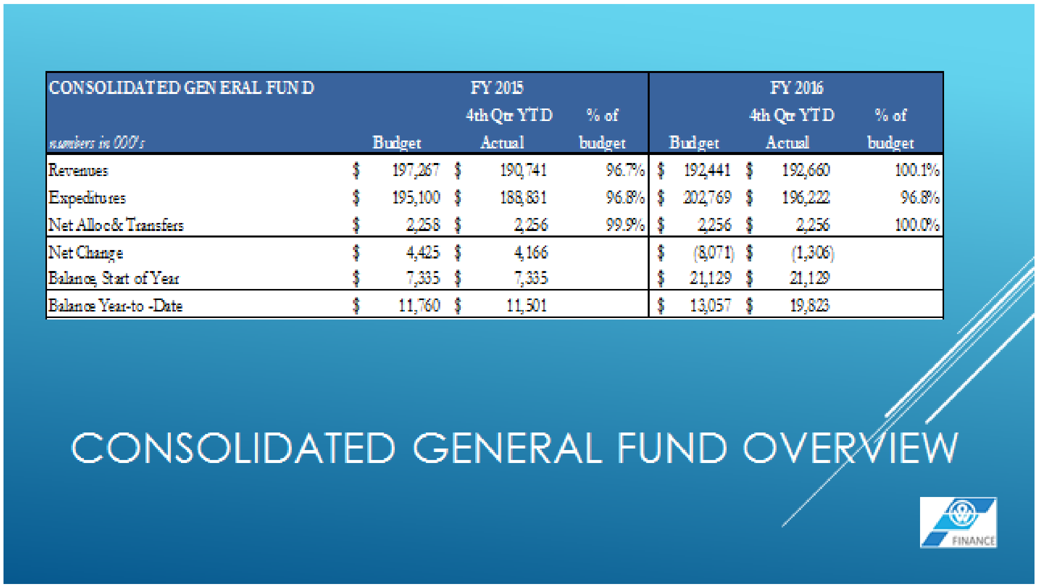
Synopsis: The Fourth Quarter 2016 Budget to Actuals Report and Budget Revisions greater than $10,000, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said I have with me my staff: Deputy CFO Debbie Jonscher, Lisa Nolan who handles our investments, Debbie Pack who's our County Treasurer, and Reginald Lindsey our Budget Manager. The whole crew is here.

We have three items. We'll try to make it as quick as possible. I'm happy to answer any questions you might have. **Chairman McKiernan** said we'll take whatever time we need to take.



Ms. VonAchen said the reason is this is the report on the Fourth Quarter. It's the last quarter of last fiscal year that ended on December 31. For that reason, we might want to take just a little bit more time on it.



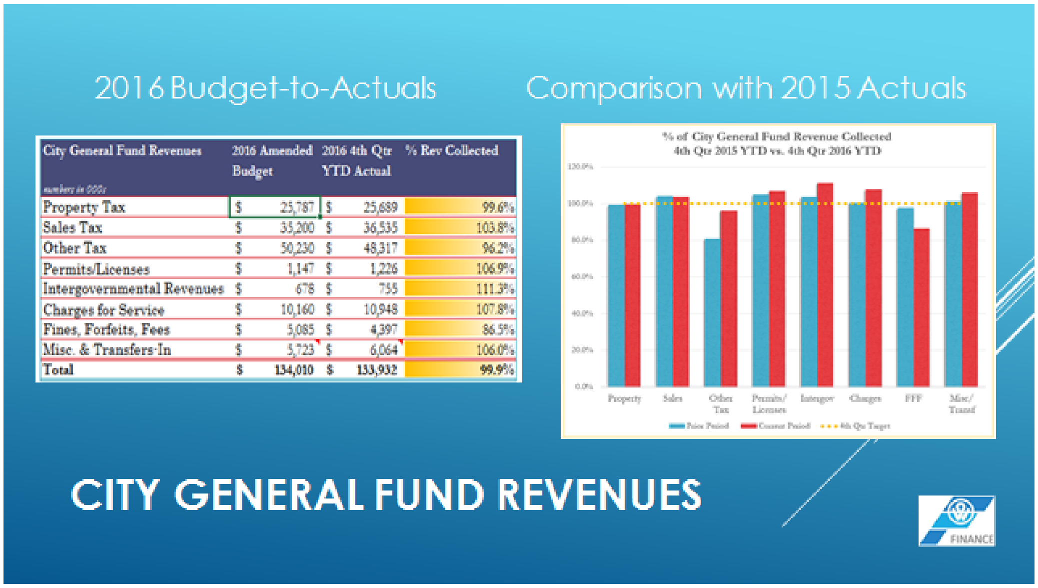
CONSOLIDATED GENERAL FUND	FY 2015			FY 2016		
numbers in 000's	Budget	4th Qtr YTD Actual	% of budget	Budget	4th Qtr YTD Actual	% of budget
Revenues	$ 197,267	$ 190,741	96.7%	$ 192,441	$ 192,660	100.1%
Expeditures	$ 195,100	$ 188,831	96.8%	$ 202,769	$ 196,222	96.8%
Net Alloc& Transfers	$ 2,258	$ 2,256	99.9%	$ 2,256	$ 2,256	100.0%
Net Change	$ 4,425	$ 4,166		$ (8,071)	$ (1,306)	
Balance, Start of Year	$ 7,335	$ 7,335		$ 21,129	$ 21,129	
Balance Year-to -Date	$ 11,760	$ 11,501		$ 13,057	$ 19,823	

Now, this report is a result of a General Fund budget-to-actual report that we do and we publish on our website. We do these every quarter. This is only about the General Fund, not the other funds of the Unified Government. The Unified Government's total budget is around $330M. This report talks about the General Fund, which totals around $200M. As you can see, this is a consolidated. It includes both the City and County. It also includes the consolidated Parks and Rec Fund. Three funds all combined into one.

The total expenditures, as I mentioned, are around $196M. The three takeaways from this one slide here are basically that you can see that in fiscal year 2016, which is that column to the far right, we came in with a net change, which is a negative number. That's a deficit of $1.3M. That's actually a planned deficit because in the prior year, there was some one time money that came in. The plan was to spend it in the subsequent year, which was in 2016. That's why it's that way.

Another takeaway from this slide is that you can see that our revenue projections were very accurate. We came in and brought in 100% of what we expected to bring in.

On the expenditure side, we spent roughly 3.2% less than what we had planned. That brought us a little bit of additional dollars that we can carry forward, or deposit into our fund balance, or carry forward for future spending.

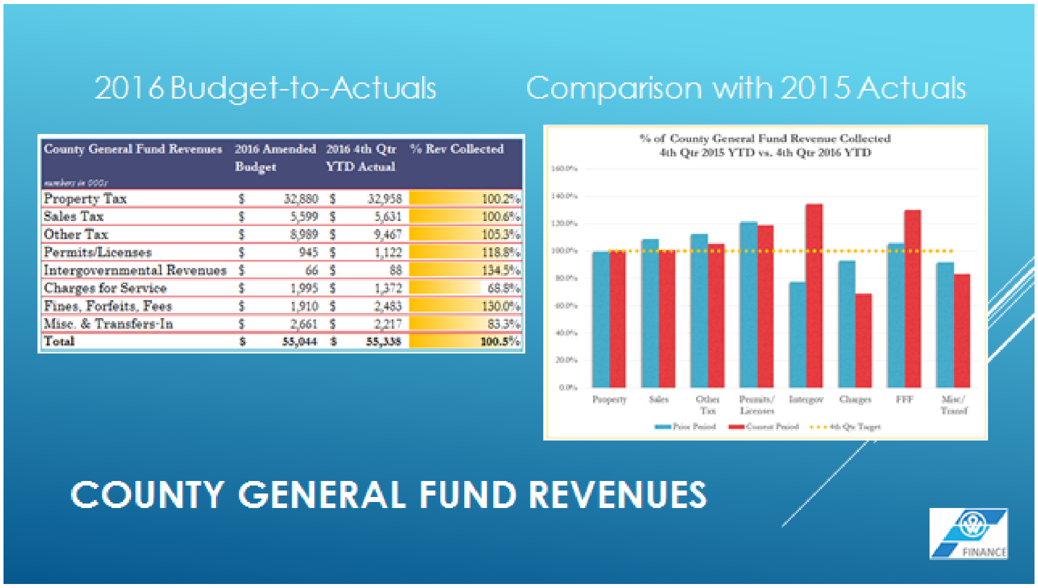


As I mentioned, there's three funds. We're going to kind of go through each one of these funds. First, I'm going to talk about revenues. Later on, we're going to talk about expenditures.

This is the City General Fund revenue. The takeaway for this slide real quickly is, from what I've gathered, you can see that there's $134M that's just the City General Fund portion. That's the total that we spent last year.

The biggest difference or variance in the Revenue side is you can see that sales tax came in 103% of what we expected. That's because when we were paying off those STAR bonds, and when we did the sales tax estimate, we didn't factor in that we would get one month of sales tax in December. That actually is what resulted in a slightly higher revenue collection in the sales tax category than what we expected.

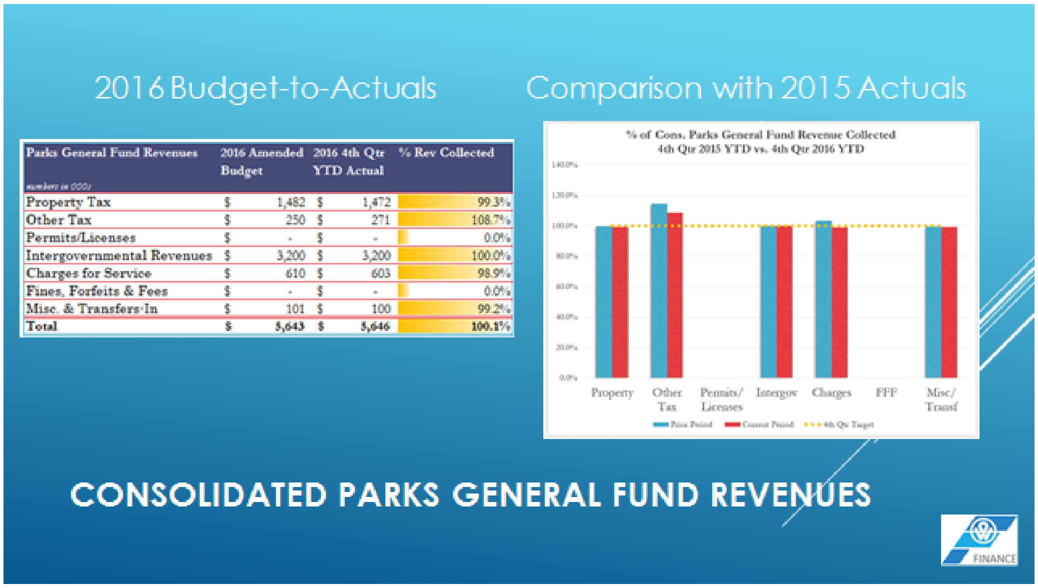
Another area that you see variance is in Permits and Licenses. I would say that the majority of the difference there can be partially attributed to additional building permits and similar fees of that nature.



On the County side, you can see the County revenues also came in just exactly as we had estimated. For the most part, you can see some variances amongst all of the various categories, but they all came in fairly close to, or consistent with, what we had budgeted.

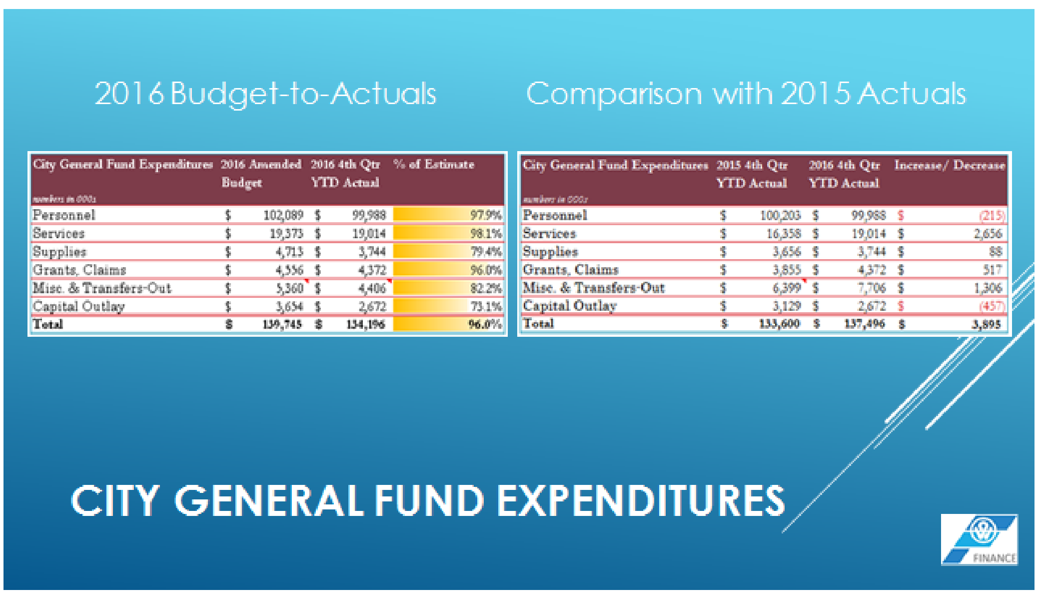
Chairman McKiernan asked could you go back. Charges for Service, it looks like the numbers don't match the little bar graph. It's a relatively small number, but those numbers don't seem to add up to 68.8%. **Ms. VonAchen** said the bar graph shows the percentage of total collected. **Chairman McKiernan** said thank you so much. You may proceed. Someone just caught up with the presentation, and that's me. **Ms. VonAchen** said I didn't talk about the graph.

What we're trying to demonstrate in this graph here is try to compare apples to apples, last year with this year, and to see whether we were actually collecting what we expected. By the way, that number is down from what we expected because of various reasons. It seems like a greater number because the size isn't very large.



Parks General Fund Revenues *numbers in 000s*	2016 Amended Budget		2016 4th Qtr YTD Actual		% Rev Collected
Property Tax	$	1,482	$	1,472	99.3%
Other Tax	$	250	$	271	108.7%
Permits/Licenses	$	-	$	-	0.0%
Intergovernmental Revenues	$	3,200	$	3,200	100.0%
Charges for Service	$	610	$	603	98.9%
Fines, Forfeits & Fees	$	-	$	-	0.0%
Misc. & Transfers-In	$	101	$	100	99.2%
Total	**$**	**5,643**	**$**	**5,646**	**100.1%**

Now, there's three funds. The biggest ones are the City, which is around $134M, and the County, which is around $55M. The last one is the Consolidated City/County Parks fund. It only spends around $6M. Of course, it's a very important function of the Unified Government. It's supported by a small property tax levy. Then there are some other revenues, including revenues that come from the City General fund in order to subsidize their functions and activities. That came in as we expected.



