ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, October 29, 2018

The meeting of the Neighborhood and Community Development Standing Committee was held on Monday, October 29, 2018 at 5:25 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; Gordon Criswell and Melissa Sieben, Assistant County Administrators; Patrick Waters; Senior Attorney; Katherine Carttar, Interim Director of Economic Development; Jeff Fisher, Executive Director of Public Works; Brandon Grover, Assistant Coordinator Manager for Public Works; Debbie Jonscher, Deputy Chief Financial Officer; Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, Director of Revenue/County Treasurer; Andrea Parra, Deputy Director of Revenue; and Jay Doleshal, Sergeant-At-Arms.

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

Commissioner Burroughs said at this particular point in the agenda, before we get started, I've been asked by Commissioner Townsend for just a few moments.

Commissioner Townsend said thank you Mr. Chairman and for your indulgence. This was not on the agenda, but neither was the tragic murder of 11 innocent people in a Living Tree Synagogue in Pittsburgh, Pennsylvania over this past week. As so many people from across the country supported our local in the recent loss of two sheriff deputies, and even years before when we lost police officers, I'm asking just for 11 seconds of silence in memory and recognition of those people, those victims, their family, friends, and the Pittsburgh community. It's just a terrible reminder that whatever differences we have should be settled by ballets and not by bullets. That's my request. **Chairman Burroughs** said we'll take those 11 seconds. There was 11 seconds of silence. **Chairman Burroughs** said, Commissioner Townsend, thank you.

Approval of standing committee minutes from September 10, 2018. **On motion of Commissioner McKiernan, seconded by BPU Board Member Bryant, the minutes were approved.** Motion carried unanimously.

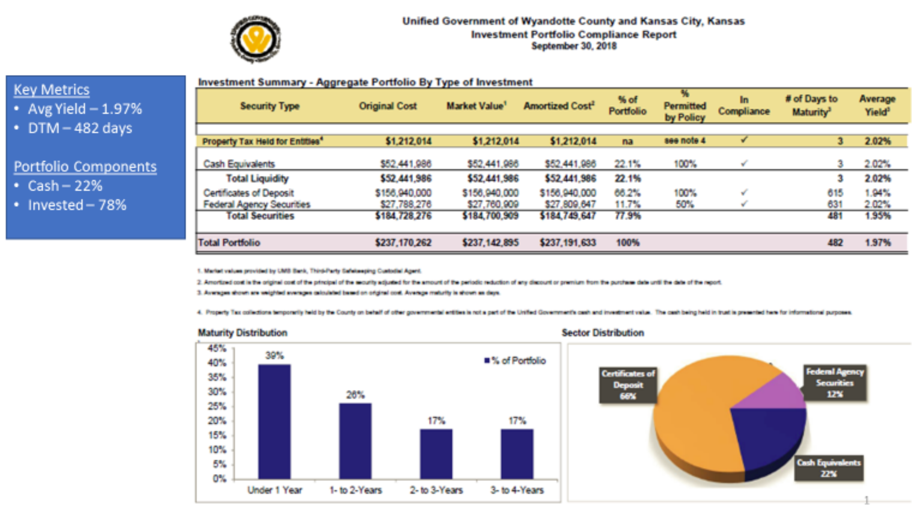
Committee Agenda:

ITEM NO. 1 – 18470…REPORT: THIRD QUARTER INVESTMENT

Synopsis: Third Quarter Investment Report, submitted by Andrea Parra, Deputy Director of Revenue, Treasury Department.

Kathleen VonAchen, Chief Financial Officer, said I'd like to introduce Rick Mikesic and Andrea Parra. Rick is our County Treasurer/Director of Revenue; and Andrea Parra is our Deputy Director. We did a reorg and I'd like to announce Andrea to her new position as the Deputy Director.

Andrea Parra, Deputy County Treasurer/Director of Revenue, said I'm here to present the Quarter 3 Investment Report. A few changes you might notice. We made it to kind of make it more presentable to look good. We worked on this this week.



