ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, October 1, 2018

The meeting of the Economic Development and Finance Standing Committee was held on Monday, October 1, 2018 at 5:20 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners Walters, Murguia, Townsend, McKiernan and BPU Board Member Bryant. The following officials were also in attendance: Doug Bach, County Administrator; Joe Connor, Assistant County Administrator; Ken Moore; Chief Legal Counsel; Jon Stephens, Director of Economic Development; and Kathleen VonAchen, Chief Financial Officer.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above.

Approval of standing committee minutes from August 20, 2018**. On motion of Commissioner McKiernan, seconded by BPU Board Member Bryant, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

ITEM NO. 1 – 18434…PRESENTATION OF THE METROPOLITAN AVENUE REDEVELOPMENT PROJECT PLAN

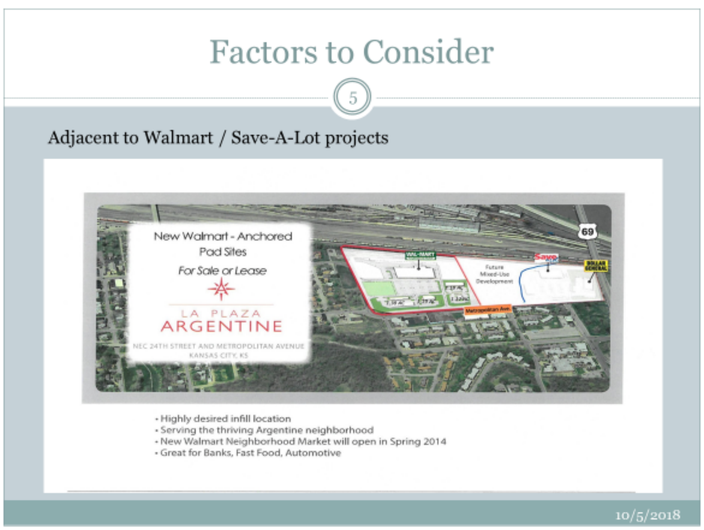
Synopsis: Presentation of the Metropolitan Avenue Redevelopment Plan, submitted by Jon Stephens, Director of Economic Development.

Jon Stephens, Director of Economic Development, said I've been asked to come before you this evening to give you an update on the Metropolitan Avenue/Argentine Fast Food Project. That is what we're here for tonight.

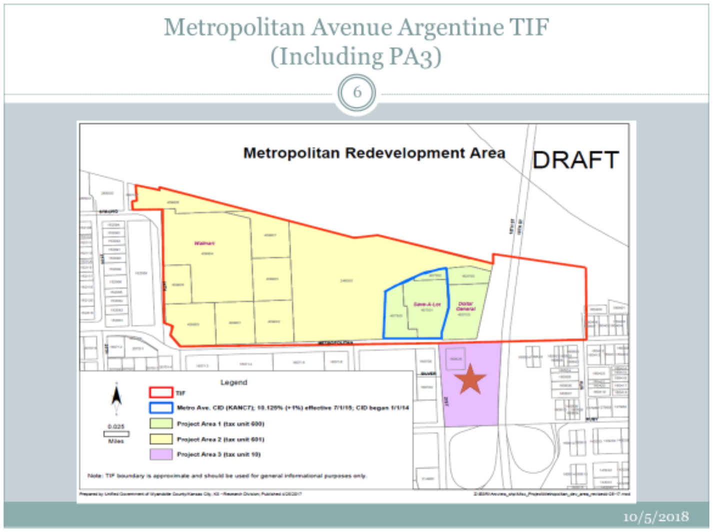
Here is a rendering of the project as outlined previously.

To give you an idea of the proposed site; this is 18th St. Expressway. You can see Save-A-Lot, Walmart project, and the areas along here.

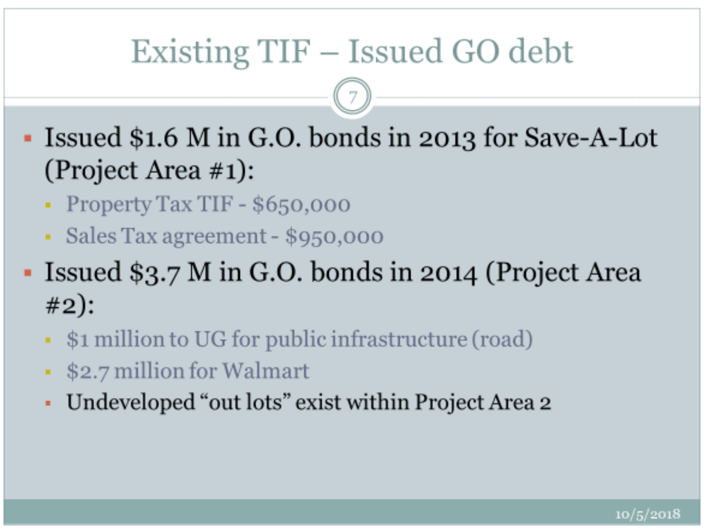
The site plan, as envisioned, along South 21st St. and Metropolitan Avenue and 18th St. Expressway is a 4,000 sq. ft. Wendy's/Pizza Hut dual flag, single built, project building.



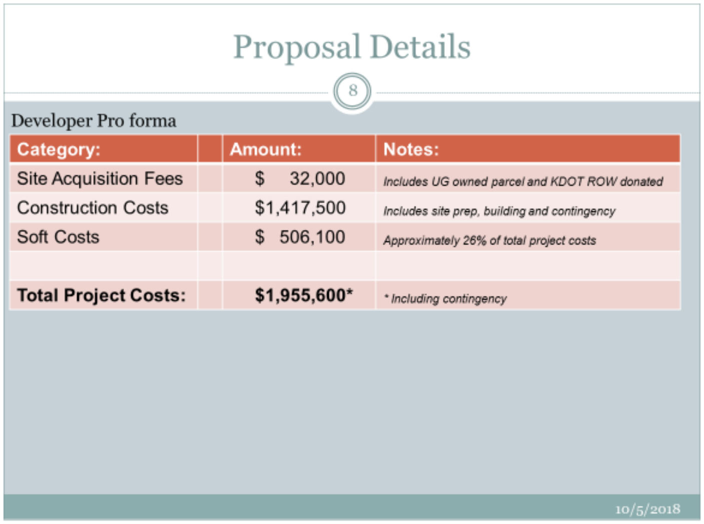
Some of the factors to consider, as I previously mentioned, it's located adjacent to the Walmart, Save-A-Lot and Dollar General projects along the corridor.