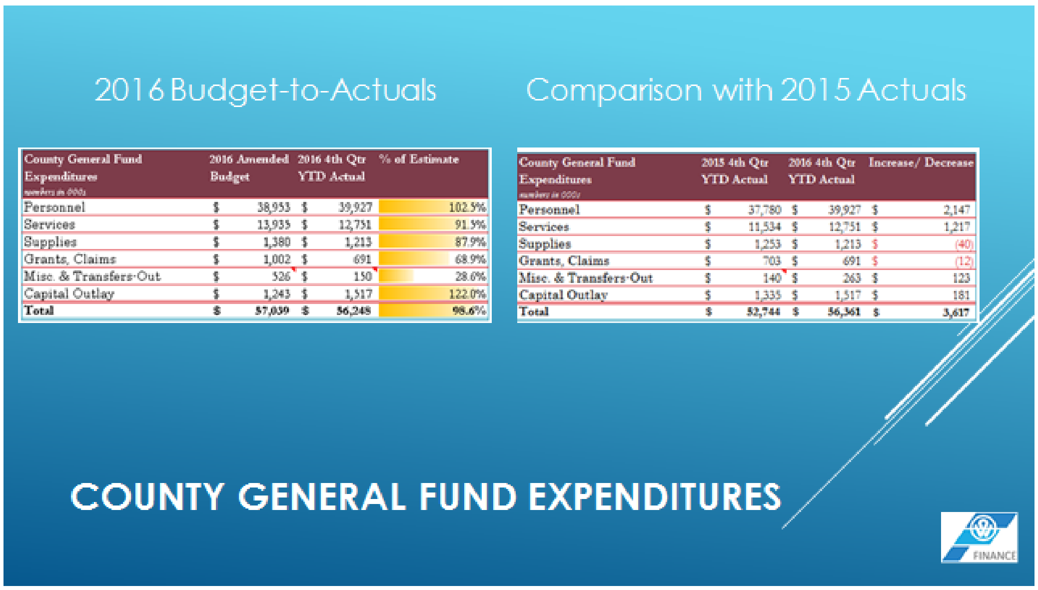
City General Fund Expenditures *numbers in 000s*	2016 Amended Budget		2016 4th Qtr YTD Actual		% of Estimate
Personnel	$	102,089	$	99,988	97.9%
Services	$	19,373	$	19,014	98.1%
Supplies	$	4,713	$	3,744	79.4%
Grants, Claims	$	4,556	$	4,372	96.0%
Misc. & Transfers-Out	$	5,360	$	4,406	82.2%
Capital Outlay	$	3,654	$	2,672	73.1%
Total	**$**	**139,745**	**$**	**134,196**	**96.0%**

City General Fund Expenditures *numbers in 000s*	2015 4th Qtr YTD Actual		2016 4th Qtr YTD Actual		Increase/ Decrease	
Personnel	$	100,203	$	99,988	$	(215)
Services	$	16,358	$	19,014	$	2,656
Supplies	$	3,656	$	3,744	$	88
Grants, Claims	$	3,855	$	4,372	$	517
Misc. & Transfers-Out	$	6,399	$	7,706	$	1,306
Capital Outlay	$	3,129	$	2,672	$	(457)
Total	**$**	**133,600**	**$**	**137,496**	**$**	**3,895**

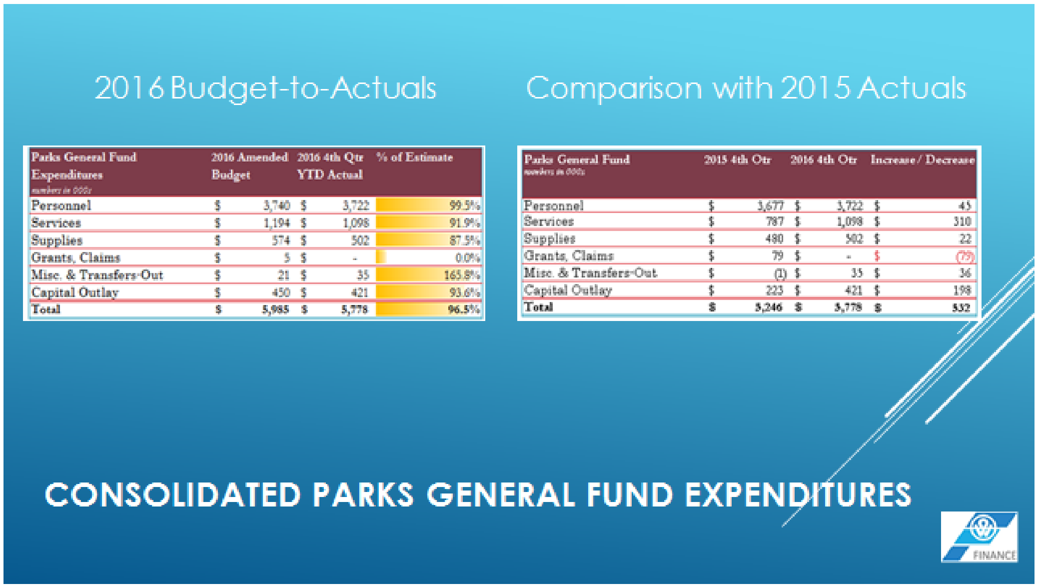
On the expenditure side, we're going to show you a little bit about the City General Fund expenditures. They total around $137.5M.

The big takeaway here is that we are estimating that Personnel costs are coming in right at pretty much what we budgeted. Services, though, were \$2.6M lower than we expected. The other big one is that Miscellaneous and Transfers Out were about \$1.3M less than we expected.

As a result of some of the underspending in those categories, we ended up with an amount that went back to fund balance totaling \$3.9M in fiscal 2016.



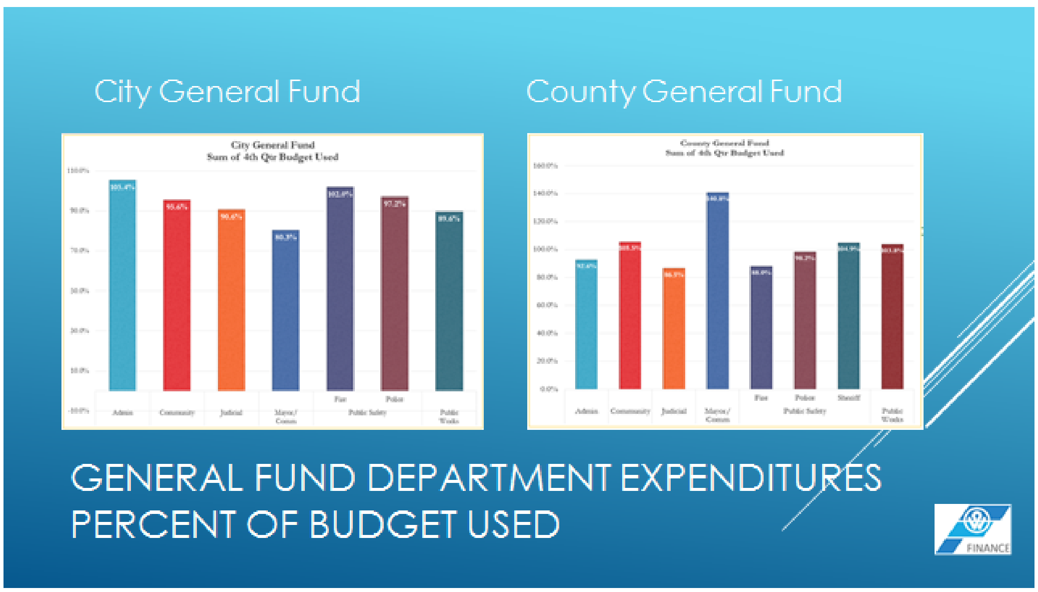
On the County General Fund side, you can see that we spent roughly 98% of our total General Fund budget for County. Compared to 2015, our spending was about \$3.6M higher than it was in 2015.



Parks General Fund Expenditures *numbers in 000s*	2016 Amended Budget	2016 4th Qtr YTD Actual	% of Estimate
Personnel	$ 3,740	$ 3,722	99.5%
Services	$ 1,194	$ 1,098	91.9%
Supplies	$ 574	$ 502	87.5%
Grants, Claims	$ 5	$ -	0.0%
Misc. & Transfers-Out	$ 21	$ 35	165.8%
Capital Outlay	$ 450	$ 421	93.6%
Total	**$ 5,985**	**$ 5,778**	**96.5%**

Parks General Fund *numbers in 000s*	2015 4th Qtr	2016 4th Qtr	Increase / Decrease
Personnel	$ 3,677	$ 3,722	$ 45
Services	$ 787	$ 1,098	$ 310
Supplies	$ 480	$ 502	$ 22
Grants, Claims	$ 79	$ -	$ (79)
Misc. & Transfers-Out	$ (1)	$ 35	$ 36
Capital Outlay	$ 223	$ 421	$ 198
Total	**$ 5,246**	**$ 5,778**	**$ 532**

Then over in Parks, very consistent spending levels generally speaking.



The last slide kind of gives you some idea of the different departments and where the money is spent by department. Before we were looking at Salaries and Benefits and Services and so forth, whereas here, we're looking at departments.

The City General Fund we have the sum of the Fourth Quarter budget used. For example, if you used 100% of your budget, you would see 100% right here and you'd be one of the top ones. Some of these departments spent less than what they were budgeted. You can see the various variances. I'm having a hard time seeing who it was.

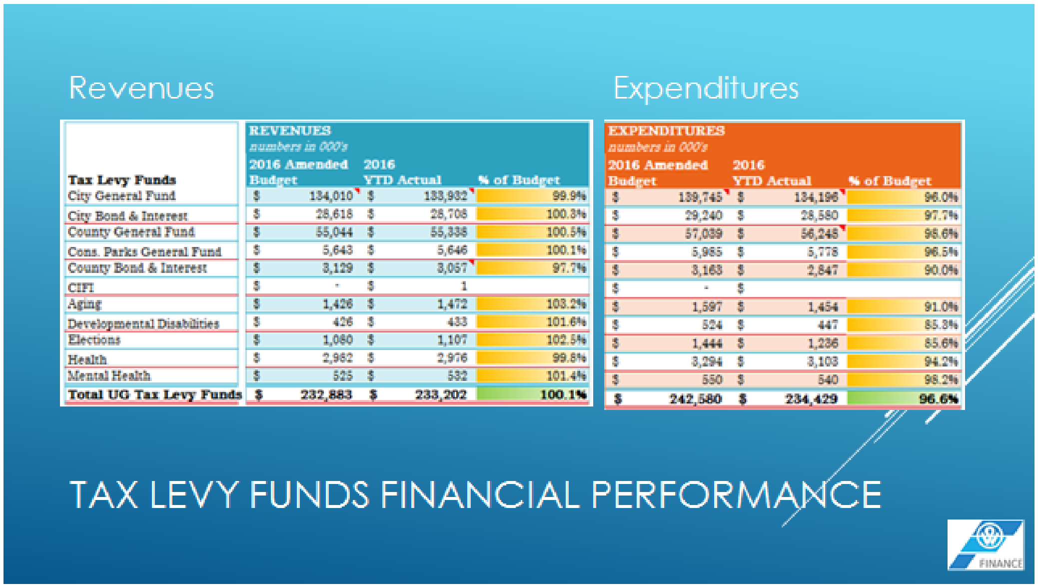
Judicial came in a little lower; whereas Fire is at nearly 100%. Police is a little bit, around 96 or 97%. I can't read it.

Then on the County side, you can see that most of them spent very close to their budgets. The Mayor's Office was substantially higher, but we noticed over on the City side it's much lower. There may have been some spending, some coding issues, that occurred between the City and County funds that we need to probably repair.

I did mean to mention that these are all preliminary estimates. As we go through the audit process, we go through and evaluate all of the expenditures and the revenues. We make sure that things are coded in the right accounts. We are in the process of doing that right now with our auditors. That will be completed sometime in May. We'll present the final CAFR in June.

Commissioner Murguia asked, Kathleen, it will address that expenditure because this chart doesn't look very good that the Mayor's budget is 40% over budget. **Ms. VonAchen** said just on the County side. **Chairman McKiernan** said but then, go look at the City side, it's down. **Commissioner Murguia** said I understand that. If we can interchange those, if we can move that money back and forth, there's got to be a better way to reflect that. If the general public is reading this, they're going to think the Mayor overspent his budget by 40%. **Commissioner Bynum** said I think it says Mayor/Commission, does it not. **Ms. VonAchen** said oh yeah, it's both. **Commissioner Murguia** said okay. Now I really want that fixed because I'm a commissioner.

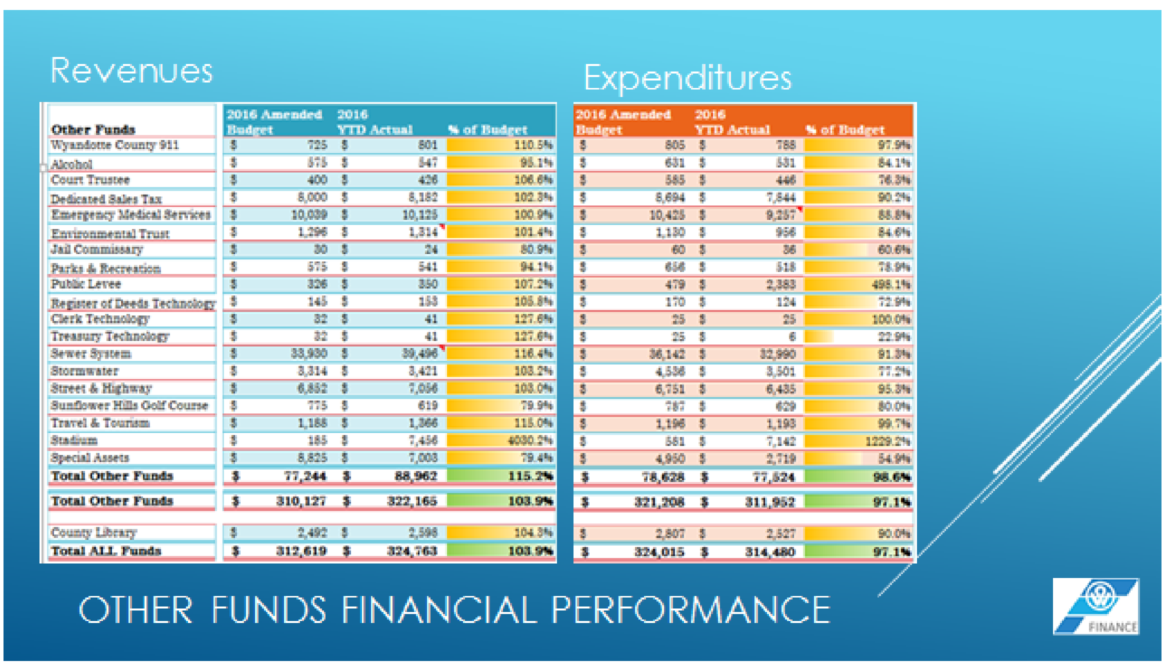
Ms. VonAchen said that's exactly what we'll do. That's what I was trying to explain earlier is that we'll take a look at those expenditures. Perhaps when we were paying some of those bills, it just hit the wrong fund. **Commissioner Murguia** asked can you send that to us. Can you bring that piece back to us? **Ms. VonAchen** said okay. **Commissioner Murguia** said I just don't want the general public to think that their elected officials are spending 40% more of their budget. **Ms. VonAchen** said yeah.



Tax Levy Funds	REVENUES numbers in 000's 2016 Amended Budget	2016 YTD Actual	% of Budget	EXPENDITURES numbers in 000's 2016 Amended Budget	2016 YTD Actual	% of Budget
City General Fund	$ 134,010	$ 133,932	99.9%	$ 139,745	$ 134,196	96.0%
City Bond & Interest	$ 28,618	$ 28,708	100.3%	$ 29,240	$ 28,580	97.7%
County General Fund	$ 55,044	$ 55,338	100.5%	$ 57,039	$ 56,248	98.6%
Cons. Parks General Fund	$ 5,643	$ 5,646	100.1%	$ 5,985	$ 5,778	96.5%
County Bond & Interest	$ 3,129	$ 3,057	97.7%	$ 3,163	$ 2,847	90.0%
CIFI	$ -	$ 1		$ -	$	
Aging	$ 1,426	$ 1,472	103.2%	$ 1,597	$ 1,454	91.0%
Developmental Disabilities	$ 426	$ 433	101.6%	$ 524	$ 447	85.3%
Elections	$ 1,080	$ 1,107	102.5%	$ 1,444	$ 1,236	85.6%
Health	$ 2,982	$ 2,976	99.8%	$ 3,294	$ 3,103	94.2%
Mental Health	$ 525	$ 532	101.4%	$ 550	$ 540	98.2%
Total UG Tax Levy Funds	**$ 232,883**	**$ 233,202**	**100.1%**	**$ 242,580**	**$ 234,429**	**96.6%**

Now, we have other tax levy funds here. What I'm showing here is the revenues on this side and the expenditures over here in the orange for the same respective fund.