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
September 30, 2018

Key Metrics
- Avg Yield – 1.97%
- DTM – 482 days

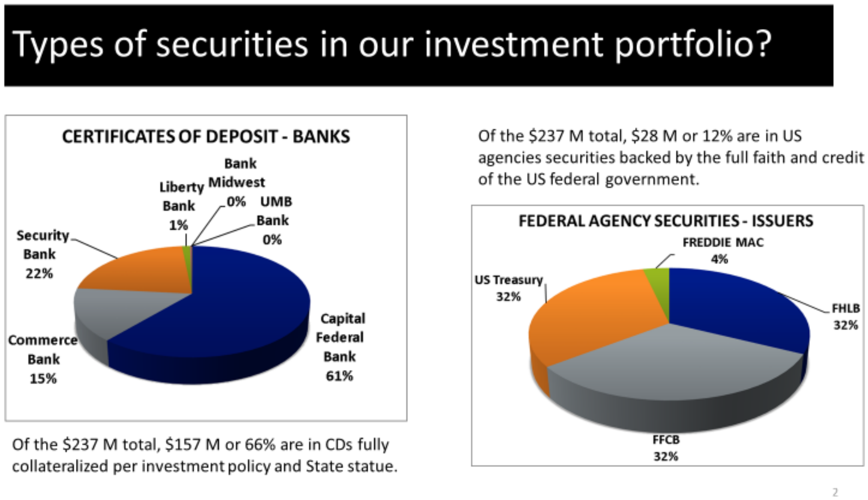
Portfolio Components
- Cash – 22%
- Invested – 78%

Investment Summary - Aggregate Portfolio By Type of Investment

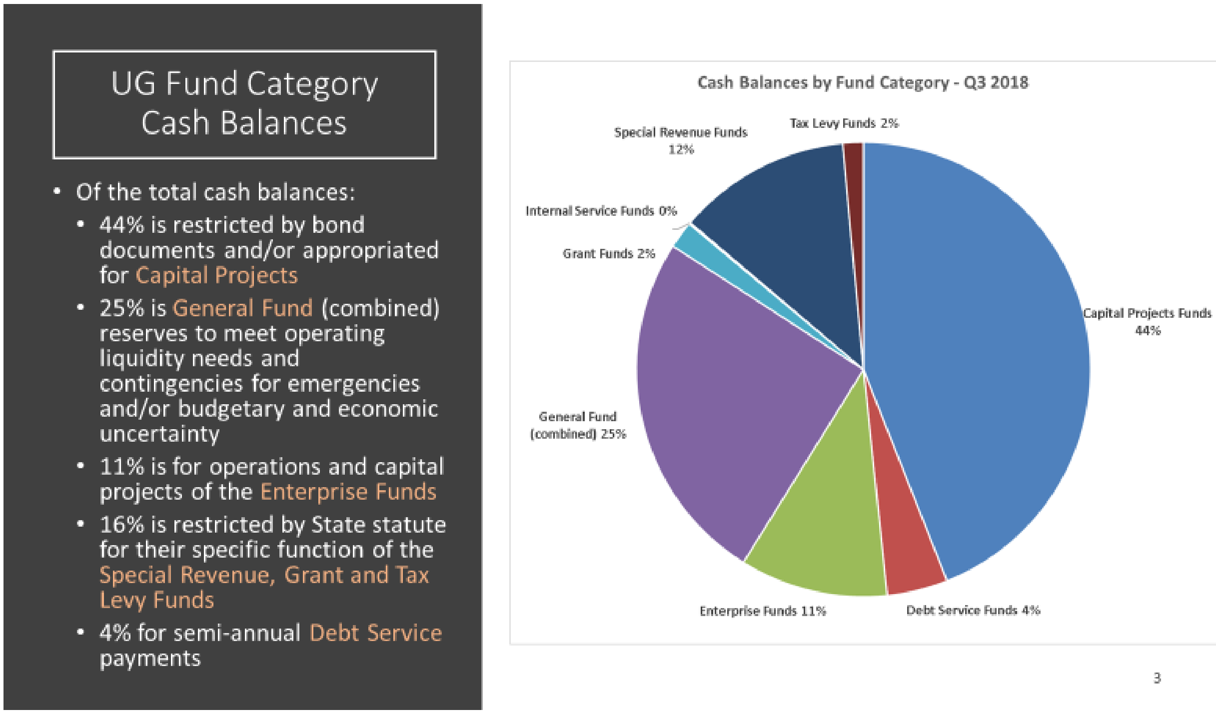
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	# of Days to Maturity[3]	Average Yield[3]
Property Tax Held for Entities[4]	$1,212,014	$1,212,014	$1,212,014	na	see note 4	✓	3	2.02%
Cash Equivalents	$52,441,986	$52,441,986	$52,441,986	22.1%	100%	✓	3	2.02%
Total Liquidity	$52,441,986	$52,441,986	$52,441,986	22.1%			3	2.02%
Certificates of Deposit	$156,940,000	$156,940,000	$156,940,000	66.2%	100%	✓	615	1.94%
Federal Agency Securities	$27,788,276	$27,760,909	$27,809,647	11.7%	50%	✓	631	2.02%
Total Securities	$184,728,276	$184,700,909	$184,749,647	77.9%			481	1.95%
Total Portfolio	$237,170,262	$237,142,895	$237,191,633	100%			482	1.97%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