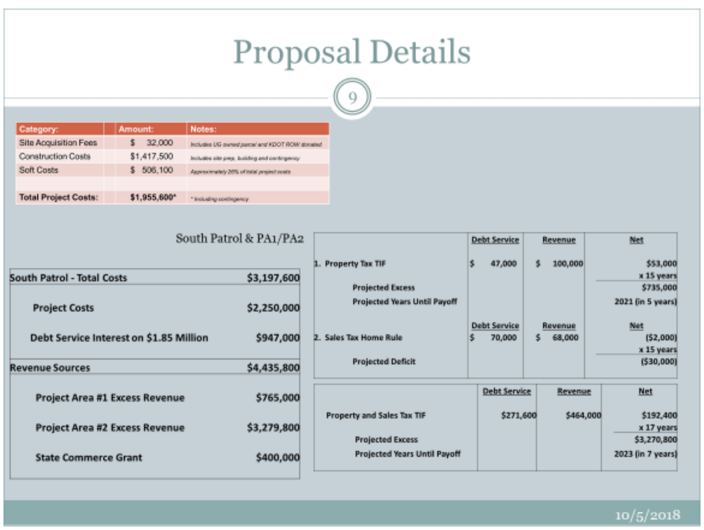
You can see, as was previously brought before the committee for consideration, is the Project Area 3 of the TIF District incorporating of the Metropolitan Avenue TIF Redevelopment Area.



To quickly recap, for those of you that are not familiar, the $1.6M was issued in G.O. bonds in 2013 for Save-A-Lot. Property Tax TIF, sales tax agreement, as well as $3.7M in G.O. bonds for the Walmart. $1M to UG for public infrastructure, $2.7M for the Walmart and there are other out lots within existing Project Area 2.



The project before you tonight, as outlined from the developers pro forma, is a $1.955M total project including contingency that includes $32,000 for the site acquisition fees. Approximately $1.4M for construction costs including prep, building and contingency as well as about $.5M of soft costs which total about 26% of the total project costs.



To give you an idea, I think it's important we look at the TIF, the property and sales tax home rule related to the Walmart and Save-A-Lot. You can see those and then how those waterfalls down to the South Patrol station that was constructed within this project area. This is approximately a $3.2M project that has a $1.85M debt service with $947,000 in interest on that debt service that is primarily paid off through excess revenue of the TIF collections from the existing TIF district.

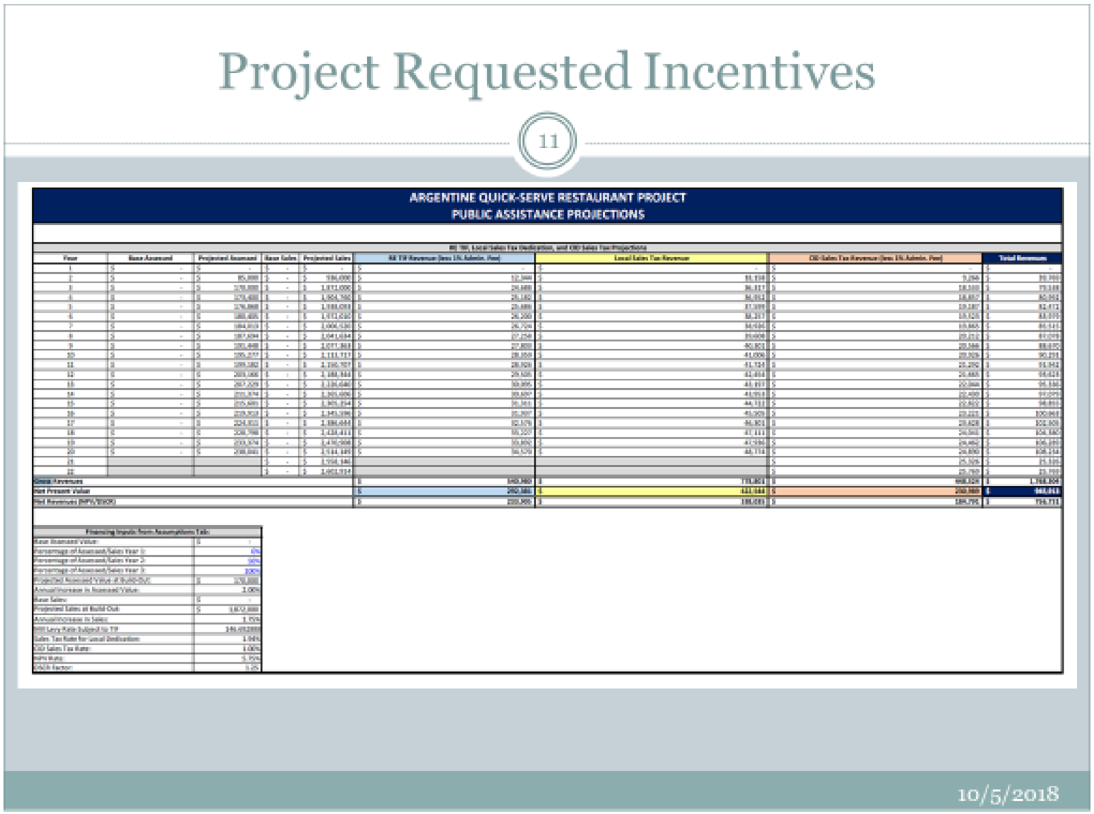
The requested incentives as the developer has outlined includes the following: It's a 1% sales tax CID which is an add on CID that the pro forma suggests about $448,000 in gross revenue over the 22-year collection term of a 1% sales tax CID that would be collected just within this Wendy's/Pizza Hut facility.