The first few we've already gone over. We do have the County and the City Bond and Interest Fund showing there, both of which collected sufficient revenues to meet their expenditure needs. We also have Aging, the Developmental Disabilities, Elections, Health and Mental Health, all of which rely on property tax levies. All of them collected sufficient revenues to meet their expenditure needs.



Other Funds	Revenues 2016 Amended Budget	2016 YTD Actual	% of Budget	Expenditures 2016 Amended Budget	2016 YTD Actual	% of Budget
Wyandotte County 911	$ 725	$ 801	110.5%	$ 805	$ 788	97.9%
Alcohol	$ 575	$ 547	95.1%	$ 631	$ 531	84.1%
Court Trustee	$ 400	$ 426	106.6%	$ 585	$ 446	76.3%
Dedicated Sales Tax	$ 8,000	$ 8,182	102.3%	$ 8,694	$ 7,844	90.2%
Emergency Medical Services	$ 10,039	$ 10,125	100.9%	$ 10,425	$ 9,257	88.8%
Environmental Trust	$ 1,296	$ 1,314	101.4%	$ 1,130	$ 956	84.6%
Jail Commissary	$ 30	$ 24	80.9%	$ 60	$ 36	60.6%
Parks & Recreation	$ 575	$ 541	94.1%	$ 656	$ 518	78.9%
Public Levee	$ 326	$ 350	107.2%	$ 479	$ 2,383	498.1%
Register of Deeds Technology	$ 145	$ 153	105.8%	$ 170	$ 124	72.9%
Clerk Technology	$ 32	$ 41	127.6%	$ 25	$ 25	100.0%
Treasury Technology	$ 32	$ 41	127.6%	$ 25	$ 6	22.9%
Sewer System	$ 33,930	$ 39,496	116.4%	$ 36,142	$ 32,990	91.3%
Stormwater	$ 3,314	$ 3,421	103.2%	$ 4,536	$ 3,501	77.2%
Street & Highway	$ 6,852	$ 7,056	103.0%	$ 6,751	$ 6,435	95.3%
Sunflower Hills Golf Course	$ 775	$ 619	79.9%	$ 787	$ 629	80.0%
Travel & Tourism	$ 1,188	$ 1,366	115.0%	$ 1,196	$ 1,193	99.7%
Stadium	$ 185	$ 7,456	4030.2%	$ 581	$ 7,142	1229.2%
Special Assets	$ 8,825	$ 7,003	79.4%	$ 4,950	$ 2,719	54.9%
Total Other Funds	**$ 77,244**	**$ 88,962**	**115.2%**	**$ 78,628**	**$ 77,524**	**98.6%**
Total Other Funds	**$ 310,127**	**$ 322,165**	**103.9%**	**$ 321,208**	**$ 311,952**	**97.1%**
County Library	$ 2,492	$ 2,598	104.3%	$ 2,807	$ 2,527	90.0%
Total ALL Funds	**$ 312,619**	**$ 324,763**	**103.9%**	**$ 324,015**	**$ 314,480**	**97.1%**

The other revenues that are either special revenue funds or they're enterprise funds are reflected here as well. Without going through each one, I just refer you back to the report that we have on our website that talks about this and has more information.

Commissioner Walters said I do have just a couple of questions on that. Could you explain the Public Levee and the Stadium lines? I don't know if that's a catchup from a previous year or what. **Ms. VonAchen** asked the Stadium line. **Commissioner Walters** said yes. **Ms. VonAchen** said in fact, maybe Debbie would be able to explain that.

Debbie Jonscher, Deputy Chief Financial Officer, said I'll start with the Public Levee. Are you questioning the difference between the revenue collected and the expenditures going out? **Commissioner Walters** said the budget and the actual actually, yeah. **Ms. Jonscher** said currently there is revenue being collected. On the expenditure side there's the debt that was on the former Levee site that we're still being paid. We are collecting revenues that cover that debt; however, I'm not exactly sure what the $2.3. I may have to look into that to find out what's included in that charge.

The Stadium Fund is the T-Bones Fund. **Commissioner Walters** said yes, I'm just looking at, there was very little money budgeted either for revenue or expenditures, but there was significant revenue and expenditures. I'm just kind of curious as to where the bust is between our budget and our actual. **Ms. Jonscher** said some of that, I believe, is before the STAR bonds paid off, some of the activity for the capital accounts were being recorded in escrow accounts. I believe that the escrow activity is included in these numbers. When we do the budget statements, we don't include the escrow activity, but I believe that's being picked up in these numbers. I can verify that for sure.

Chairman McKiernan said as always, we appreciate the reports that you've done. We do appreciate that. We do have someone from the public. If you could just give us your name and city of residence.

Doug Spangler, Kansas City, Kansas, Wyandotte County, said on the Stadium Fund, I can't see it. It's blurry over here. The percentage is like 4,000 on expenditure.

The Unified Government took control, or they took ownership, of that stadium through a purchase. Would that be correct? **Doug Bach, County Administrator,** said yes. **Mr. Spangler** said in the budget year, it was not planned. That figure, it would be $7.4M approximately? What does the figure on the screen say?

Ms. VonAchen said as we mentioned, these are pre-audit numbers. What we need to do is go back and double-check that figure. **Mr. Spangler** said I was wondering, under any circumstance, how would a mid-year purchase occur that was not budgeted unless it came out of an Enterprise fund. Is that where those funds came from? **Ms. Jonscher** said the Stadium Fund is an Enterprise fund. **Mr. Spangler** said it had $7M extra in it. When you took ownership of it, that's the expenditure there? **Ms. Jonscher** said not all of that occurred in 2016.

As I said before, I believe that large amount is picking up escrow activity that occurred before the payoff of the STAR bonds. **Mr. Spangler** said right. I've been following this online. The figures had, and I called Finance a couple of times and was directed to the CAFR report. Your description of the purchase of the stadium, my point being, that stadium will not pay property taxes any longer because you own it, right? **Mr. Bach** said correct. **Mr. Spangler** asked will it pay Board of Public Utilities' fees or will those be subsidized as well.

Mr. Bach said it's currently paying Board of Public Utilities' fees. It's also currently paying property taxes. **Mr. Spangler** said so they rent the stadium from you and that amount is assigned as a revenue number. **Mr. Bach** said yeah. **Mr. Spangler** asked where does that revenue number occur in there. Is it the lower figure of the $561,000? I assume those are in thousands. **Mr. Bach** asked are you talking about a revenue number that comes back from the property taxes. **Mr. Spangler** said to the facility. You said it pays facility — somebody has to pay, it generates revenue. Who pays the property taxes on that? **Mr. Bach** said the Unified Government pays the property tax. **Mr. Spangler** said that's what I wanted to know.

Chairman McKiernan asked any other discussion or questions. If not, thank you very much for the report. One of the things that I do appreciate is in the report that we have, not on the screen but in the printed report, you do have explanatory comments, and the report that's online, has explanatory comments that continue to flush out and explain the different sections of the report.

That's the Fourth Quarter. We still have the budget revisions of $10,000 or greater for the Fourth Quarter.

Reginald Lindsey, Budget Manager, said during the Fourth Quarter of 2016, we had 20 ledger revisions that were over $20,000. They totaled $2.8M. Also, the lowest amount of budget revision that was done was a $10,000 budget revision. The largest amount was a $313,000 budget revision. With the report, we added a new column which is two columns from the right. It shows the funding source. It will tell you if the revision was done within a department or if it was done for contingencies or reserves.

Commissioner Walters said we have various levels of changes that can be made, some with departmental approval, some with County Administrator approval, and some with Commission approval. Some of these larger transfers, what category are they in, like the $1.2M sewer system transfer amount? Could you just kind of walk us through what that was?

Mr. Lindsey said we have a category where if a budget revision has to do with funding to keep operations going, the Mayor and our County Administrator sign off on it. If it's a one-time budget revision where it's questionable if there's something we need to do and it doesn't impact operations, it does come in front of the Commission. If we were to be purchasing a property or so, that would come in front of the Commission. Anything that is related to making sure that our operations are ongoing, goes in front of the County Administrator and Mayor.

Commissioner Walters asked all of this $200-250,000 were in that category that you just described. **Mr. Lindsey** said yes. Like the $250,000, it was an emergency replacement for the Annex roof. We had some leaking going on at the Annex into some of the offices. It pretty much was an emergency that needed to be done.

Commissioner Murguia said I thought we addressed this in a policy four years ago when money was being spent that the Commission had no idea where it was being spent, larger amounts of money. We adjusted our policy. I think it was around some not so favorable publicity around the T-Bones stadium. I can't recall the details right now.

I might be the only one, but when this government only has a $250M budget and we spend $1.2M on one project, it seems odd that we wouldn't be briefed on that. Regardless of whether it's an emergency, if it's an emergency in the sense that you got to get it fixed, we do those emergency phone calls. I just don't understand why a quick phone call can't be sent out that says hey, the roof's leaking. We've got to spend $1.2M. Wanted to let you guys know. The Mayor and our Administrator signed off on it. It's $1.2M.

Ms. VonAchen said I'd like to interject just a moment please. Actually, they were taking budget from one area of the Sewer Enterprise Fund and moving it to the other area. They weren't necessarily spending new money. It's taking existing budget and just moving it around.

Commissioner Murguia said I don't know, maybe I'm missing something. I'd like to understand where it came from and where it's being moved to. It's $1.2M. It doesn't have to be a formal meeting and I don't want to create a lot of paperwork. It's a simple phone call. There's only what, three on here, and how long does this cover? What timeframe does this cover? **Mr. Bach** said fourth quarter.

Commissioner Murguia said okay, in one quarter it would've created three emergency messages just to say we had to move some money around. It's just that simple. We had to move some money around. It was $1.2M; lot of money, bummer, but the roof was leaking.

Commissioner Bynum said the $1.2M is for sewers and Public Works. The Annex roof is $250,000. **Commissioner Murguia** I hear you, Melissa. I don't care of it's for toilets. I don't care what it's for, it's $1.2M. To me, it's a sign of disrespect for the Commission. I understand our government's set up where it's a very Mayor powerful system and that the Commissioners really don't have all that much say. I would tell you I think anytime we move money around, and the really annoying part is I was here when there was this big contentious amount of money spent, so we changed the policy. Reggie, I think you were involved. **Mr. Lindsey** said I was involved in writing the policy.

Commissioner Murguia said it was a big deal. When stuff like this happens, I am confident nobody's trying to trick anyone, at least I want to believe that. It just would be easier to be more open and transparent about it. It's not a big deal, so whatever broke broke. You had to fix it. It's only three things. If it was 50 or 30, I'd say fine I get it. You got to move. You've got to keep things going, but it's three items. Just call us and tell us that you've moved money from one place to the next.

Mr. Lindsey said the items in the policy, if it's like discretionary was the wording that we used, that we could move funding. We didn't feel that any of these were outside discretionary and they were helping to make sure that our ongoing government operations got done.

Mr. Bach said I'll speak to the roof. I did put a note out to you. I didn't send it as an emergency message. It was a couple of days after it came about or probably even before I signed off on the final revision. That was within the Facilities budget, so we moved through and just realigned where we could go through. When we've got a leaking roof, we've got to fix it. I put the information out. **Commissioner Murguia** said okay.

Mr. Bach said within Water Pollution, these are operating areas where we have. I make that fund function within the money they have. It's a matter of saying okay, where can we prioritize. It's a consolidation of moving money from different line items within their budget to continue the mission that they're after. **Commissioner Murguia** said sure, but it has to come from somewhere.

Mr. Bach said that one's not as easily explainable to say yeah, it's within their fund. **Commissioner Murguia** said but it's still coming from somewhere so something else is not happening because $1.2M is being spent. I don't care if it's within the department or outside the department. **Mr. Bach** said that's a good point on that one.

Ms. VonAchen said actually, what we did in Water Pollution and why it's so high is because I think there were a whole slew of folks that were funded in the wrong division and they needed to be funded in a different division. It was kind of a reorganization of all the chart up accounts within Sewer. Am I right about that? **Commissioner Murguia** asked then why don't we know that. That's a big deal. We are the ones that adopt the budget. If you're moving money around, the Commission is the one that says yes or no on the budget. If it changes, I think we should know that.

Mr. Bach, I'm not trying to create work for you, but if you're already making a note to us — this is one of the few things that we do have say over. We don't, clearly, get to set the agenda. The Mayor does that and decides what's on the agenda and what's not. If he doesn't like it, it doesn't happen. There's no way really around that.

What we do have control over is budget. What we approve should be what we do. I understand; I'm being understanding. I understand that things come up; no big deal. I think we should know what those are. That's all I'm saying. I don't think anybody is trying to hide anything. You're writing it down anyway; just let us know.

Ms. Jonscher said we can get the detail. I will say that was, this issue was not personnel related.

Chairman McKiernan said what I think would be good is, because I thought we had a deal with a certain dollar value even though it was for emergency operations and approved by Administration, it wasn't going to wait until the quarterly report. It was going to come right to us. **Commissioner Murguia** said that's what I thought. **Chairman McKiernan** said I thought we had put that in the policy so if I could just ask, if we could just have the policy just distributed. I'm looking for it here on my computer and drop box is failing me. If we could just distribute that so we can review it. I recollect something more similar to what you recollect, that we'd ask for a more immediate notice of larger dollar items, even if they were emergency operations.

Commissioner Murguia said, Brian, you're good about stuff like that and you have a good quality to review those things. I rely on our Legal staff to write those things. They know what our intent was. The policy should have been drafted with what the intent of the Commission was. We were seriously concerned about the transfer of large amounts of money, wanted to know what was happening with that. Like I said, it's the one thing we have something to say about. That's all I'm saying. I'm not trying to create additional work. I am in no position, nor do I have the skillset. I'm not a lawyer. How you interpret a word, how I interpret a word, that's not what I do. I trust that our staff will be very transparent about that. That's all I'm saying. You're being transparent now, but I would have liked to have had a heads up on that.

Chairman McKiernan said that's something we can address going forward. **Commissioner Murguia** said yeah.

Commissioner Townsend said one more point of clarification on this. When we're looking at the column "Funding Source," using the $1.2M as an example, it says the funding source was within the department. Is it appropriate to say that this $1.2M was money already budgeted for this department but a line item was switched here? Is that what happened? **Mr. Lindsey** said yes, that's exactly what happened. It was moved across different account codes. **Commissioner Townsend** said okay, I just want to make sure.

So that was money that was already in that department as were these others that go down the line that say within department. **Mr. Lindsey** said yes, the ones that say within department.

Commissioner Townsend said you're just moving money between line items within a department of money that's already been budgeted. **Mr. Lindsey** said yes.

Commissioner Murguia said I don't want to belabor this. That's true, but…**Commissioner Townsend** said yours is a different issue. I'm making sure that I understand that this is money that's already been budgeted.

Action: Information only.

Item No. 2 – 17966…REPORT: COMPREHENSIVE FEE SCHEDULE

Synopsis: 2017 Comprehensive Fee Schedule, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said as we talked about earlier, we have a $330M budget. A lot of that is paid for by various taxes and inter-governmental revenues from the State and from the federal government, just a whole variety of different funding sources. One of the funding sources or categories is charges for services. Every department in the UG has a variety of fees that they charge in order to attempt to recover the cost of providing various services.