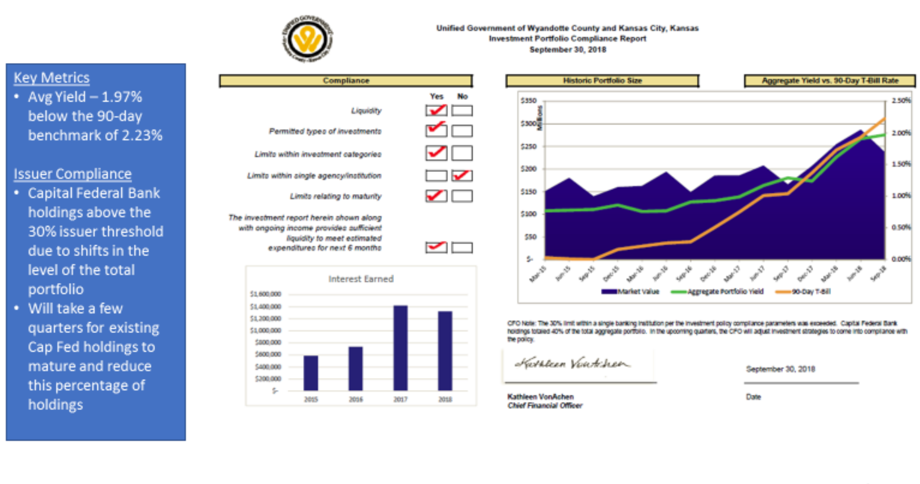
Our first item you'll see is the investment summary showing an average yield of 1.97% Average due to majority will be 182 days. The components for this portfolio are 22% in cash and the 78% would be the amount invested.



The next slide is going to be some graphs showing the investment portfolio, the breakdown per investment type, based on the agency totaling about 100% of the $237M we have in our portfolio, 66% or $157M are in CDs. As it states fully collateralized per our investment policy in the state statute. The addition is $28M or 12% in US agencies securities as you see on the right side.



The next slide is going to be the UG Fund Category Cash Balances. Briefly, I'll go over. We have 44% in restricted by bond documents for Capital Projects, 25% in the General Fund combined for reserves to meet liquidity needs and contingencies for emergencies, 11% is for operations for the Enterprise Funds, 16% is Special Revenue, Grant and Tax Levy Funds. Finally, 4% in Debt Service payments.



The next slide is going to be an overall compliance slide. One thing to note, the only item we have is the limit within a single agency, which is going to be due to Capital Federal holdings, are still exceeding the 30%.

Issue for threshold for one level of our portfolio. We are going to have to take a few quarters to lower that holding, but we do have a plan in place to make sure that it does go back down in compliance within the next two or three quarters.

What transactions occurred in Q3?