It includes a TIF district within Project Area 3 that's a PAYGO so there would be no bond issuance or GO backing. The pro forma suggests $541, 000 approximately of gross revenue over the 20-year term of that.

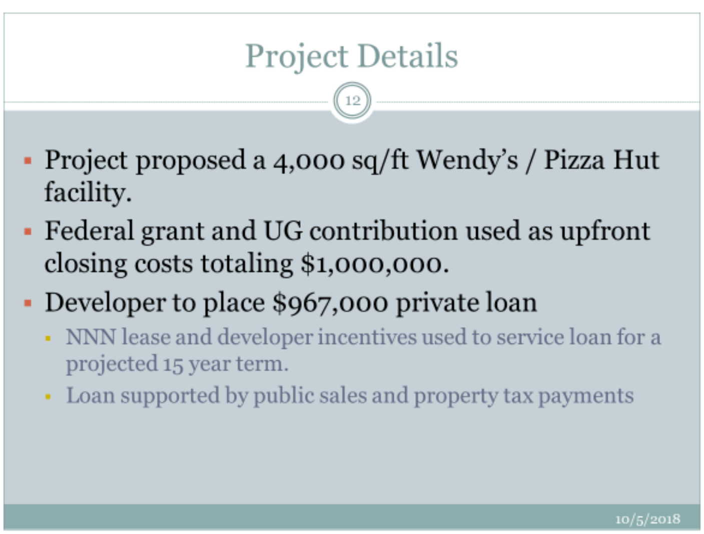
Then there would be a local sales tax revenue diversion back to the project. So that's a dedication of the local sales tax revenue back into the project for a 20-year term. Pro forma suggests $779,000 approximately of gross revenue collected back into the project over the 20-year term.

There is a federal grant that ANDA was awarded and the pro forma suggests $600,000 would be contributing to this. All of the proceeds of this $600,000 be contributed to this project on the front end.

There is an economic development cash contribution which is a $400,000 up-front contribution from the Unified Government that's currently not budgeted, but it's a request within this pro forma that would be provided upfront to fund and pro forma this project. The proposal does include possible payback of the corpus pending project performance which you'll see in a minute.



This is really hard to read. Sorry. I tried to expand this as much as I could. This is a summation of the requested incentives that I highlighted here, so we can discuss those, if any of the committee members have questions. This is a summation of the performance of that. What this states is just how each of that breaks down and what the projected collections are over the 20 and 22-year terms of each component of this financing vehicle.



As I said, the project details, 4,000 sq. ft. Wendy's/Pizza Hut facility. Federal grant and UG contribution will be used as upfront closing costs totaling $1M. Then, the developer would privately place a $967,000 private loan that would be paid back by a triple net lease. The developer incentives would be used to service the loan for what they project is a 15-year term and then the public sales tax, the TIF, the CID, and all of the other pieces/components would be used to fund full performance of that loan retirement.

The next steps would be for the UG to identify a source for the $400,000 grant. That could be amended 2019 General Fund budget added to the 2019 debt issuance, or possibly some other format of financing of that $400,000 for addition into this project.

The Planning Commission would need to approve the full TIF conformance with the comprehensive plan. There would need to be a public hearing process to approve the final establishment of Project Area 3 of this TIF plan as well as the establishment of the 1% CID. There would need to be an adoption of a resolution approving the final development agreement that would have all of the terms in that and that is currently in process but is not finalized yet. With that, that is the staff presentation related to the framework of this project.

Commissioner Walters asked have we ever directed sales tax back to a project before? **Doug Bach, County Administrator,** said on a rebate type basis within a TIF structure. That was one of the changes that the developer made to this request a couple of weeks ago. We had to look back to this and look at it from a legality perspective and understand that we could. We have done it on a small scale where we had some rebate for like a year or something like that or two. I think we did one at the Happy Foods Store up on Leavenworth Road 15 years ago. We did something like that, but to do a long-standing agreement over the time period, we sought a legal agreement would to do it. I think that the big point to that is the developers are the ones that becomes at risk on that if there's something that said we couldn't do it, otherwise it really operates the same way as a TIF other than the fact that we have to administer ourselves, which was also a little bit of concern of mine. When you collect the sales tax, say a Wendy's or Pizza Hut, they'll pay their sales tax to the state of Kansas for all of their Wendy's or all their areas. You want to make sure their distinguishing out how much this store collects and that they pay in sales tax because then when the state distributes, they'll distribute all of the money in one bucket and we have to divide that out. It does take a little bit of administrative work over and above what a TIF would be when you divide that out. It's a different tool. The end result is similar to what you do with a TIF, but it takes more work on our end. **Commissioner Walters** said thank you.

Commissioner Murguia said I would like to make some clarity. As you all know, I'm the Unified Government 3rd District Commissioner. All of you know that I'm also the Executive Director of the Argentine Neighborhood Development Association. If you haven't heard, I've resigned from that position. It's effective December 1. I'm not here to advocate on behalf of this project because according to our Ethics Administrator, even though I, as the ANDA Executive Director, do not receive any financial benefit from this project, I have to recuse myself and that is regardless of whether I resign or not, which is kind of strange to me. With all of that said, I have some questions. I sat on this side because to honor the ethics ruling, I will not be voting on this. I understand it's on the agenda for information purposes only, and since it's just on the agenda for information purposes only, I guess I have some questions. Since I have both parties here, as the Commissioner, I sit with the developer, Micah King, who is the actual developer with Argentine Betterment Corporation. He is being assisted with that development with Jeff Sharp, who is from Ferguson Developers, and our lawyers from Polsinelli, Kevin Lee, can answer all of those questions.

I have some more government related questions and how we make these decisions. It seems to be different for every deal that comes in front of us. I would ask the County Administrator how long has this deal been in front of the Unified Government for consideration? **Mr. Bach** said, Jeff, a couple of years? **Jeff Sharp, Ferguson Properties**, said yes, probably two plus years.

Commissioner Murguia said it's a Wendy's and a Pizza Hut and it's taken 2.5 years, yet I can think of a number of projects that are much larger that took a lot less time than 2.5 years. I would like to be clear on what the hold up is with this particular very small, urban project that has a significant amount of federal government grant money in it. What has been the hold up with coming to a development agreement and bringing a signed development agreement to this committee to vote on.