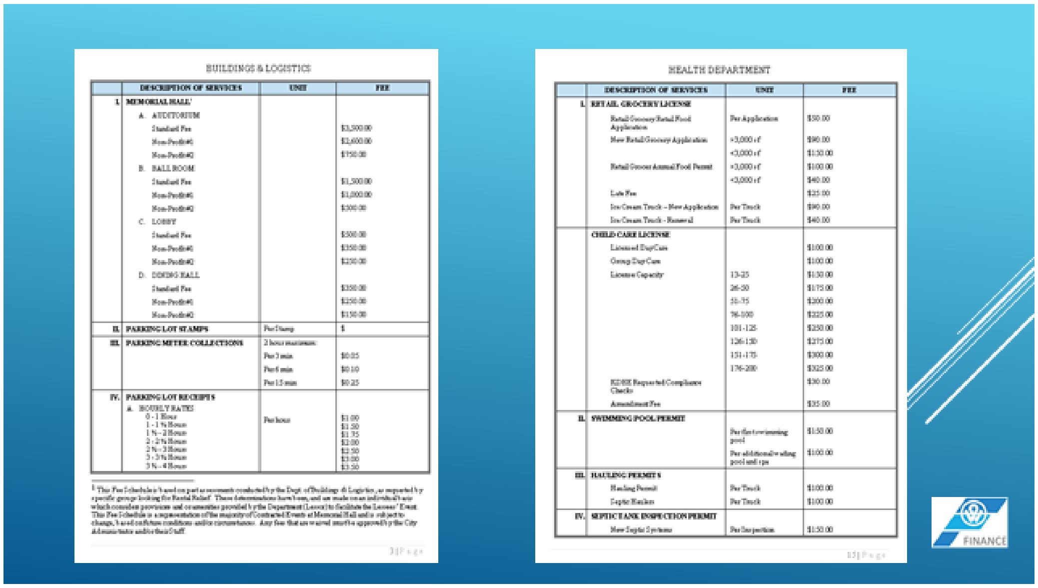
When I first arrived, I thought it would be very nice, and in fact it is a recommended practice, that we have a master list of all of these services so that the public can have one source to go to to see them and see how they're charged and they're levied and so forth.

This is what we've done. Our departments put this together. We worked very closely with every department, asked them for their fee schedules, asked a lot of questions, got some detail. I'm going to pass this on to Debbie Pack because she was the lead on that as the Revenue Team Leader.

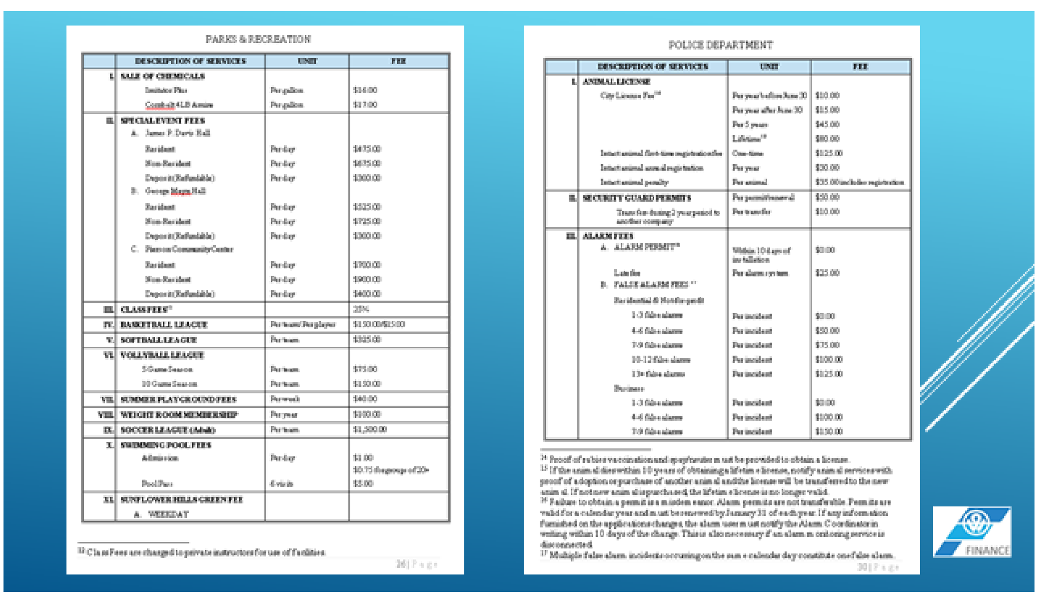
Debbie Pack, County Treasurer, said what Kathleen said was true. The Revenue Team met with every department. We sent out a survey and asked them for all of their fees. We did some research online to collect fees. We were trying to just get a master list of everything that each department charged.

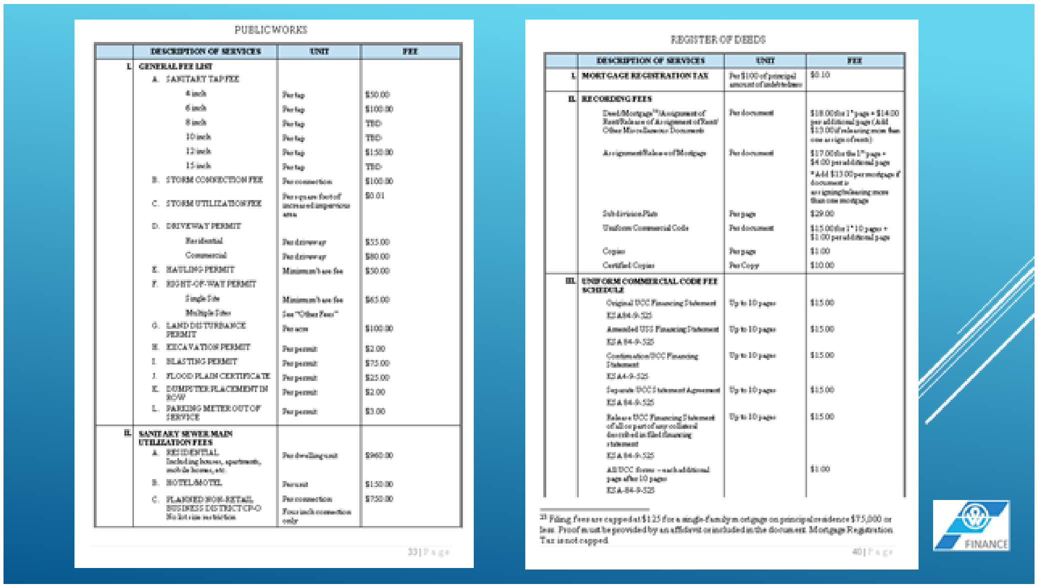
What we did was we met with every department. We interviewed them. We asked them questions about is this a fee that we collect for a service that we provide? Is this a fee that we collect for the State? Is this a fee that we get some benefit from? We were looking for a lot of things.

A lot of the fees that we realized that we collect are pass through fees. We really didn't want to concentrate on those. We wanted to get the master, but we also wanted to find out what we were really dealing with. Are these pass through fees or are these fees that we actually have any control over? Do we get a benefit from them? Do we get to keep part of them?



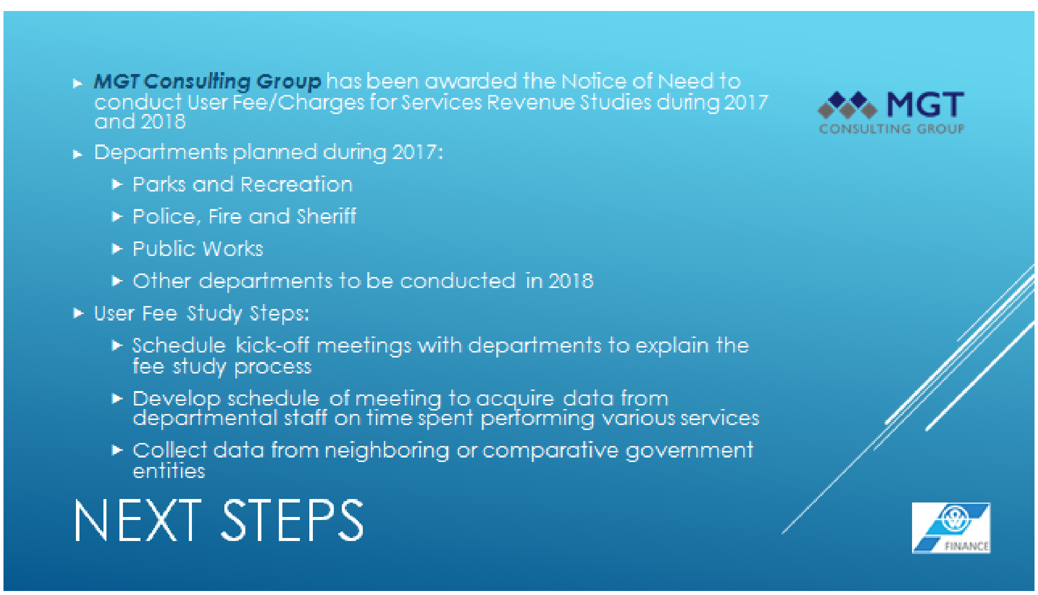
For example, in Motor Vehicle we know that there are a lot of fees that we pay for our car registration, but very little of that stays with the County. Some of the other departments, those fees are set by the County. We were trying to just get a really good dictionary, let's say, of what those fees were, how they were created, when the last time they were increased, and things like that.





As a result of that, we created this fee schedule that listed all of these items by department. It gives you what the fees for and what the unit of measure is. If it's per hour or per license or something like that, we tried to add that information in there, and what the actual fee is.

The goal for us, then, is to use this information to go forward and do studies on these fees and make sure that we're actually getting back the cost that we're spending on the service through these fees and if we have any ability to look at these fees and say, do we have the ability to move these fees. Is this fee fair? Are we recovering the cost of our fees?



Ms. VonAchen said we just completed an RFP and selected a firm to help us do these user fee studies. That firm is MGT. We've just started work with them. What they'll be doing is interviewing staff members in various departments. We're going to do a few departments at a time. Our first departments will be Parks and Recreation, then the Police, Fire and Sheriff. Those are the first two studies we'll be doing.

What we're going to do is collect data on not only what they spend, but also talking with individual staff members within the department and asking them questions like how long does it take you to do such-and-such. Doing kind of a time series to determine how much time is spent providing certain service so that we can break all those costs out by the individual service.

That's going to take about a couple of months. We really hope to have this turned around pretty quickly. We hope to have a couple of these fee studies done in the next couple of months or by June, at least Parks and Rec and Police and Fire.

BPU Board Member Alvey said I'm assuming that one of the reasons why we would try to access that information is that we would then be able to adjust the fee schedule so that we would not be under collecting on some fees and not over collecting on others. Would staff then bring those recommendations to Commission?

Ms. VonAchen said yes. The first step, once we collect that data, then we're going to have the department head review it internally so that he or she has the ability or an opportunity to see whether the data made sense. The next step will be for the County Administrator's office to go through and do a peer review of that data at that point. Then after that, we'll take it to the Commission.

Certainly, because we are a government, there may be a certain level of subsidy level that is permissible. That's all a policy question. That's exactly why we're doing this is to get feedback from you on what you are comfortable with in terms of subsidy level or do you want full recovery on this service but then a subsidy level on this second service, etc.

BPU Board Member Alvey said I would just suggest that if there are major discrepancies that any adjustments would be done in increments so that it would not be — go, let's say a 50% change. Reduce it. I'd say get that back down over time rather than one fell swoop.

Ms. VonAchen said any future fee changes would be brought before all of you based on staff recommendations. We certainly will incorporate the approach of phasing in any kind of fee adjustments in order to mitigate any kind of shock to the citizens. That's certainly true.

Chairman McKiernan said you've told me this and I have forgotten. NRC, the Neighborhood Resource Center, in here it's blank right now. You had said that that was going to be a future phase, is that right? **Ms. VonAchen** said that's right. The NRC has a great number of fees. In order to move this project along, we're just kind of taking it step-by-step. We felt that having all the rest of the UG was a very good step. We'll do the NRC next year.

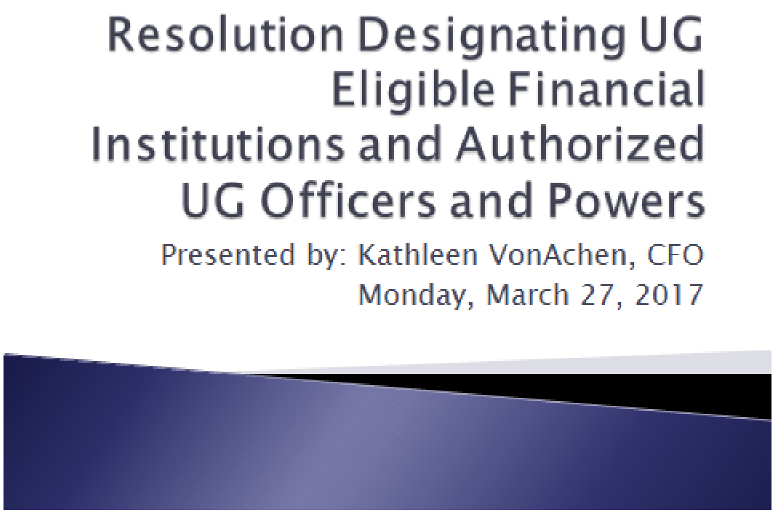
BPU Board Member Alvey said I think its good information. I think it's a good plan moving forward; helpful. **Chairman McKiernan** said I agree.

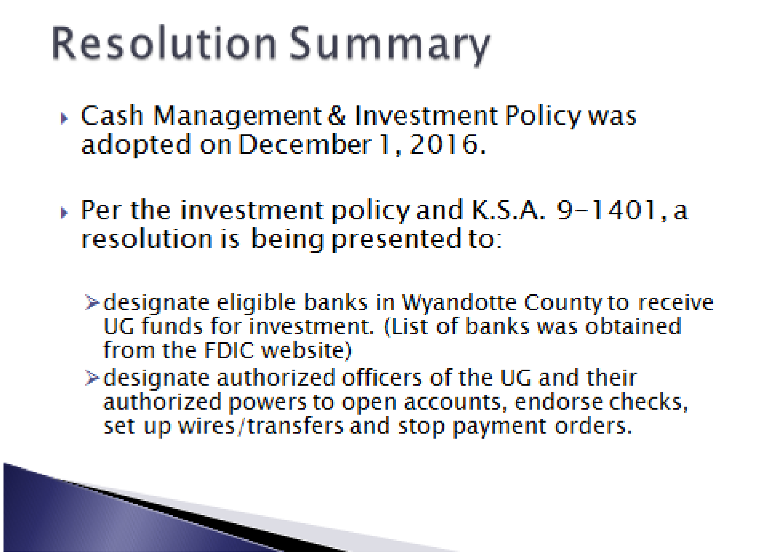
Ms. VonAchen said I'd like to thank my staff for all the work they did. They spent quite a bit of time working with all the departments to collect this data. **Chairman McKiernan** said I think the financial reports we're getting, the financial forecast you've done, collecting all these data together in one place, I think we're making some real strides in trying to wrap our arms around the entirety of our financial operation. That's very much appreciated.

Action: Information only.

Item No. 3 – 17964…RESOLUTION: DESIGNATING ELIGIBLE FINANCIAL INSTITUTIONS

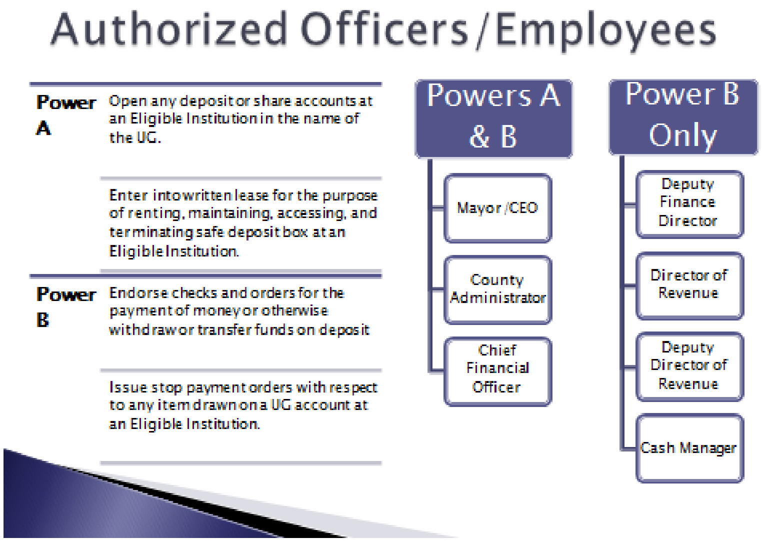
Synopsis: A resolution designating depositories and eligible instruments for investing Unified Government funds and receiving requests for bids for investment of idle funds, submitted by Kathleen VonAchen, Chief Financial Officer.