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q3	NA	UMB, Wyandotte Operating	2.024%	10/1/2018	(70,814,631)	(70,814,631)
Thru Q3	NA	UMB, Wyandotte Health Reserve	2.024%	10/1/2018	(922,000)	(922,000)
Cash Equivalents					**(71,736,631)**	**(71,736,631)**
9/17/2018	9128282G4	US Treasury	2.569%	9/15/2019	9,000,000	8,851,241
9/17/2018	313370US5	FHLB	2.810%	9/11/2020	8,975,000	8,986,129
9/17/2018	3133EJYF0	FFCB	2.890%	8/27/2021	9,000,000	8,951,940
9/17/2018	115002409	Security Bank of Kansas City	2.900%	9/17/2022	9,000,000	9,000,000
Purchases					**35,975,000**	**35,789,310**
7/28/2017	1150008660	Security Bank of KC	1.234%	7/28/2018	(235,000)	(235,000)
1/8/2015	32805	Liberty Bank	1.300%	8/13/2018	(1,000,000)	(1,000,000)
1/8/2015	343007274	Commerce	1.250%	8/13/2018	(7,000,000)	(7,000,000)
8/18/2017	66000543	Commerce	1.222%	8/17/2018	(1,000,000)	(1,000,000)
9/25/2014	313375K48	FHLB	2.000%	9/14/2018	(5,000,000)	(5,086,631)
Calls/Maturities					**(14,235,000)**	**(14,321,631)**
Total					**(49,996,631)**	**(50,268,951)**

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Final slide is going to be the transaction detail slide which dictates everything that happened this last quarter. We made a few investments, also a few investments did mature. Total change of right under $50M. That would be all. Does anyone have any questions for Rick or I?

Commissioner Walters asked, 44% in Capital Project Funds, would that be funds—or that would be Capital Projects budgeted in calendar year 2018. **Ms. Parra** said yes, that would be correct.

Action: For information only.

ITEM NO. 2 – 18473…RESOLUTION: 2019 CMIP FINANCING AUTHORIZATION

Synopsis: A resolution amending the 2018-2023 CMIP; authorizing various public improvements; authorizing the issuance of general obligation bonds and/or temporary notes to finance all of a portion of the costs of certain improvements; requesting the Public Building Commission of the Unified Government of Wyandotte County/Kansas City, Kansas to issue its leasehold revenue bonds for the purpose of financing all or a portion of the costs of certain improvements; and authorizing one or more lease purchase agreements to financing the acquisition and installation of certain equipment, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

And

ITEM NO. 3 – 18474…RESOLUTION: SALE OF MUNICIPAL TEMPORARY NOTES AND GENERAL OBLIGATION IMPROVEMENT BONDS

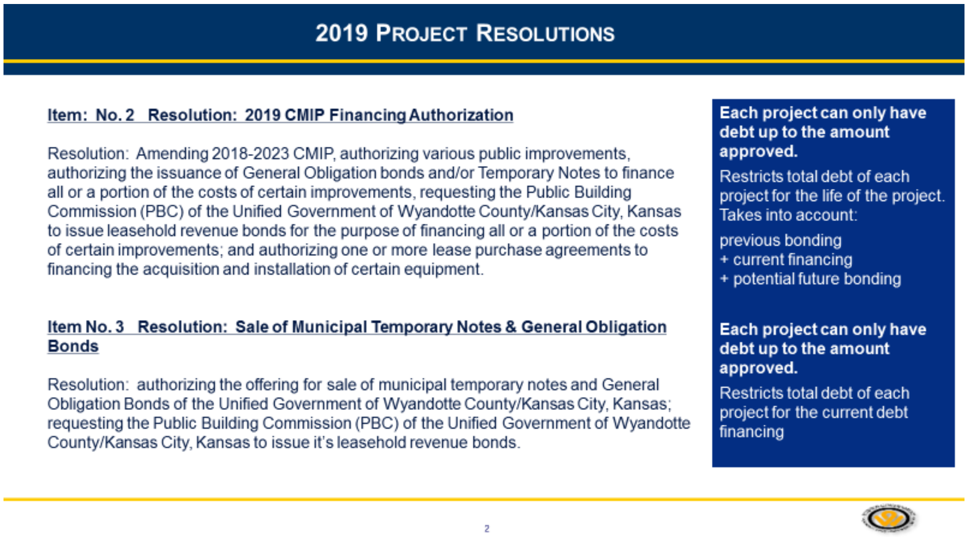
Synopsis: A resolution authorizing the offering for sale of municipal temporary notes and general obligation bonds of the Unified Government of Wyandotte County/Kansas City, Kansas; requesting the Public Building Commission of the Unified Government of Wyandotte County/Kansas City, Kansas to issue its leasehold revenue bonds, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