Mr. Bach said there's probably many different issues that factor into it. As you are aware, the original agreement, when started, it was proposed to be a Dunkin' Donuts, Pizza Hut, Wendy's. The scope of the project has changed. I think the original commitment for the federal grant was $1.2M and that figure changed, I don't know, consistently as we went through, so we kind of had to rework the financials as it would go along. It was unique in the sense that there's really no private equity in this. The developer gets to count the federal grant to it, but when you're dealing with an entity that doesn't have any equity within it so you look at and you're trying to evaluate where you're at that but there's no—who's the private party responsible back to it. Those are always complex things to work through. I know it's come before the Commission. I would say probably one of the biggest delays on this was the request for gap or grant funding from the Unified Government, so we brought that issue before the Commission. We had some discussion about going back and getting a policy done. Ultimately, we've never done a policy regarding anything like that. As Jon noted in that, we don't have any money identified for that $400,000, but knowing that's how it is, it's to bring that before you all and determine if you want to put additional money that's not generated by the project within it. It's a confusing issue, so while it's a small project and one that's smaller then it was when it originally started, those are some things that really delayed it.

I would say the gap being a very controversial issue or the grant funding back from the Unified Government was one that probably delayed this as much as anything.

Commissioner Murguia said so you would say probably the primary reason for the delay and moving this project forward and allowing the Commission to vote on it is all of the discussions around the gap funding and the gap funding requested is—Jon can you tell me that number again? **Mr. Stephens** said $400,000. **Commissioner Murguia** said the big sticking point with administration was a $400,000 gap funding that needed to be filled to make the deal happen, wouldn't you say? **Mr. Bach** said well, it was $500,000, but it also changed because we were working off a larger scale project and then it went from the $1.2M, as you saw, now we're at $600,000 that's in federal funding that used to be $1.2M. Keeping up when you have changes to the structure of how a deal is coming together, you have to react to that, work back through it and figure out what would be the actual deal that we're bringing forward to the governing body.

Commissioner Murguia said just so you're aware, there was a larger scale project, but because of the delay and coming to an agreement with the Unified Government on the gap funding policy, one of those retailers pulled out because 2.5 years is a long time to wait. I don't know any businessperson who is going to hang around for 2.5 years over a $400,000 policy for supposable gap funding.

What I'm really confused about is here we are tonight, again, for our fifth informational session on a very small project in one of our most impoverished areas in our county. It was all because we didn't have a policy around gap funding and yet we just approved an almost $7M grant to build a grocery store downtown. Do we have a policy around giving out $7M grants for grocery stores? **Mr. Bach** said I think most development deals kind of come on their own. We work through what different sources want to be funded, and that's again, like on one of the questions we have this evening. That was one of those that came—we had some feedback from the Commission and we went forward with the grocery store.

Commissioner Murguia asked do we have a grant policy around giving grant money out. I'm sure there's a lot of people here tonight that would be interested in bringing offers and development deals to the table if the Unified Government has access to millions of dollars in grant money. **Mr. Bach** said no, we don't. **Commissioner Murguia** said do we have policy around $7M in grant money? **Mr. Bach** said no, we do not. **Commissioner Murguia** said and we went ahead with that project. **Mr. Bach** said right. After about four years that project has now advanced. **Commissioner Murguia** said that's right and we all approved that. I don't recall, I've reviewed all the tapes and I don't recall one commissioner asking one question about a policy around grant money, a grant funded policy, I don't remember one commissioner. Yet, when the ask for the Third District came up for $400,000 gap funding or grant, there were all kinds of questions about policy. I remember one instance, in particular, where we can't just be going and giving that kind of money out without a government policy in play. We're not only spending almost $7M on a grocery store, but we're going to own it in addition to that, correct? **Mr. Bach** said yes. I think the project on the grocery store is about $5.7M. There's some different TIF programs too, we're owning the building.

Commissioner Murguia said there been some discussion also about in the past when District 3 has brought projects forward with no tenants, we have a policy that we don't fund speculative deals. My understanding is that there is, presented by Mr. Stephens, that you're going to add on two speculative retail spots to this grocery and that's what increased the cost of it based on not even a letter of intent, just some sidebar conversations that people might be interested in renting some additional space. **Mr. Bach** said I think his comment was more in the line that if—we wouldn't add to it if we could build it within. Then we would look to do that we have tenants that could come in play as we progress through the project.

I think that the gap funding policy came about probably more incline with the project because I actually went through the budget process that introduced the concept of can we do something to do some gap funding for projects. Then this project came after that to ask for some of that gap funding so the Commission asked me back to it's like well, there's no gap funding policy in place, so we introduced this concept. We kicked that back and forth a fair amount and looked at funding and then not, and ultimately, I think the decision was every project just needs to stand on its own and then we determine whether or not we're funding it up. I would offer, if anybody is different, but that came before this committee probably the number of times it was part of this project because it was then associated with this project as it came around, but that's my recollection as how that worked.

Commissioner Murguia said your feeling was, the impression you got from the Commission, is that gap funding was probably not a good idea because every project needs to stand on its own. **Mr. Bach** said every project has its own evaluation points. Also, I think it's difficult for the governing body to budget $.5M or $1M for an unknown. We've got a lot of things that have requirements and needs within our community. You knew a lot of infrastructure improvements so without having a specific project to tie it to, it was hard to tie up money. **Commissioner Murguia** said but we have $7M for a grocery store. **Mr. Bach** said you're twisting that **Commissioner Murguia** asked how am I twisting that. I'm twisted. **Mr. Bach** said I'm saying the gap issue around the budget was to go and build a budget and just say we're just going to put $1M in a fund and then hold it until something came about. I think that was generally the discussion to say let's not do that, but when we have projects come, then we determine how we would help fill the gap whether that be look to the future budget and put it in or do some kind of bond financing. That was the decision on the grocery store. **Commissioner Murguia** said but we figured that one out. **Mr. Bach** said yes.