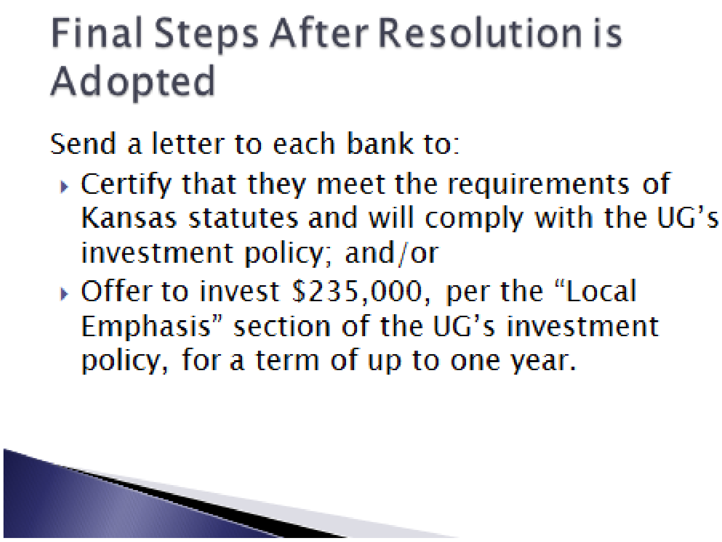


Lisa Nolan, County Treasurer's Office, said with the adoption of the Investment Policy that the full commission adopted on December 1, per that Investment Policy and the Kansas Statutes, we are presenting a resolution for adoption which will designate eligible banks in Wyandotte County to receive UG funds for investments. The list of banks was obtained from the FDIC website.

The resolution will also designate authorized officers of the Unified Government and their authorized powers such as to open accounts, endorse checks, set up wires, process transfers and stop payments.



The next slide shows you the list of the officers and the powers that they will be designated.



The final steps after the resolution is adopted, we will be sending a letter to all the banks on the list, on the resolution, to certify that they meet the requirements of Kansas Statutes and that they will comply with the UG's Investment Policy. We will also offer each bank — we will offer to invest $235,000 with each bank per the Local Emphasis section of the Policy for a term up to one year.

Kathleen VonAchen, Chief Financial Officer, said the resolution in your packet has a list of all the banks.

Action: **Commissioner Walters made a motion, seconded by BPU Board Member Alvey, to approve as submitted.**

(Commissioner Bynum left the meeting at 7:28 p.m.)

Commissioner Townsend asked in the past when we've been presented with reports that show the returns and the amounts invested with these different financial institutions, from the list here, have any been added that we normally see, or have any others been removed that we normally see. **Ms. Nolan** said we have added some because since the last resolution, we had to go back to all the local banks and offer again for them if they want to be on our eligible list. There's a list now that does not include some of the banks that are listed in the resolution. If they want to sign off on our letter to certify that they comply with Kansas Statutes and that they will comply with our Investment Policy, they will be added to that list.

Commissioner Townsend said presumptively, that's why some fell off. They did not make that statement that they comply. **Ms. Nolan** said yes.

Roll call was taken and there were five "Ayes," Alvey, Walters, Murguia, Townsend, McKiernan.

Item No. 4 – 171045…RESOLUTION: AMENDMENT TO MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

Synopsis: A resolution amending the Master Equipment Lease Purchase Agreement dated October 17, 2013, with Banc of America Public Capital Corp., submitted by Debbie Jonscher, Deputy Chief Financial Officer.

Debbie Jonscher, Assistant Finance Director, said this is an amendment to our Master Equipment Lease Agreement. The Master Equipment Lease Agreement is the financing tool that we use to finance a lot of our capital equipment purchases. This amendment would extend the current agreement through the end of this year. Our last amendment expired as of the end of 2016.

I did include in the packet a list of all the equipment that the Commission has approved in the past for lease-finance equipment. Those would be the items that we intend to purchase this year.

Action: **Commissioner Murguia made a motion, seconded by Commissioner Walters, to approve as submitted.** Roll call was taken and there were five "Ayes," Alvey, Walters, Murguia, Townsend, McKiernan.

(Commissioner Bynum returned to the meeting at 7:32 p.m.)

Item No. 5 – 171049…ORDINANCE AND RESOLUTION: FLEX-TECH BUSINESS PARK PROPOSAL FOR THE FORMER INDIAN SPRINGS MALL SITE

Synopsis: A redevelopment proposal for a 26-acre flex-tech business park on the southern portion of the former Indian Springs Mall site by Axis Point Developers, LLC, submitted by Marlon Goff, Interim Economic Development Director.

Requested action:

- Pass ordinance terminating the Midtown Redevelopment District
- Adopt master resolution of intent to issue industrial revenue bonds, approve Development Agreement and Purchase Agreement

Chairman McKiernan said Item No. 5 was the blue-sheeted item, or the Blue Sheet rather, contained additional information for this item. It's a two-part item, both revolving around the Indian Springs site. One, an ordinance terminating the Midtown Redevelopment District, the second, a master resolution of intent to issue industrial revenue bonds.

Economic Development & Finance

Standing Committee

March 27, 2017

Doug Bach, County Administrator, said Marlon is going to take us through the presentation on this.

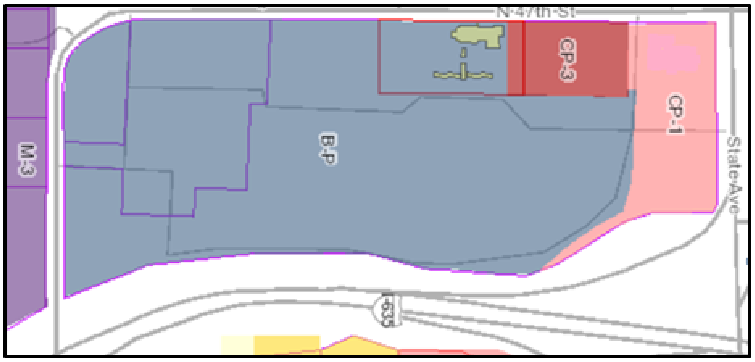
This is the follow-up after our last Commission setting where we talked to the Commission about direction on Indian Springs and how we could move forward. Received direction that a flex-type park would be something we would see as good for that area, particularly on the southern portion of it. With that, we were able to move forward.

Lane4 was ready to move on this. We did talk through this with a few developments to see what opportunities were out there. Marlon's here tonight with Hunter Harris from Lane4 to discuss a potential project for that site.

Marlon Goff, Interim Director of Economic Development, said also joining me tonight is Hunter Harris representing the development group for this proposal.

Recap: Jan. 30th ED&F - Indian Springs Discussion

- Strategy to engage flex-tech business park developers
- Phased commercial project on southern portion of former mall site
- Current zoning and market feasibility support proposed land use



As Doug pointed out, thought it would be good to recap when we were last in front of this committee on January 30. At that time, we talked about the history of the site and our relationship with Lane4 representing us on the site, specifically the response that we've gotten from the retail sector of the community regarding the attractiveness of this site.

We also talked about a strategy, as Mr. Bach pointed out, of how we might approach the southern portion of the site, in particular, the demand and the existing zoning for a flex-tech business park.

Outline of Agenda Action Items

- 3/27/17 **ED&F Presentation & Discussion**

  4/27/17 **1. Ordinance Terminating the Midtown Redevelopment (TIF) District**
  - Termination of the district is a procedural requirement for use of IRB & tax abatement
  - (R-81-16) was adopted 12/1/16 → long-term financing action for outstanding debt.

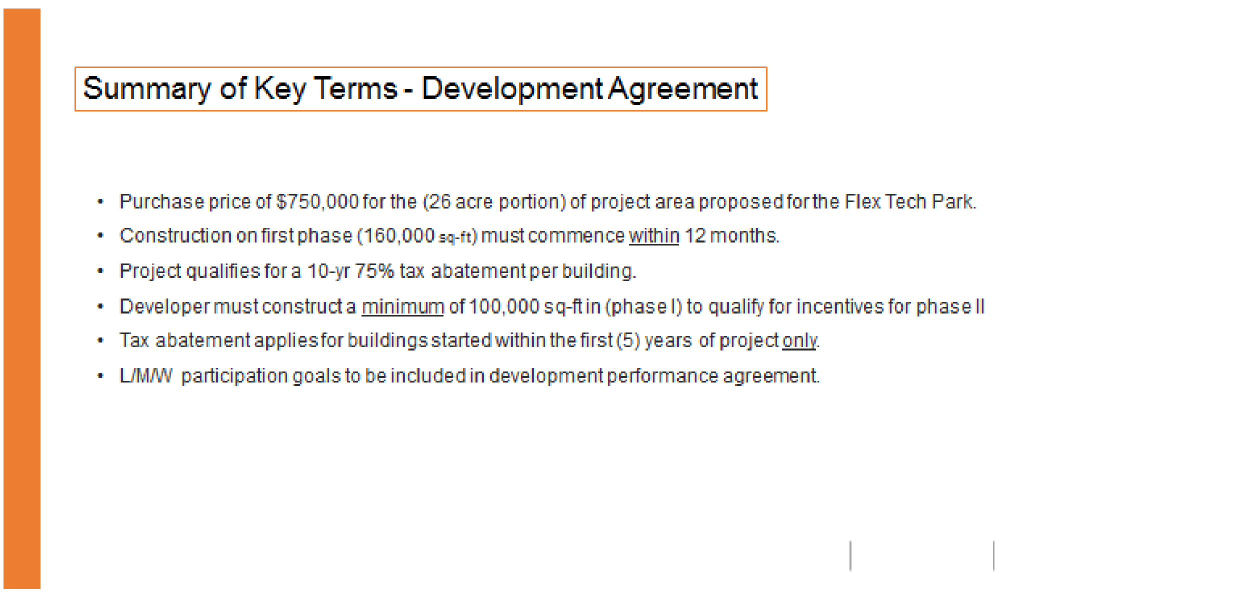
  2. Master Resolution of Intent (IRB) → Axis Point Project at former Indian Springs site

- 4/27/17 - **1. Conduct Pubic Hearing to consider use of IRB's and tax abatement**
  2. Master Resolution of Intent to issue IRB's
  - Summary of Cost-Benefit Analysis for all taxing entities
  - Resolution to include formal purchase and development agreement

Tonight this is a snapshot of the action items we're proposing to track, obviously starting with the presentation here shortly from the development group.

The first action we propose would be to terminate the existing Midtown Redevelopment District TIF. This is on the heels of an action the Commission took in December that would address the long-term financial action for outstanding debt on this site. Second, a master resolution of intent to make use of our Tax Abatement Policy to issue the industrial revenue bonds and negotiate a fixed PILOT.

We're proposing that the public hearing as part of that process would take place on April 27. In addition to the resolution of intent for the revenue bonds, we can also explain and go through a detailed summary of the cost-benefit analysis for all of the taxing entities. Then we'll take action on the actual purchase and redevelopment agreement.



Here is a quick summary of some of the key terms that are included in the preliminary deal sheet and the exhibit in your packet. It includes acquisition of 26 acres. That's roughly $1.55/foot at $750,000. The developer would be required to begin construction within the first 12 months as soon as financing is available. I think the developer will point out an aggressive timeline that they're prepared to pursue, which would call them actually having starting site work in May.

The project qualifies under our policy for a 10-year, 75% abatement. One of the key terms we worked at length is this formula would only apply to those buildings started within the next five years.

Preliminary Cost / Benefits Profile

SUMMARY OF BENEFITS TO U.G.

Benefit	Description
Jobs	Based on industry metrics, the Project will create approximately 150 temporary construction jobs and 350 full time equivalent jobs throughout its useful life.
Economic Viability	The Project will clean up a blighted area and leverage the UG's public safety and transportation investment. Further, the Project will substantially contribute to the economic viability of the UG through the creation of increased employment opportunities. This increased employment for residents and out-of-county employees will create day-time population and income to support surrounding and supportive retail development, including on the northern portion of the former Indian Springs Mall site.
Purchase Price	The UG will realize revenues in the amount of $750,000 from the purchase price to be paid by Developer for acquisition of the Property.
Property Taxes	The Project anticipates that, over a period of ten (10) years, the taxing jurisdictions will realize additional revenues from the Developer's payments in lieu of taxes (equal to 25%) in the amount of approximately $1,165,941.
Sales Tax	The Project anticipates that, over a period of ten (10) years, the UG will realize additional sales tax revenues in the amount of approximately $1,006,006 witin the flex-tech area alone, and substantial additional taxes in and around the area from employee shopping.
Utility Revenues	The Project will also generate additional utility revenues for the UG/BPU in the amount of approximately $205,000 annually based on industry metrics.

This is essentially the exhibit that's included in the deal sheet. It gives us a preliminary snapshot of the cost benefit summary. As noted earlier, we've actually retained the services of a third-party municipal consulting firm. They actually do the independent analysis of the return on investment, for example, for each of the taxing entities. We'll talk about that in greater detail during the public hearing.

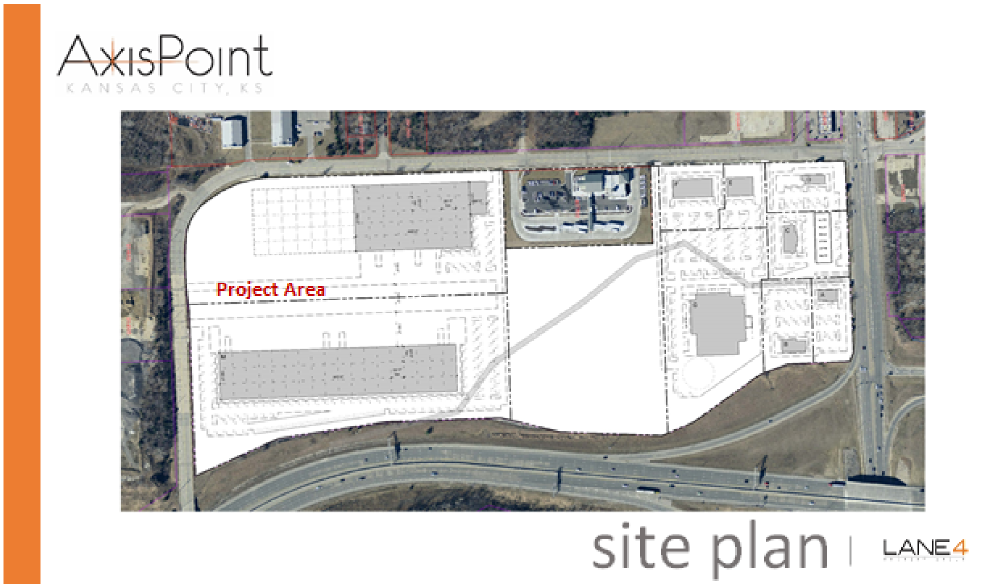
Essentially, even with the 75% tax abatement, we're looking at a little over $1M generated over the life of the term as well as another $1M in sales tax. This project is anticipated to create in the ballpark of 350 full-time jobs and 150 during the construction phase.

This will be the transition point where I turn this over to Hunter to kind of spell out what they're proposing to do with the AxisPoint project.

Hunter Harris, Partner, Lane4 Property Group, said I'd like to thank Mr. Bach and Mr. Goff for working extensively with us on the entirety of this project, but particularly over the past several months.