Commissioner Murguia asked did any commissioner, did any organization, not-for-profit, did anybody apply or receive any grant funds for that project whatsoever? **Mr. Bach** said that project. **Commissioner Murguia** said the grocery store project. **Mr. Bach** said I think we have some LISC money coming to it. **Mr. Stephens** said yes. As part of this financial pro forma, $5.8M total LISC—we're currently going through the application process which would lower the front-end debt service and the full-term debt service on that total. **Commissioner Murguia** asked is that a grant or a loan. **Mr. Stephens** said it's a hybrid. It would be zero interest loan and then possibly a partial interest loan lower than market rate loan. **Commissioner Murguia** my question was, is there any grant money in the $7M grocery store that anyone has applied for or received? **Mr. Stephens** said there was and is some limited predevelopment funding grants through LISC. **Commissioner Murguia** said those are predevelopment grants, so it's more than $7M if you include the predevelopment costs. How much were the predevelopment costs? **Mr. Stephens** said the total project cost is $5.8M. **Commissioner**

Murguia said the entire project? The predevelopment costs including the construction of the building with the two additional spaces is \$5.8M because in meetings that I've been briefed on I've heard \$6.2M and I heard almost as much as \$7M. Just so we're clear, it's still \$5.8M. **Mr. Bach** said I don't think I've heard anybody say that number.

Commissioner Murguia said so there's \$5.8M and there's no grant dollars in this project whatsoever. It's 100% funded by taxpayers. **Mr. Bach** said outside of the grant money you just identified. It's small numbers. **Commissioner Murguia** said outside of predevelopment grant money I'm talking about the construction. If you want to count that from the review of this deal, there's been a lot of time over the last 2.5 years where there has been a lot of grant money invested in predevelopment and a lot of legal fees and a lot of developer fees established that were donated, that were contributed to the project. I think you have it down that—I'm not really sure since this is not my project; this is an ABC project. ANDA is contributing the money because we raised it, but we're giving that money to ABC as a gift and that amount of money is how much? **Mr. Stephens** said per the pro forma \$600,000 in federal grant dollars.

Commissioner Murguia said so we're donating \$600,000 to this project and that doesn't account for the predevelopment, in-kind predevelopment, nor the in-kind legal fees, correct? Let's just say in 2.5 years, no offense Kevin, but I know how much a lawyer at Polsinelli costs an hour and I also know how much developer's costs, Mr. Ferguson, they're not cheap. I'll be conservative and say we'll add another couple hundred thousand dollars for the 2.5 years they've spent working on this project for free because they're not being paid. That takes it up to an \$800,000 investment in this project, yet with an \$800,000 grant, and again, one of the lowest income neighborhoods in our city, on land that was drawing no property tax, the land in which Jon has described to you where the location would be was donated to the city from Governor Brownback directly. I know that because I went and asked him to donate the land, it's highway easement in which currently, right now, ABC, Micah King is the Executive Director and mows for the Unified Government and pays a substantial amount to a minority contractor, the Jones Family Mowing Company, a substantial amount of money. They live here, they vote here, they live in Wyandotte County and they mow that property every year and have for the last five years. That would be, in my opinion, another in-kind donation to the government. I don't have that total. Micah may be able to tell you roughly about annual mowing expenses to keep 18th St. Expressway mowed, which the Unified Government does not mow and hasn't for five years which is their responsibly to mow. If you add that in, I just know how much, we'll just say

$50,000 even though I know that in five years of mowing, that that is significantly more. Now we're up to $850,000 of investment, not only to mention the savings that was created for our government and yet the project still has been in the queue for 2.5 years and continues to be put on the agenda for informational purposes only. I'm baffled by that.

I've also heard some concerns that some of our commissioners may have about they want this project to be prevailing wage, yet when we talked about the new fire station and when we talked about the new grocery store, not one person asked one question about those projects being prevailing wage, not one. By the way, it's against the law because the state of Kansas no longer allows local governments to enforce prevailing wage. I just wanted to get ahead of that discussion before it went on.

If there are concerns about me, I'm done on December 1. I will no longer work for ANDA in any capacity. I'm winding things down for them now as it is. This is an ABC project. I'm disappointed that for the fifth time this is on for informational purposes. Prior to this meeting I had a discussion with Administrator Bach. There were, according to his version and according to my team's version, there were three outstanding issues. Two of those outstanding issues have verbally been agreed upon. One of them we agree on, is just they need to better understand that issue. I'm confused with how we've had 2.5 years to resolve these issues and we still can't get them in writing.

I will say publicly what I said to Mr. Bach. "I get a feeling our staff doesn't like this project and, therefore, doesn't want to bring it forward." I can speculate that there might be some Commissioners that are bending their ear about this project. I don't know that, they don't like this project or want it to happen for whatever reason. What I'm here to talk about is fairness and decency along with people's roles in this government.

I believe Administrator Bach is to collect deals, package them, and bring them to the Commission to make the decision on whether or not they are a good deal. I don't think it is our Administrator's job to decide what is a good deal before he signs a development agreement. I believe that's the Commission's job. If that's not the Commission's job to make the decision on the final deal, then I don't know why we're all here tonight, or why we're ever here. This is an easy deal. It's going to create a substantial number of jobs.

For those of you that don't know about the grant that was written, I wrote the grant and to be fair, again, this is an advocacy, this is information since this is an informational session. The federal government has very strict guidelines on these grants. This grant is not a health grant, though it was filtered through Health and Human Services. This grant is a jobs creation grant for some of the lowest-income people in our county. That's what the grant is for. It's to create jobs. There is a requirement within the grant for those of you that would have taken the time to read it, staff and commissioner's alike, you would have seen that annually the federal government sends an auditing team to Kansas, to Argentine, to review that that criteria is met and I know that because we use the same grant funding on the Save-A-Lot grocery store where we were audited annually.

There has been some accusation that money was spent inappropriately. I have had the auditor's, the federal auditors, come and review that and provide our Administrator with a statement that not only was that money previously used appropriate, the accusations that were made by someone here in Wyandotte County were completely unfounded that the money was used misappropriately. Not only that, but they consider the work, the grant fundraising that ANDA has done to provide to ABC to do these projects in one of the poorest areas has been the poster child across the country in the way of urban and economic development. Anybody that wants to see that in writing, your welcome to get that from Administrator Bach, your welcome to get that from me, from our attorney's, your welcome to call Washington DC, your welcome to call Congressman Yoder, and your welcome to call Health and Human Services. I will gladly provide anybody that feels that for some reason I'm not telling the truth.

Tonight, we presented this deal. I'm annoyed that it's for informational purposes. I think you know enough about the project. Mr. Bach has an issue with one item. Is that accurate? One item in the agreement. It is my understanding that agreement set on the desk of Todd LaSalle for two weeks with no work being done on it. Now tonight, again, for the fifth time we sit here in front of you without an agreement and it's couched as information only. I've been told it's our policy not to bring anything forward that doesn't have a development agreement behind it. We can't bring a development agreement forward for the Commission to vote on if the County Administrator won't sign a development agreement.

I'll say again, in my opinion, whether he likes it, the deal or not, it's really not up to him. He can bring the deal forward and say he doesn't like the deal and then it's up to all of you. This is not a dictatorship. One person doesn't get to decide what deals come forward and what deals don't come forward.

I don't want to burn anymore volunteer time of high-dollar Polsinelli attorneys or a high-dollar developers, nor do I want to burn the time of all of the great community people that came here tonight to support this project who've worked hard and volunteered. As I look out there and see them, none of them, with the exception of one, receives any form of payment. None of them.

I would just like to reiterate. I truly believe—I'll leave it at this then. I believe, as elected officials, were elected to do what the people want us to do. We work for them. They don't work for us. We work for them. I don't know if it's a dog and pony show or what it is, but we put out a survey every two years and we ask questions of our constituents about roads, curbs, sidewalk, what they're priorities are. I never once saw a question about a new fire station or a grocery store in the northeast on our survey, but I, given my free five questions put out there, is this something that not only District 3 wants to see happen, is this something that our entire county wants to see happen. These are the answers to the questions in case, for some reason, you all skipped over that. What I did—I won't bore you with the details. All I looked is the percentage of people that either agree with this project in our county or strongly agree. I left neutral disagree and strongly disagree out okay. These are people that agree or strongly agree.

In District 1, 72.9% people are in favor of this project happening. In District 2, 72.7% of all people are in agreement or strongly agree with this project. In District 3, not surprising 100% of the people are in agreement of this project. I've never seen 100% in people surveyed agree on anything. In District 4, shockingly, which is not even in that district 100% of the people agree that this is a good project. In District 5, which is in Piper, only 33.3% of the people agree with this project. For some reason people in Piper don't want things to happen in Argentine in the way of fast food. In District 6, another 100% of the people interviewed in our survey agree with this project. In District 7, 84.6% of the people agree with this project for a total of countywide 74.7% of the people in this county want to see this project happen in Argentine.

One of the next questions that was asked is do you believe, I just heard the Mayor say that we need to make sure that we first meet the needs of our existing residents, the existing demographic of the people that live here. When one of the things that we need to do is meet the needs of the job market. We all know, we're not blind to this, that we have a large dropout rate and many of our residents lack the skill set to get high-paying, more advanced jobs. However, I went ahead and asked the question in my five questions I'm allowed on the survey, is do you think these restaurants would provide much needed jobs for residents in this area? District 1, again, sorry I have to do that adding on this, I didn't get this far, I believe it totals 82.2% of the people said, yeah, they'd be interested in a job. In District 2, that's Brian McKiernan's District, 87.9% of the people said that they'd like to have a job at one of these restaurants and would be interested in that. In District 3, which is my district, where the development is occurring., it's 100%. In District 4, again, which is Commissioner Johnson's district, 100% of the people said they'd be interested. Again, District 5, in Piper, they're really not interested in seeing business in District 3 or working in District 3, that's okay, they have the Legends. In District 6, 100% of the people are interested in a job in this area and think it could be beneficial. In District 7, this map gets a little harder, it's almost 90%, might be over 90% of the people would be interested in a job.

For $400,000 and two fast food restaurants where there are absolutely zero, in a neighborhood that is bordered by highways that do not allow people that do not have cars to get to affordable places to eat, I think it is a very minuscule request. Before we finish up, I don't want to come back here again with a bunch of excuses. Does anybody have any questions about any of the information that's been presented?

BPU Board Member Bryant asked about how many jobs would it supply, roughly or estimated? **Kevin Lee, Polsinelli Law Firm,** said I don't have that answer offhand. I don't know if Jeff-- **Jeff Sharp** said I think it was around 18 to 20 jobs, 20 to 25 depending—**Commissioner Murguia** said I remember 22. We're giving you rough numbers, but clearly in excess of 18. Any more questions? **BPU Board Member Bryant** asked was there any chance of any future development on the balance of that ground. I know the piece of ground that you're talking about and it goes beyond, as you get closer to the road that goes under the bridge. Is that second section also? **Mr. Wing** said we would definitely like to leave the possibility open. If a user comes along to be able to take advantage of the balance of the site. As currently contemplated under the development agreement, it just addresses this 4,000 sq. ft. retail. We would be back before to amend the deal. **BPU Board Member Bryant** said was access from 21st or was it from Metropolitan into the property? **Mr. Sharp** said that's to be determined with staff, maybe down the road. I haven't been in any of the—of course I'm newer, I haven't gone to staff to talk about access issues or any of that at this point yet. To be honest, we presented all sites in this area in front of Walmart, everywhere to retailers, and to enable to get their interest this is the number one site even the site right across the street next to the new Save-A-Lot was too far away from the interstate or the highway to get their interest and secure a tenant for this location.

Chairman Burroughs said, Commissioner, I like Mr. Bryant, have not been privy to a lot of this information so I appreciate you bringing forward your concerns. I want you to know from me personally I respect your service and advocacy for your district. Your leadership has definitely assisted in transformation of your district. This project adds to an area that was deemed unsuitable for decades for development and here we are this evening talking about a project that will add to and continue to enhance the area. As I stated, I can't speak to what's happened before. This meeting was important that we had tonight to educate some of us. I'm assuming that when we have an opportunity to bring jobs and development to the community, many of us are very supportive of that. I want to commend you for reaching out and getting a grant to continue to invest in those issues that are important to our community. I know, I personally, appreciate it as a resident of the community and as Commissioner-At-Large. Are the any questions from the public? Would anyone like to address this issue.