We took the direction from the last ED&F meeting that I was in attendance at. We have moved very, very quickly to bring this project before you this evening. I have spearheaded the efforts on this project.

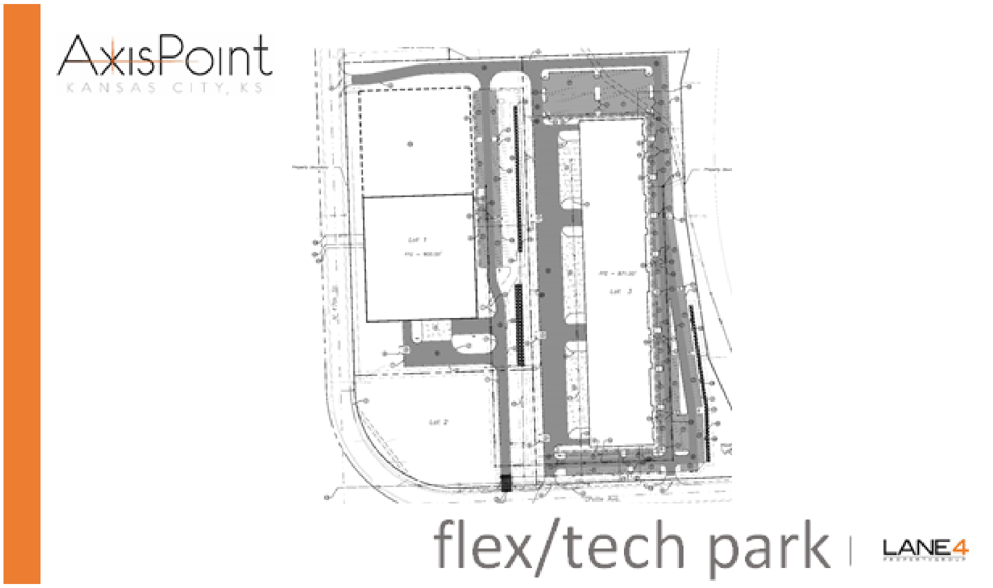
Other partners involved are Davidson Architecture/Engineering. Polsinelli is our legal counsel, Newmark Grubb Zimmer is helping us with all of the leasing and asset level decisions on the flex-tech business park.



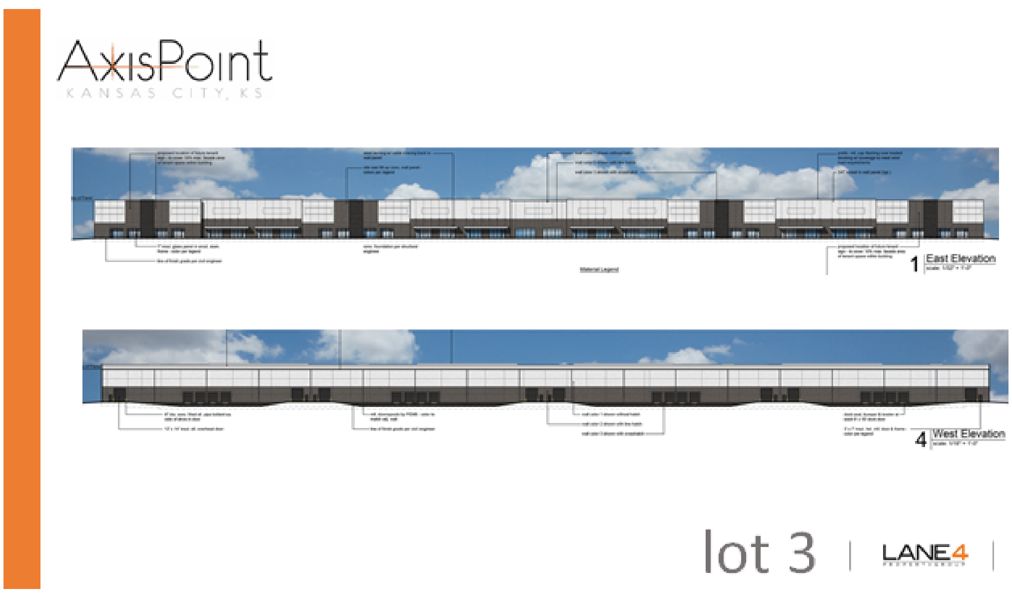
The project area is the approximate 26 acres on the southern half of the former Indian Springs mall site. You can see that the southern line of the Police and Transit facility acts as the east/west boundary across the site.

The project is divided into two areas on this exhibit. It'll actually be three with the eventual 350,000 square feet or more of uses on the southern portion of this site. As I mentioned at our last meeting, the impetus and the thesis here is that we have users in place now that we can get going on to create the jobs and the activity at the site. We don't want it to sit there stale for years and years. We believe, and it's our thesis in discussing with retailers and the rest of the market, that this helps put the pressure on the front half of the site to get an additional mix of uses that could include housing, retail or others on to be determined future phases for the eventual buildout of the rest of the site.

You can see the outline of some of that up on the front half of this site. Interestingly, you can also see the site of the sanitary sewer as it ran through the mall bisecting the site there in kind of light gray. That's more information as you can see it.



Switching directions on the exhibits here, here you can see an abstract of one of our planning documents that has been filed on the site with the two buildings that we currently have proposed.



A quick concept elevation for the 160,000 square foot building, we see this containing a mix of what I'm describing as industrial/retail uses that we see proliferating to this area. I've often talked before about the stone and granite showroom that may have showroom space on the front piece of the site that might sell product, and also have some need for warehousing and office space as a potential type of user for this building.

Then again, some potential architectural examples as we contemplate this use. These are abstracted from in and around the country. The flat line elevation that you saw before is difficult to really articulate the architectural relief within the building and the other materials.

We have a very aggressive schedule. We have done our part in keeping the first piece of this. We would like to be scheduling a groundbreaking for this time next month.

In order to meet that goal, we quickly put together and met all the requirements to submit our preliminary and final plans simultaneously, which were put on file Friday. We also submitted our preliminary and final plats, which were put on file Friday. Hopefully by this time next month, with your continued support for this project, we're acquiring the site and we are turning dirt shortly thereafter on our land disturbance permit. While we're at risk on our design for building and vertical permits that would follow a little later in May, with the thought that we'd like to be delivering buildings by the early part of September of this year and people put into employment on the site.

I'd stand for any questions about the overall schedule here. Really our, I'd say the approvals from the Commission on the purchase and redevelopment agreement and the IRBs, again, are in late April. Our planning filings last Friday take us out to May for full approval. Henceforth, we couldn't pull a full building permit until after that point.

I can tell you that we are very excited about this project and the future of Indian Springs and would greatly appreciate your support of the same.

Commissioner Murguia said, Hunter, I just want to say first of all, I think you are an incredible developer. You've been an outstanding partner to the Unified Government, you, your legal staff, Polsinelli. I have personally worked with Newmark Grubb Zimmer as well as Davidson. I think you all do a fantastic job. Clearly, we can all testify that we don't have quality developers like you lined outside the door of Wyandotte County. You're always here. You're always willing to take on a tough project, and you're always willing to pioneer that. I want you to hear that before I say the rest of what I have to say.

Nothing personal, okay; be clear about that. This is what I care about. I care that when commissioners or staff work deals that benefit our entire community, that the playing field is level.

When I look at this deal, I wasn't briefed on this because I missed the meeting. That was my fault so I haven't been brought up to speed on this. I just saw you today at lunch, and I know that you've scheduled a meeting with me to get me up to speed. I'll just start off by saying I need more time on this deal before I will vote on it. I'm not going to support it. I'm not going to say I'm not going to support it. I'm just saying I need more time.

What frustrates me is a bigger issue. The bigger issue is can you tell me when you started working on this project with our staff? **Mr. Harris** asked the flex-tech park. **Commissioner Murguia** said yeah. This specific project, when did you start working on this with our staff? **Mr. Harris** said I think when we changed the — **Commissioner Murguia** said just roughly. **Mr. Harris** said that's okay. I'm trying to be methodical about the answer to make sure that it's a right one, is when we came in and did the briefings on the On 3s, which was late last fall. Kind of early fall, late summer, is when we gave some data about the retail market and what the users were saying specifically about this site, and how the demographics and some of the other facts were lining up. When we stated that we do have this use, which appears to be here and now, that we could move forward on.

Commissioner Murguia said okay. You've been working on this project for about eight months, right, with staff? That's me being generous. **Mr. Harris** said yeah. **Commissioner Murguia** asked and how much of an investment is this project. **Mr. Harris** asked overall. **Commissioner Murguia** said overall. **Mr. Harris** said over $25M. **Commissioner Murguia** said it's a $25M project.

I'll go over this with our Administrator and you when we meet in person, but just glancing at the financials and glancing at what little bit I know and talking to some of my fellow commissioners to sort of get briefed a little bit on this, this is what I'm frustrated with. For over a year and one-half, my district has tried to get three fast food restaurants on the agenda of Economic Development. There's not one other piece of grant money that this project is bringing to the table, but that project's bring $1.2M.

Over a year and one-half, it still has not been placed on the agenda. The deal has been not worked, not come to an agreement, whatever the issues have been. There's not been a development agreement pulled together. We can't pull together a $3.5M fast food deal in an urban neighborhood in over a year and one-half, but we can pull together a $25M deal in eight months.

By the way, your deal brings no other grant money to the table. The $3.5M deal brings a $1.2M federal grant. Yet, I can't seem to get it on the agenda. I find that absolutely disgusting, appalling, and it clearly is not a level playing field. I've said it before, and I'm going to say it again. I'm sorry you're the victim in this and that I'm using you as an example. I really would rather not do that because you've been very helpful and done many things in my district.

You also talk about 350 jobs. When you look at the percentage of investment they are asking for this project, which I'm not saying that necessarily is not fair. I don't know enough details. I think you're a fair guy, but when you look at the overall investment for the 350 jobs and you look at the level of investment that was made on the Walmart that you also did in

Argentine and the Save-a-Lot that was done in Argentine, and the 71 jobs that the new fast food chain will create, that alone is going to create — that has already created almost 300 jobs for a fraction of the investment that's being made in the Indian Springs location, a fraction. I find that absolutely, positively pathetic and discriminatory.

That is a bad case of rotten, flat out rotten politics, people not liking people, personalities, and nothing else. As long as this county continues to focus on $25M, $70M deals, $100M deals, and pays all the attention to billionaires and continues to ignore the urban core, our county isn't going to get any better. It may look a little better in a little tiny area out in Village West, but the rest of our county is going to continue to deteriorate.

I'm angry about that. It's been over a year and one-half. It's still not on the agenda. It's not a priority. I'm sick of it. I hate to admit that I'm almost at the point where I'm not going to be able to rise above the fray. I've said this before, I've threatened it before, and I've never followed through. This project continues to get ignored in my district and gets pushed aside and gets made out to be an unethical deal when the Ethics Administrator has already ruled that it's completely ethical, I'm going to start voting no on everybody else's projects.

I want to be a team player. I want this Commission to be a team player also. Commissioner Bynum wants stuff in her district and the whole county, so do I. I am tired of my stuff getting pushed on the back burner. I'm sick and tired of it. This has gone on way too long. It may not be a bigwig deal. It might be just some fast food restaurants, but that's what the people in my district can afford. They're just as important as the people in midtown. They're just as important as the people out west.

We got a deal on the table. There's money on the table. This is getting dragged out for no reason. Right now, wrong or right, I'm not voting for one more project in any other district. I'm not voting to fill a pot hole until I either get a reason why that development deal is not on the agenda, or it is placed on the agenda. Any commissioner up here that votes against that project, I'm going to make it very public how that deal, that offer, is a better deal than 90% of the other deals that get unanimous votes in wealthier areas with people that have means and political pull. For a government that proclaims to all care about diversity and care about the poor, when push comes to shove, the vote doesn't come out that way. It is what it is.

I appreciate your work. That's not directed towards you. You have been a pioneer in this county for development. I greatly appreciate that. I support you. I trust your developments.

You have a long track record of very hard-challenging urban development projects. I want to be a champion for you, but I want you to hear it directly from me. I'm not voting for any project any longer where I continue to get bumped from the agenda, called unethical when there's no evidence of that and the Administrator writes reports that I am not unethical, and the development deal is not unethical.

If I'm doing something wrong and have been doing something wrong for ten years, then the CIA, the FBI, the whomever else, call them. Stop running your mouth, call law enforcement, have me arrested.

I don't have anything else to hear about this project, Hunter. I'll hear about it from you. Whatever the rest of these people decide will be up to them. I'll hear about the project from you. If it's great, great. If my project gets on the agenda, I'll vote on it. If it doesn't, you know where I stand. There's no reason for me to even continue to be here tonight.

(Commissioner Murguia left the meeting at 7:52 p.m.)

Commissioner Townsend said, Mr. Harris, could you go back to, I don't know, maybe it's your third slide in where it showed the depiction of Indian Springs. I just want to make sure I understand — I think it's after that, after that, that one.

Which is the area that will be purchased and developed? You see the project line, the project area, is it that area? **Mr. Harris** said we have a pointer here, it's this piece. **Commissioner Townsend** said that entire piece. That's all I needed to know.

BPU Board Member Alvey said I just want to go back. I would have actually to have been able to access the minutes from when this was first presented. As I recall, one of the points I felt was important was that I was supportive of this idea for the flex park because there was a need to start paying off the investments that the UG had already made on this site.

As a quick recap, it was an $8M, I think, purchase price for this property. Then I believe there was some renovations that the UG did to accommodate the Neighborhood Resource Center and the Police, and other things to happen to the building to make it workable. Then there was a $2M cost for demolition. Ultimately, we have $16M invested in this site. For ten years, the Unified Government has owned the site so I don't believe that there's been any payment to the

Kansas City Kansas Public Schools in lieu of the tax revenue that they forfeited because it was in Unified Government hands rather than private hands.

If we're now looking at selling — for a $16M investment, plus the money forfeited or foregone by the Kansas City Kansas School District, for $750,000 for 26 acres. We're talking about a $0.66 per square foot purchase price, plus a 75% tax abatement for ten years, plus a commitment to limit the utility cost from the BPU to $205,000 a year. I can't tell if that's $205,000 a year for 160,000 square feet or 350,000 square feet. Either way the numbers simply don't work for the BPU.

Finally, if this was meant to be the stimulus for the development of the north side of the lot, there still is no plan in place, there's no bridge there to say that we have that piece in place. We're going to make this move without any guarantee that it's actually going to happen.

Normally, as the BPU representative on this standing committee, I simply vote — if the sense of the UG Commissioners on this committee is to move this forward, I vote with so that it can go forward to the whole Commission. In this case, I simply can't do that because I want to represent the BPU interest, but I also felt a need to express my concerns about this deal.

Honestly, I believe that this, I can understand why you want to move this very quickly because frankly, I don't think it smells that good. For that reason, I really am opposed to this. Maybe there's information I don't have that would change my mind, but I don't see it.

Mr. Harris said quickly if I could, I think that the utility revenues were the additional revenues listed at the bottom of the slide of the $205,000. There's nothing that we're calling to limit the revenues created to the BPU. **BPU Board Member Alvey** said there is an agreement that the Wyandotte EDC and the Unified Government staff would, to be clear…. **Mr. Harris** said I think the point of that was, and we have some experience in some former mall sites. Typically, there are a lot of taps, water, other taps that were associated with those. For example, on Rainbow Village with the hotel we're doing on Rainbow, there was a water tap there that we took off. We brought in a new larger, and we get credit for those taps.

The thought was so that we could keep the money in the deal and the building architecture, if we could receive those credits, that is what our goal was. We would work with staff on that.

BPU Board Member Alvey said what it says here under the Development Summary and Deal Sheet, under Item 4, "The UG and Wyandotte EDC will work with the Board of Public

Utilities to charge the most favorable tap fees and/or provide infrastructure assistance which is substantial, grants or rate concessions or accommodation of the foregoing. This will remain ongoing while the parties evaluate former taps and credits for same on this site." My point is that I simply don't see how this part of the project, especially since there's no clear bridge to the next phase, is a good deal for the county.

Mr. Harris said I understand you weren't a part of some of those briefings that I mentioned to Commissioner Murguia when we walked through the demographics and the data and the reaction from the retailers on the site in early December. As I mentioned in my introduction, it's our strong thesis in talking to those folks by getting going on this portion of the project now, enables us to have better conversations to go make better deals on the front half of the site as we move forward. We're talking to lots of local and national retailers about same.

BPU Board Member Alvey said I'm not going to quibble over numbers. $750,000 for a site that we've already invested $16M in, plus the foregone, is almost handing it over for free.

Mr. Goff said, Commissioner, I'm sorry to interrupt. I'll make a point of clarification. The $750,000 acquisition price is essentially for, is only for the 26 acres representing Phase I. That represents an even smaller portion of the footprint of the existing TIF District. It actually extends north of State Avenue. It extends a little bit west of 47th Street. We can see the portion here south of Orville. I just wanted to make that point of clarification.

This $750,000 acquisition price is viewed largely as an opportunity for us to now have a small pool of, let's just say gap funding for example, that we can dedicate from the proceeds of this transaction toward future development yet to be flushed out, lateral mixed-use on this site. I did want to make certain that we were clear that that acquisition is only specific to the 26 acres represented in the project phase. **BPU Board Member Alvey** said I know and I see that. I understand it. That's all we're talking about is this 26-acre site.

Mr. Goff said the entire site is just under 60 acres. **BPU Board Member Alvey** said sure, but for this 26 acres — so I understand the $16M included the whole piece. I get that. That's a good point. I still don't see it.

Commissioner Bynum said I appreciate that you've gone out and put something together that we asked you to do. Those of us that were present on January 30 pretty much unanimously said to you, go and look for light industrial, flex use. I wanted to see the minutes of that also. I asked for them today and got them in draft form so that I could go back and look at what was our conversation.

Those are, I think, some of the concerns that Mr. Alvey's bringing forward are legitimate. We all had a piece of the conversation around what to do with the site. Most of us were familiar with you coming to us to explain the difficulty you were encountering in our ultimate goals for the location. The flex use was put forward as an alternative and something that would maybe kick-start. You've done that and I just want you to know I appreciate that.

I think some of the discussion around this project is more internal. For example, everything that you heard Commissioner Murguia say, obviously, had nothing to do with you. Things like our Economic Development Policy that, frankly I don't normally sit on this committee, but I'd like to see what is the component of the EcoDevo Policy we hold that allows for a ten-year, 75% abatement. There are priorities or conditions that are met by projects that allow us to access these types of incentives. I need to be more familiar with them.

I'm a little concerned about the cost of land, the purchase price on the land. I want to make sure I understand when we say $750,000, we mean that we will sell to AxisPoint 26 acres for that. That will be the selling price. That does concern me, again, considering the money that we have in it. I know that we can say we have money in it that we're paying right now and no money coming in. I do fully understand it.

I also appreciate the job creation. I don't think 350 full-time jobs is anything to turn away from. I'm appreciative of that. I guess I'd like to know, could we eventually work on some piece of this agreement that says if the 350 full-time jobs aren't fully created, could we then take back a piece of some of these incentives that are being offered. Again, that might be more of an internal policy question, but I would have it for this project.

I would have questions about once the ten years is up, what kind of projections could we be looking at then in terms of income generated off of the project. Could we be working with you on a development agreement that helps us feel a little more comfortable, like some of the things we've done with the Speedway and Schlitterbahn Vacation Village, things that return charitable investments into this community.

Last, I have two quick points to make. The first one being that I will agree to move this forward to the full commission because I think in good faith you did what we asked you to do. Pretty much everybody that was present on the 30th asked you to do it, and you did.

Secondarily, to Administrator Bach with regard to the comments that Commissioner Murguia has made tonight, many of which have nothing to do with this project, I would like to ask for this project and any other coming forward, and possibly even retroactively, that this committee, and then the full commission, be provided with a document that is frankly nothing more than transparency in economic development. When we bring an economic development project forward that we identify every single dollar and whose dollar it is, private or public. We can start with this one if you like. I think it's only fair to the public to show them, no matter whether it's Commissioner Murguia' s project that she's working on in Argentine or this one, or any other in this community.

I'd like us to be crystal clear on transparency pieces of economic development. I would like the people in this community to be able to see and know where the pots of money are that are being pulled together, incentive or otherwise, to bring these kinds of projects forward.

Chairman McKiernan said I'm going to hand it back to Mr. Alvey and then to Commissioner Walters, but I'm just going to echo some of the things that I have heard here tonight.

I recall from our meeting of the 30th a great reluctance on the part of many commissioners. Commissioner Walters, in particular and Mr. Alvey, had a great reluctance to say you know, let's go ahead and move forward on this flex because we desire something better to be at this site. I think at the end of that discussion we said, you know what, let's go ahead and see what we can get in terms of a flex deal. We'll evaluate whether or not that meets our needs and our vision and we'll make our decision on that. I recall a great reluctance, but finally, we said, you know what, let's see what we can do.

There are two things I didn't expect, and I'm kind of dealing with those now. The first one is I kind of expected the dollars, no I didn't expect, I hoped the dollars would be better for us. I understand that we are not going to recover all of the money that we have currently invested in this site in terms of acquisition and demolition and upkeep. I honestly had hoped that the numbers would look a little better in our favor in terms of acquisition and development and ongoing revenue streams.

Something that always, and if Greg Kindle is still here, he's heard me say this many times, we announce the value of our development, \$25M. My question is, how much of that goes to the General Fund. I'm always trying to filter down how much of that we're going to actually capture to help provide government services that would support this development. I'd hope that that would be better.

The other thing that I had hoped was, and again this is partly on me. This was blue-sheeted. For people that don't know, a blue sheet is generally information that has come out after the initial date of publication of an agenda. This agenda originally came out and the supporting details were not with it. Commissioner Walters and I had pushed when we first got to the commission that we accelerate, kind of move up in time, the distribution of agenda items to the various committees and commission so that we had enough time to thoughtfully look them over and to think about pros and cons for any particular deal that might come before us.

This blue sheet with all of this information came to us Thursday afternoon about 5:00. I was pretty much out of time the entire weekend. I really have not had time to thoughtfully sit down and think about all the pros and cons that I see in this particular deal.

I'm going to echo what everyone has said. Thank you for going out and doing what we requested you to do, but it's coming with an urgency that I didn't expect when we made that request.

Commissioner Walters said I saw your slide where you talked about your partners. Are those equity partners in AxisPoint Developers, LLC? **Mr. Harris** said no. The equity partners are at Lane4 Property Group, my typical business partners. These are just partners in helping us facilitate the project. **Commissioner Walters** asked Lane4 is the developer under another name. **Mr. Harris** said we develop everything in a single-purpose LLC or S-corp.

Commissioner Walters said I guess my question is we entered into an agreement with Lane4 to act as our agent to find a developer for this parcel some time ago. Now, after all this time, you've come back and said we want to develop it ourselves. I guess my question is, how do we make sure we're protecting the public interest by having a flat, level playing field. If everybody who wanted to develop this parcel had to go through Lane4 as our agent, and now Lane4 is saying you know, it's like Dick Cheney heading the vice-presidential selection committee and found himself.

That's a question I have and it's just been concerning to me. I tried to bring that up a couple of months ago; maybe I didn't word it quite correctly. I'm a little nervous about the fact that we're only negotiating with one entity. We've pretty much closed off opportunities to all competing developers. I'm certainly not a development expert, but that doesn't sound quite right to me.

BPU Board Member Alvey said I think that's an excellent point, but I want to go back to a remark I made. I want to apologize for the remark that this doesn't smell good. I want to be clear that I am not implying that there was anything shady being done by the developers or by UG staff. That was not my intention.

What I meant to say was I don't see how this deal adds up. I certainly don't want to impugn the character of any of the people who have been involved in negotiating this. I apologize.

Commissioner Townsend said I was not here at the January meeting, but what's being discussed here sounds very much like previous briefings that I've had with regard to this general plan. My recollection, and I had to chuckle when Commissioner Walters used the metaphor he did with the vice presidential selection some time ago.

I thought the difference was there may have been other people that wanted to be vice president, but here, I didn't think we had anybody else knocking on the door to develop Indian Springs when Lane4 was acting as an agent role. Correct me if I'm wrong, but that was my understanding. I do remember Lane4 coming to us and giving us updates and interim status on that. You acted as that agent for a couple of years, I think. I think it was a two-year contract. My current understanding is there was no one else who came forward.

The other thing I wanted to find out, if we're selling only 26 acres, what is the total acreage footprint? What percentage of Indian Springs does this deal take into account? **Mr. Goff** said, Commissioner, I guess it depends on what we consider Indian Springs.

If we just look at the physical mall site, that's just under let's say 60 acres, in between Orville and State Avenue, I-635 and then North 47th Street. Twenty-six acres of the, let's just say 60 plus acres that encompasses the former mall site, and then those out parcels where you had the Montgomery Ward auto center, the bank branch, etc. The entire footprint of the TIF Disrict, again which crosses over State Avenue, and has the Orville undermine property to the south overlooking the interstate. In total, it approaches 100 acres, 26 acres, that percentage of 100 acres. **Commissioner Townsend** said, okay, just about one-fourth then.

Mr. Harris said I just want to say thank you. I appreciate all of your comments. I've had a couple of face-to-face meetings with Commissioner Bynum, Commissioner Philbrook, and I appreciate your comments, Mr. Alvey.

What's help provide some of the impetus to move this quickly is a specific user for the site. They're part of that job creation component here. Unfortunately, we're under a very strict nondisclosure agreement. It's difficult for me to share a lot of those details.

As you know, we've been working on this very hard on your behalf for the past several years. I wish I had a time machine and facts had been different and we were producing a Menards or a Walmart Super Center, something that was some of the original intent of the major box retail. Unfortunately, the market didn't point in that direction for this project, but it does for this here and now.

I wish that there was more than the $750,000 that the numbers could support for the first acquisition of this project. We've shared our pro forma for the project with your staff. There's nothing sinister about the type of number. Mr. Bach asked us for our best deal in moving that forward. That's what I feel like I'm giving you on a timeline that helps get the activity to the site.

I appreciate all your comments. I think there are clearly some areas where we can continue to work together with your staff over the next month on this project as there are lots of details to be ironed out. We want to do them together with you in a spirit of cooperation. As I've said before, and I'll say it here again on the record, we're presented with a lot of opportunities to work on different projects. When I have an opportunity in the Unified Government of Wyandotte County, that's where I want to spend my time.

I appreciate your staff and how hard they work to make things happen, and the leadership, and the relationships with you as the elected officials. It's not lost on us how important Indian Springs is to this community. We want to make it a special development for ourselves and everyone involved.

Doug Bach, County Administrator, said I'll try to respond, maybe, to some of the comments that we talked about. Maybe I'll start later, probably the opportunities for others to participate. Commissioner Walters brought that up.

That was pretty limited, probably, from our last commission meeting where we got the direction. Hunter and his team went to work on this pretty quick. They had been part of the project for a couple of years so they had some insight on the site. They had been actively working the site to see what they could come up with. I did take the opportunity after getting direction to say flex space would be there to talk to a couple of different developers and get some input on it. I'm just seeing what in the world was out there. The feedback that that kind of development won't work, won't pencil on the site.

If that's what you're going to have, you need to either change your direction and go with bigger boxes or just wait, though I did have comments from other development firms that said don't have a project now, but would be interested in doing something like that. I think there is a competitive market that's out there. I don't know what the numbers would be, don't have any kind of development in hand from that standpoint, just that this kind of product would work on the site. There's interest about it. Hunter had this project ready to go and that's why we brought it forward after given the direction from where it's at.

Questions about the exact dollars, the investment, and some of the comparison that was brought by Commissioner Murguia, there's a lot of differences in what's being proposed on these kinds of sites. As you know, and the direction we generally have, projects pay for themselves. That's where we go to it. There will be the comment that there's public dollars in it, but there's no public dollars in projects that are already being generated. There will be dollars that are generated in the future and then allows for the developer to keep those.

In the case of Indian Springs, we all know as Mr. Alvey's pointed out, we've invested a lot of money on that site. We kind of got to take that bucket of money and its sitting over there. It's nothing that Lane4 has brought to us and said hey, if you go acquire that site, demo it, clear it, then we'll bring this project forward. That's a decision we made over a decade ago as a government to say we're going to acquire that site, put it under our control, and that's what we're going to do with it.

We have an investment in that site. We have dollars that are there. Trying to recoup those dollars back and make this a viable portion part of our government is what we're trying to do. I'll do it from the perspective of whatever way you want me to go on it.

As we had the discussion last time in January, it was a pretty lively discussion about it. We can sit on it and wait, try to figure for retail. I think that's a market that's not here for a while, but it could come back and it could be there, but it's going to be down the road before it's before us and ready to move forward.

The flex space is a very interesting type of project to bring forth on the site. It puts bodies on the site in terms of jobs. It's a strong proposal. Lane4 is a very good retail developer in the urban climate. When they brought this project forward, my thought was in comparison to other types of industrial developers, they're the only ones we've seen being successful in our urban core and in many other areas with retail development. The potential that they could pair something with them is greater than it probably is with others that would have to go find a different retail partner to come forward.

Can we get more dollars and cents out of Lane4? I would say it would be a pretty tight margin that there would be any change from the negotiations that we've already had with this team from where we're at now. Maybe in the future we can change the structure of that deal and it could turn out better. Right now, this is probably where it ends up to make this go forward.

The dollars and cents that are in this deal, this project turns back about $3M to the local community over the ten years. After that time period, it's going — after these 350,000 square feet are built out, they're going to be paying about $450,000 to $500,000 a year in property tax. That's seeing what all comes out of — there's a proposal there. There could be some sales tax dollars that come into the equation and how that works. That's kind of not totally known, but there are some projections that Marlon's team put together with the developer as to how that would work.

By comparison to the fast food project that Commissioner Murguia is referencing, that takes an investment of dollars from our bank to put into that project. That's where we've had trouble. I know this committee told me to bring that project back. Until I have a deal that I can put out here and say we've worked out the details, we know how this works, haven't brought it back. That's why it's not in front of you tonight. We've been advancing it and trying to work on it, but until everyone can say okay, this dollars and cents works and we can make that project come, that's why it's not sitting in front of you for that to happen. That's kind of the difference between those kinds of deals.

Commissioner Bynum said thank you, Commissioner McKiernan and Mr. Bach, for helping to explain. I have, at the end of the meeting on the 30th when you brought forward this concept, we, as a body — I wasn't actually a voting member on that particular meeting, I was just a participant. This body said that yes, we wanted Lane4 to continue to work on this. I just wanted to clarify that. You continued to work on it because we specifically asked you to.

Tonight's business says two items, apparently, which would be two votes: the first one being an ordinance terminating the Midtown Redevelopment District, the second one being a Master Resolution of Intent to issue industrial revenue bonds. We are being asked to vote on those two items and if we vote to move those things, I think I saw a schedule. Those two things would come forward in April. **Mr. Goff** said April 27.

Chairman McKiernan said good, you're going right where I was going to go. What our timing was going to be in terms, we're not being asked to fast-track this. **Commissioner Bynum** said we're being asked to do these two technical steps. **Chairman McKiernan** said the public hearing would be on the same night that the full commission would first hear this presentation. **Mr. Goff** said correct.

Chairman McKiernan said go back to the calendar because what they have is they have on April 27, I think, there was a public hearing scheduled. Yeah, April 27 public hearing to full commission. I thought usually we considered these items at a full commission meeting as a method to set the public hearing. I didn't think the public hearing, generally, was the first time it came before full commission, or am I misguided on that.