The following appeared:

Duane Beth, 2937 N. 64th St., said I've been sitting here as an advocate for Micky's Surplus who is a long-time friend of mine. The owner, Mark Turley, who is the sole owner and proprietor of Micky's Surplus which is a business on the corner of Strong Avenue which supersedes the Legends and any other business. In fact, probably the oldest, if not the oldest business in the Argentine area and a friend of mine since I worked that police district a good part of my career of 30 years. He implores you guys to push this through and it's not really pushed through because this has been on the agenda for two years. I've been hearing about this and it builds up to where these people down there are excited about getting this and then they say well what happened, why aren't we getting this. There's no place to eat down there. I just talked to him today and he said if he wants to go to lunch, he has to get in his car and take 30-45 minutes away from his business, that he owns just to go get a hamburger somewhere.

This will bring jobs to Pizza Hut and Wendy's. He's really upset he's not getting a donut shop now, because of the delay, it's the delay. He as a business owner is hanging by a string down there. A lot of the businesses are gone. There are storefronts that are vacant that need to be filled. There's no reason that we can't try and put a magnet down there to attract other businesses and to give other people a place to go to get something to eat. There are people—besides the vacant places, there's people that work down there or live down there. I've read comments before about people wanting health food and fast food is not good for them. Do you think the people aren't going to go get pizza somewhere else? They would just have to drive farther and burn more gas and the ones that can't have to send somebody else. It's a moot point.

Fast food argument is a moot point. The people down there need this place just for the jobs, for someplace to go to eat, to attract more people to come to the Argentine area because it is a nice area, it's a growing area. It's probably one of the most underrated places in the city for development because it's a small community. It only gives them more exposure to get people to go to the Argentine area which will attract more businesses, which will attract more money. If you attract business people that want to build down there, so you don't have give them incentives anymore, that's what we want, at least that's what I want. I don't know why it's just an information thing. It should have been voted on the first time it came up. It's not someone's decision, an elected official's decision, to build businesses. I represent a guy that's a business owner that had that business since 1962. That's a long time to run a business down there. He's one of the biggest businesses in Argentine. We want private businesses. We want people to come and want to build here. If it's not on an agenda, not only is he going to be upset, I'm going to be very disappointed.

Henry Sandate, Chairman of the Board of Argentine Neighborhood Development Association, said I have been on the board since its inception, I think, about 12 years ago. What I would just like to emphasize, we looked at a lot of stuff here of every reason why should have this business built and operating and employment is a main feature and I understand that. That's the purpose of this grant. One of the things that occurred that I was approached was to sit on an audit with the Administrator from Health and Human Services. At that audit there was various representation present, the attorneys, administrators from the city, board members, community members, community folks that volunteer their time and have an interest in Argentine.

In the conversation it was very obvious what stood out amongst everything else was when the official from Health and Human Services asked about the success of employment at the Save-A-Lot grocery store. The manager of Save-A-Lot, and I believe he might have been a Regional Manager, explained that they've had major success there. Not just financially, but also from the standpoint of training employees who live in Argentine and had also been promoted after they were trained, gone through the system, put into management and then transferred out to other stores in the vicinity here. I think particularly here in Wyandotte County to manage other stores. They were also in a position financially where I think they could lead to buy real estate, buy a house to live in. The Save-A-Lot grocery store itself serves as an example of what I believe this fast food operation would be with the Pizza Hut/Wendy's quick serve and that is not just a means of making a part-time living, but also a means of developing skilled workers, eventually skilled workers, management style workers to go out and make progress and evolve and succeed in life. That's one thing that's kind of tough in Argentine. It's an area where you don't see a lot of opportunities to serve and now we have a Walmart and we have a Save-A-Lot. We have a Dollar General and we have, hopefully, this fast food operation where kids could after school walk down the street and have an opportunity of developing some skills, some people skills, some business skills, and eventually some managerial skills and stay in Wyandotte County and make those contributions, get traction. They turn into taxpayers and we see it all cycle back around and we see a thriving community. That's the emphasis that I wanted to make as a business owner, the significance of having an investment like a fast food operation at 18th & Metropolitan.

Dustin Dye, 1618 S. 29th St., in the Argentine neighborhood, said I have recently earned an MPA in Urban Policy and Administration from UMKC, where I also work just across the street from you, Dr. McKiernan, were only separated by a Go Chicken Go. I think we both appreciate data when reaching a conclusion. Here are some figures I'd like the UG to consider: According to CityData.com the poverty rate in Argentine is 29%, which is 42% higher than the city average of 20% and 40% of Argentine residents have less than a high school diploma.

Most of the challenges in Argentine are either directly or indirectly caused by lack of employment opportunities. The UG needs to raise the effect of demand for labor if they want to decrease unemployment.

In a survey commissioned by the UG and administered by the ETC Institute results from which I'm sure you all received and Commissioner Murguia's shared tonight, 75% of respondents answered they agreed they would like to see fast food restaurants built in Argentine, 81% agreed these restaurants would provide jobs, 79% agreed they would eat at the restaurants and 60% agreed they would support investing tax dollars in these restaurants.

The ETC Institute survey was a random sample with an alpha of .05%. I have no reason to question the validity of their results. We immense are more likely representative of the residents which is then a ballot initiative would be a truly random sample would capture a better cross-section of the city then those who tend to turn up at local elections.

I understand the criticisms of this proposal that fast food is unhealthy and the jobs they create will be low paying, but these may be true but currently there are few dining options in

Argentine as residents would like options within walking distance that are already living in an area that as suffered from decades of disinvestment is worse for your health than fast food.

Now, if we we're having this conversation before Argentine had a full-service grocery store, I would object to bringing fast food to such an area, but now that we have healthy options, I don't see the harm in adding a couple of fast food joints. Argentine needs investments to attract more opportunities. If the Health and Services Office of Community Development also provide a grant to fund these jobs, supplement the income of people on social security. Someone with a master's degree I find it paternalistic to tell a disabled person that she didn't do such a job because it's not good enough.