Patrick Waters, Senior Legal Attorney, said I think for the actual issuance of the IRBs, we'll have a separate public hearing and that process will play forth. For tonight, simply advancing the Master Resolution is sufficient to move it to April 27. **Chairman McKiernan** said that moves it forward to the full commission. For the full commission, then, to hear, discuss, and ultimately vote on, we are not compelling action beyond or to the full commission from anything we decide tonight. We're just voting whether or not to take it to the full commission. **Mr. Waters** said take it to the full commission.

Mr. Bach said, Commissioner, if you want, we could advance to the full commission, the item, and have a similar discussion from the full body before then. If you want to work it as a group and then come back in later in the month when we're doing the 27th around the public hearing notice. There are notice provisions that have to happen before that can happen regarding the IRB and dismissal of the TIF, that would be more than just general discussion.

Chairman McKiernan said one of the things that is on my mind is the two commissioners whose district it either exists in or abuts to are not present with us at this meeting here tonight. I really would want to give them a little bit greater voice in this process. I just want to make sure when it goes to full commission that they have that opportunity to have that voice.

Doug Spangler, Kansas City, Kansas, Wyandotte County, said my question concerning the land, the 26 acres, being very familiar with that project from the Midtown Redevelopment process, which I think is the ordinance that you're rescinding.

This template provides 26 acres of development for $750,000. Is that essentially right, someone, Mr. Bach? **Mr. Bach** said yes that's the selling price of that land. **Mr. Spangler** said okay for the 26 acres.

On the other acreage, which nearly is over 100 acres, what is the selling price for that ground? **Mr. Bach** said we're still retaining that property. **Mr. Spangler** said you retain ownership of the other ground. **Mr. Bach** said yes. **Mr. Spangler** said the developer will pay for the survey and the lot split on the 26 acres and that will be specified in a development agreement? **Mr. Bach** said yes.

Mr. Spangler said he's building 350,000 square feet for $25M. Right? **Mr. Bach** said yes. **Mr. Spangler** said so the IRB, that's less than, what is that a square foot, Mr. Harris. **Mr. Harris** said I don't understand the question. **Mr. Spangler** said if your total development cost is $25M and the IRB, and that includes the purchase of $750,000, your total square footage of development cost is what per square foot. 355,000, $25M divided by 350,000 square feet. Right? **Mr. Harris** said it's $71 per square foot.

Mr. Spangler said you're going to build the flex-tech building for $71 a square foot. Is that in your experience as a developer, the $71 per square foot is that Class A? Is that big box distribution? Those numbers to me seem they don't pay for concrete and coverage. **Mr. Harris** said yes, those numbers would be indicative of a Class A flex-tech park. It is neither big box nor bulk distribution industrial.

Mr. Spangler said you're going to build it for $71 per square foot. You won't come back to the Unified Government and say we had cost overruns. You'll pay all the normal sewer connections. This development agreement does not contain any Board of Public Utility incentives on utilities. Is that what I'm hearing? **Mr. Harris** said no. We've asked to explore if there were tap fees associated with the former Mall that we could retain for our project. Other than that, no, I don't get to come back to the Unified Government for any cost overruns on the project. All of that risk is borne by me as the developer of the project, nor have I ever on any other project developed in the Unified Government in a public/private partnership.

Mr. Spangler said in other projects that we've seen where the Board of Public Utilities was notified of an extension of an electric fee, or an extension of a sewer fee, and this really is a question for Mr. Bach. This development won't have any of those costs at all. The developer will pay 100% of those costs? **Mr. Bach** said any negotiations the developer would have with the BPU would be between the BPU and them regarding how they would service the site going forward. It's not structured into our deal.

Mr. Spangler said it's not in the development agreement so it's an unknown. We may have an additional public assistance because the staff mentioned the usage of a cost benefit development. I think this is very important. The point that the gentleman made in his presentation from the commission, Mr. Alvey, was that this has paid zero tax since you acquired the property in 2005. Right? **Mr. Bach** said that's not entirely accurate. We had to pay taxes on the property for a little bit of time, which is part of it, and then we moved for tax-exempt status once we moved the tenants out.

Mr. Spangler said I looked at that on your financial record. So you understand, the Unified Government, and I understand the need you're acting as a joint developer with this development group. They've come forward. Did you check with NorthPoint Development? NorthPoint has no interest in developing this site? **Mr. Bach** said I've had conversations with developers about this site. **Mr. Spangler** said what about Block, Block Development.

Mr. Bach said I would probably say if you have a statement, why don't you go ahead and make it instead of doing a Q&A unless the commission that's how you want him to do this. **Mr. Spangler** said I'm not trying to be combative, Mr. Bach. What I'm trying to say is I hate to see repetitively where development agreements are advanced toward the Commission on a timeline that's not fast tracked, that's supersonic. Then, in your presentation you made a statement that they would pay a physical amount of property tax dollars which is incalculable under your own tax policy.

This is commercial development. It's not entitled to a 50% tax abatement. It is by your existing policy, 75% no. At what point do we go down and look at 7th & Quindaro for economic development. We own most of the ground there that pays zero taxes. We would love to have NorthPoint come down and develop that area. I'm sure the commission members of that area, Commissioner Bynum represents that area. That area is a war zone. Indian Springs has been so badly mishandled by the administration, not the politicians. It is terrible.

We have over $16M of public money. Under this proposal, your calculation only recovers $259,000 a year. That's totally unacceptable. I would take it back to the drawing board. I don't think this process complies with law as it relates to the disposable of property. I don't think you can go negotiate a disposal of property that you own. It's a public property. I think you need to receive permission from the Building Commission, an ordinary ordinance to undergo that transaction. I think this is why typically people distrust and don't respond and don't show up.

Commissioner Townsend said well, I appreciate Mr. Spangler's passion, but as commissioner for District 1 who lives not too far from 7th and Quindaro, I can assure you there's no war going on over there. Would we like to see more economic development? Sure. To that, for the last several years I've advocated a plan that would encompass not only that area, but several areas to the south and west, which I'm happy to say that my fellow commissioners and the Mayor supported. That is out now. We are looking. We invite Lane4, anyone else who wants to come. We don't know. I appreciate your passion but I just couldn't let that pass as it was.

One other question since I have the mic, Mr. Harris. Do we have, I know you're under restrictions about identifying whoever is going to come to occupy that property. Is there one entity, multiple entities and what is the risk? Are they under some timeline that if they don't meet this we lose them?

Mr. Harris said yeah, I think there's a great potential for that. What we find with these types of projects when these types of users identify a need, they needed to be there yesterday as opposed to a long, drawn-out site selection process, not to say that doesn't happen as well. More often than not, that's why you see a great deal of these flex buildings which bleed into the larger format industrial buildings get built speculatively, sometimes up to a 1M square feet throughout the Metro in order to have that space available so that when the next tenant and job creator comes along, they can land that opportunity.

Commissioner Townsend asked what percentage of this square footage that you're proposing to build will that entity occupy. All of it? **Mr. Harris** said no. **Commissioner Townsend** asked 50%. **Mr. Harris** said no. I'm sorry, I can't say. It's a high percentage of the site. We're very excited about the user and what they're going to bring to this central part of Kansas City, Kansas.

Commissioner Townsend said I agree with Commissioner McKiernan. I would like to hear from, or have the other commissioners who are responsible for the geographic area which Indian Springs lies, to have more direct input. I'm just not sure how we get to that without botching the opportunity to lose someone who's interested in actually occupying that space. How do we do that? **Mr. Harris** said, Commissioner Townsend, to that point I know that wasn't a question of me and I appreciate your comments as well, Commissioner McKiernan.

I am having active dialogues with the in-district commissioner about this project. Unfortunately, Commissioner Philbrook could not be here tonight. I have not met with Commissioner Johnson since our last meeting, but I want you to know that I take a lot of interest in the opinions and trying to achieve the objectives of those commissioners who are either in-district or the project abuts the district as well. I'm making sure that they have the opportunity to give input.

Chairman McKiernan said I guess what I would ask is, looking at this timeline, we do have actually a commission meeting of April 6. If this committee were so inclined to forward these to the full commission for consideration, I think I would ask if it would be possible if we could schedule that discussion for the meeting of April 6, which would then keep this timeline if the full commission should say yes, move ahead with this, but not put everything on the same night as a public hearing. **Mr. Bach** said we could come back next week on the 6^{th}, have some discussion around it to allow the Commission to give direction to us to go forward and either formulate and finalize a development agreement for this project or to wait and do a different way.

This would allow us to stay on this schedule. Part of this part is undoing the old TIF District. It just changes the nature of where we're going and then moves it forward for the IRB policy. We could certainly set that up.

Chairman McKiernan said let me ask, Mr. Waters, is there anything wrong with doing it that way. **Mr. Waters** said I just want to make sure I understand. You would still be forwarding these action items to the 27th but holding a discussion on the 6th, or were you talking about sending these items to the 6th? **Mr. Bach** said no, I believe that's what they're saying is that we would schedule these items for the 27th as is listed here. Then we would just have a discussion of the whole body regarding this project and how it's coming together. Is that what I'm hearing?

Chairman McKiernan said well, originally my thought was to take it forward to the 6th for vote by the full Commission. If the vote by the full Commission is to move forward, then we can still accomplish the public hearing on the 27th. I don't know. This is where I get a little lost in the procedural details of these particular projects. **Mr. Bach** said I think we could receive direction couldn't we, Patrick, on it to move forward and advance the deal for a final development agreement, but we couldn't approve that development agreement until we take the other steps. **Mr. Waters** said right. **Mr. Bach** said I think that's what's causing him caution.

We could present it and say…..**Chairman McKiernan** said the final vote would still be on April 27, even if we did have a discussion at the meeting of the 6th. **Mr. Waters** said correct.

Commissioner Townsend asked are we talking about having the vote to pass this ordinance, adopt the master resolution, on the 6th or the 27th? **Chairman McKiernan** said no, what I'm hearing them say is that the vote would still occur on the 27th along with the public hearing, but this would provide an opportunity for the Commission, the full Commission, to discuss and give further direction and possibly inform that vote when it would occur two weeks later, three weeks later. **Commissioner Townsend** said okay, so no vote on the 6th. **Chairman McKiernan** said that is my understanding of how that would work. **Mr. Waters** said correct.

Commissioner Walters asked when would we receive the development agreement that is going to be voted on on the 27th. **Mr. Goff** said the deadline for the agenda item for the 27th may be the week of, I don't have my calendar in front of me, but we still have some time. In fact, I just received the cost benefit analysis in my inbox on Friday. That's one of the procedural requirements as part of the resolution under our Tax Abatement Policy.

The development agreement, the term sheet that's submitted in the packet, is essentially representative of the purchase and redevelopment agreement we have close to final form. Those two documents would be included in the agenda packets for the April 27 public hearing. **Mr. Bach** said we'd probably try to get it to you as soon as we could the week before. It would be a matter of polishing it up and trying to get everything done. I always like to think, oh boy we can get that to you in two weeks, but that's never the case with these types of documents.

Chairman McKiernan said that kind of goes back to just my ongoing concern about having enough time to thoughtfully review before we come back to a meeting. I would hope we could get it as early and enough lead time so that there is time for review.

Well, at this point I would look to the committee for direction. We have a decision to make here in terms of how we proceed with this item. **Commissioner Bynum** asked are we still looking for a vote this evening. **Chairman McKiernan** said my understanding is it would take a vote this evening to move it forward for consideration by the full Commission. **Commissioner Bynum** said right after I write Commissioner Walker a personal thank-you note for having me sit in for him tonight, right after I'm done with that….

Action: **Commissioner Bynum made a motion, seconded by Chairman McKiernan, to approve the ordinance terminating the Midtown Redevelopment District and forwarding to full Commission.** (Chairman McKiernan seconded the motion to bring forward to the full Commission for further consideration first on the 6th and then with the full development agreement on the 27th. **Mr. Waters** asked the TIF. **Chairman McKiernan** said correct.)

Chairman McKiernan asked do those have to be two separate. **Mr. Waters** said two separate. **Commissioner Bynum** said I've made a motion on the first item in order to bring it forward to the full Commission. If procedurally these have to be voted on and agreed to in order to get it to that point, then I'll make that motion.

Commissioner Townsend asked again, point of clarification Mr. Chairman, the vote, if we move this on to the full body on the 6th is for discussion, but there's no vote until the 27th on these action items. Is that correct? **Chairman McKiernan** said that's my understanding. Are we correct on that? **Mr. Waters** said yes. **Chairman McKiernan** said so it's an opportunity for discussion, clarification, direction, informing the vote that will happen three weeks later. **Mr. Waters** said yes.

Roll call was taken and there were four "Ayes," Walters, Townsend, Bynum, McKiernan; and one "No," BPU Board Member Alvey.

Action: Commissioner Bynum made a motion, seconded by Chairman McKiernan, to approve a Master Resolution of Intent to issue IRBs with the understanding that the matter is moved forward to the full Commission for discussion and then a later public hearing and vote in April.

Roll call was taken and there were four "Ayes," Walters, Townsend, Bynum, McKiernan; and one "No," BPU Board Member Alvey.

Mr. Bach said just for clarification, so we would look to come back on April 6. I'll discuss with the Mayor whether or not that's something either we could do it in a special session time period or at the commission meeting seeing as how we're not looking to take action from that time period. There are some other things we're having discussion on about the 6th, but we may be able to work through that and allow for that. That may be a better timeframe to be in this room and have that discussion on it than it would be where we're at.

Mr. Harris, you can be here at that time? We'd appreciate it. **Mr. Harris** said I'll be there.

Commissioner Walters said just a comment. Sometimes those special sessions, I don't know how many other items you have on that night, but sometimes we kind of run out of time. I would really hope we have plenty of time to hear what the other commissioners have to say, Philbrook and Johnson, and really be able to air this out. **Chairman McKiernan** said I would agree with that. We want to make sure, I mean given how robust this discussion has been tonight, we certainly don't want to short circuit that as we try to thoughtfully move forward on this.

BPU Board Member Alvey said I am 45 minutes late to relieve the babysitter. We have one more agenda item, correct? **Chairman McKiernan** said, Mr. Bach, can you tell us about that agenda item.

(BPU Board Member Alvey left the meeting at 8:46 p.m.)

Chairman McKiernan said let's resolve this. We appreciate the presentation. We will have further discussion on the 6th and then take it from there.

Item No. 6 – 171050…DISCUSSION: THE SUMMIT AT SILVER CITY PARK

Synopsis: A 34-unit single-family residential development is proposed at the site of the former Silver City Park, 2701 Ruby Avenue, by Heartland Housing Partners, LLC, submitted by Marlon Goff, Interim Director of Economic Development.

Doug Bach, County Administrator, said the last item on the agenda is regarding Silver City Park. If you recall, sometime ago the Commission took action recommended by Economic Development to move Silver City Park from park status so it could be looked at for development. We have been entertaining a proposed single-family residential development on that site.

We thought we had that keyed up to bring tonight. However, the developer on the site still needs to work a little bit more. He's trying to get some non-profit partners in with him. He's a for-profit development company. In seeing how that could come together, he asked if we could hold this off for a month and come back. Hopefully he'll be able to have it in place at that point and we'll be able to work it.

We are excited to see it moving forward. We think it'll be a great project. He's looking at some really nice homes he can build in that area. It's really the structure of the deal and what we're trying to have them do where they invest all the money to build it up front. Then where we could come back in and probably offset some of the public infrastructure as we take that back over in the future. We still have to work through that.

Chairman McKiernan said so since this was an item that was for information only anyway, we don't need to take any action. We'll just ask Mr. Bach to reschedule it whenever it's appropriate to bring it back.

Action: Hold for one month.

Adjourn

Chairman McKiernan adjourned the meeting at 8:47 p.m.

mls