Commissioner Walters, in your experience working for one of the most prestigious architecture firms in the world, do you have clients who prefer to build locations with amenities as opposed to areas without amenities? Would your employers want options for their employees and look at what is in the area before they decide to build there? These restaurants would create as many jobs as the downtown grocery store but would do so for $400,000 compared to $6M, unlike tax cuts for corporations to come with no strings attached. We can give an incentive for this project because we know how the money will be invested. I won't pretend that building a couple of restaurants will be a path here Argentine's challenges, but it is one step towards spreading more economic development in the neighborhood. When businesses see others investing in Argentine, they'll be more likely to invest as well.

The residents of Argentine would like to see the neighborhood become a place where people stop rather than a place where people to turnaround. I ask the UG Commission, please invest in Argentine.

Richard Ripper, 1875 S. Pyle, said I have a business and an accounting firm, so I know all of the ins and outs of accounting and finances. I'm more of a numbers type of person. I also am a member, board member of ANDA, just wanted to bring that up. Now, since this is only information thing, I guess it's trying to get the information out to all of the commissioners about this project. I have a couple of questions. The Walmart is a TIF, correct? **Chairman Burroughs** said this is just a comment session at this time. **Mr. Ripper** said it was my understanding that Walmart is a TIF and that the TIF was supposed to repay a bond. From my understanding, the TIF is still going on and the bond is fully paid. You need to find out where the rest of that money is going. Why can't that money be used to help allocate this $400,000 that's already coming out of that district?

The next thing is Kansas City, they said that it's hard for them to track the sales tax. I'm an accountant, I happen to know that when they open up those two establishments, those two establishments will get their own sales tax number. You will get a report by that number of that money coming in. What's so hard of tracking that money? Those are the only two things I have to say.

Theresa Gardner, 5141 Sterns, Shawnee, KS, said I was a lifelong Wyandotte resident until a couple of years ago. I have been involved with this project since the grant was first sought out. The grant was awarded about four years ago and it took a lot of blood, sweat, and tears to get this thing pulled together. It was pulled together several years ago and we have been trying to get it approved for that long. In the meantime, because we met so many obstacles here at City Hall, we've lost Dunkin' Donuts. We were ecstatic to find someone that owned Dunkin' Donuts that was willing to locate there. We looked long and hard for Wendy's and Pizza Hut and we're very happy to have them, we don't want to lose either. We may lose the grant, the federal grant for the Dunkin' Donuts because you have five years. We are up next year on the first federal grant that we received for Pizza Hut/Wendy's. We need to move on this. We can't just take our time. The second grant was awarded the next year, so it is up in 2020. I do the reports for the grants and I hate to see us lose this money. I don't think Wyandotte County can afford to lose this money that the federal government is willing to award to establish business in an area that receives no tax dollars and bring in employment and food service off a highway. We need to get this moving. It's been going on way too long, and if we want to keep Pizza Hut/Wendy's, we need to do it now rather than waiting longer. Like I say, we lose this grant next year so it's time to do this.

Chairman Burroughs said I want to thank the members of the audience that chose to speak this evening. Is there is any other comments. We need to take no action on this. This is for presentation only. Mr. Stephens, do you have any comments you'd like to make before we close? **Mr. Stephens** said I don't believe so unless there are any questions from the Commission.

Commissioner Murguia said I have one final comment to make. I would request that the October 29 meeting this be put on the agenda, first on the agenda, with a development agreement whether Mr. Bach and his staff think it's a good idea or not. It's the Commission's job to review those development agreements, ask questions and make that decision. Otherwise, like I said, I really don't see any purpose of the Commission if we're not reviewing and deciding for ourselves whether or not those agreements are good agreements or not.

From what I understand, to end more on a positive note, there seems to be, as I said, in the beginning, three sticking points. Two of those three sticking points have been agreed upon verbally. There is one remaining sticking point and it's not a disagreement as much as it is a procedural issue in the way and how the tax rebate works which you can learn more about later if you're interested. I've been assured by Mr. Bach that in the next 28 days, if I'm wrong, correct me, there should be a development agreement on the table for a vote. On October 28, I just want a response that, Mr. Bach, that we'll have a development agreement and no longer will any of us, nor the community, be wasting their time constantly bringing this in front of the standing committee for just informational purposes. That we'll actually have an agreement whether you like it, or Jon likes it, or no one likes it, it's for the Commission to vote on. I'm asking for a Commission vote.

Mr. Bach said in answering that question I would just clarify, and I always try to be very transparent in everything that comes before the governing body, which is why I'm not putting a development agreement on the agenda this evening. I spelled out the issues. I could have brought forward, I guess a development agreement, said there was no TIF cap, that we were not going to be consistent with our local, minority, and women owned business requirements, and that we're going to put a provision on there that we weren't sure was legal. We weren't willing to agree to that, and I think that is my job, as the County Administrator to vet through items to make sure what you would vote on would be something, as you asked me the question at the beginning of the meeting about a rebate. I have high confidence that we were putting a legal agreement in front of you. It does appear that we've worked through all those components and we will have this ready to go out with the agenda, and it's also been a very clear directive of this committee that we don't put blue sheeted development agreements back in front of you. I think you've beat me up on that a few times for bringing those types of agreements forward. If those are provisions that I'm not supposed to abide by, then I can change that way, but it's certainly not ones of painted to the deal, they're just clear deal points of structural components that have to be there in order for you to make a decision or I would be presenting a deal that could fall on it's face very easily. I believe we have everything ready and we should be there with the team.

Chairman Burroughs said so, am I to understand that we will have this on the agenda next month? **Commissioner Murguia** said for a vote. **Chairman Burroughs** said I appreciate the input, the discussion this evening. Commissioner Murguia, as a Commissioner At-Large, I would look forward to the opportunity to visit with you and learn more about the project. If we can be of assistance, we work better collectively. I appreciate the statements made this evening.

Action: For information only.

Chairman Burroughs adjourned the meeting at 6:25 p.m.

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