2019 BONDS & TEMPORARY NOTES
Project Authorizations

Unified Government of Wyandotte County & Kansas City, Kansas

ED/F Standing Committee
October 29, 2019

1



Debbie Jonscher, Deputy Chief Financial Officer, said the next two items, items 2 and 3 on the agenda are both related to the project authorizations and sale of temporary notes and bonds. We prepared a short presentation just to go over some of the information to help explain the information you received in your two packets for that information. We'll just start with the items that we are requesting approval for tonight.

Item No. 2 is a resolution for the CMIP financing authorization. The resolution is asking to amend the 2018-2023 CMIP authorizing various public improvements, authorizing the issuance of general obligation bonds and temporary notes to finance those improvements.

Requesting the Public Building Commission of the Unified Government to issue leasehold revenue bonds for the cost of certain improvements and also authorizing one or more lease purchase agreements for financing the acquisition and installation of equipment. I will just note that the lease information is recorded on the last two pages of your project authorization packet. Those are all the lease agreements, the leased equipment that's identified in the CMIP for 2019. I will note that each project can only have debt up to the amount approved. It restricts total debt of the project for the life of the project. It takes into account any previous bondings that we may have done, current financings, and potential future bondings. It also restricts total debt of each project for the current debt financing.

2019-2023 APPROVED CMIP BUDGET

Amendments to 2018 total an overall increase = $3,498,000

Gave authority of new money/spending for 2019 = $91,932,000

All Debt Projects + Special Revenue Projects

UNIFIED GOVERNMENT
2019 - 2023 Proposed Capital Maintenance Improvement Program (CMIP)
DEBT FINANCED PROJECTS 7/12/18 (Final)

Project Type	New	MSF	CMIP	2018 Original	2018 Amended	2019	2020	2021	2022	2023	FY18-23
			City Debt Projects	16,245,000	16,055,000	13,535,000	19,950,000	18,728,000	17,650,000	14,250,000	100,168,000
			Enterprise/PBC Debt	49,287,000	52,975,000	66,857,000	66,950,000	20,100,000	3,100,000	4,100,000	214,082,000
			All Debt Projects Total	65,532,000	69,030,000	80,392,000	86,900,000	38,828,000	20,750,000	18,350,000	314,250,000
			Special Revenue Projects Total	6,500,000	6,500,000	11,000,000	-	-	2,500,000	-	20,000,000
			TOTAL:	72,032,000	75,530,000	91,392,000	86,900,000	38,828,000	23,250,000	18,350,000	334,250,000

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This graph shows what is in the current CMIP. The next couple of slides all relate to Item No. 2 in the agenda.

PROJECT AUTHORITY

The amounts requested in Item #2 (2019 Financing Authorization) are based off of the totals from the CMIP

- Annuals are requested on a year by year basis.

Sample of: **UNIFIED GOVERNMENT**
2019 - 2023 Proposed Capital Maintenance Improvement Program (CMIP)
DEBT FINANCED PROJECTS 7/12/18 (Final)

Project Type	New	MSF	CMIP	2018 Original	2018 Amended	2019	2020	2021	2022	2023	FY18-23
Bridges											
			2141 - Holiday Drive Bridge Replacements	400,000	400,000	400,000	500,000	-	-	-	1,300,000
			2142 - North 34th Street Box Culvert	300,000	300,000	-	-	-	-	-	300,000
			2167 - 11th St Bridge ovr JerseyCreek	410,000	410,000	-	-	-	-	-	410,000
			2301 - Annual Emergency Bridge Repair	300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
	☒		AUTO - 2035 - Bridge #210 (18th St.) over Turkey Creek	-	-	-	-	150,000	-	-	150,000
	☒		AUTO - 2036 - Bridge #223 (36th and Ohio Ave.) Replacement	-	-	-	-	700,000	-	-	700,000
			Bridges Total	1,410,000	1,410,000	700,000	800,000	1,150,000	300,000	300,000	4,660,000

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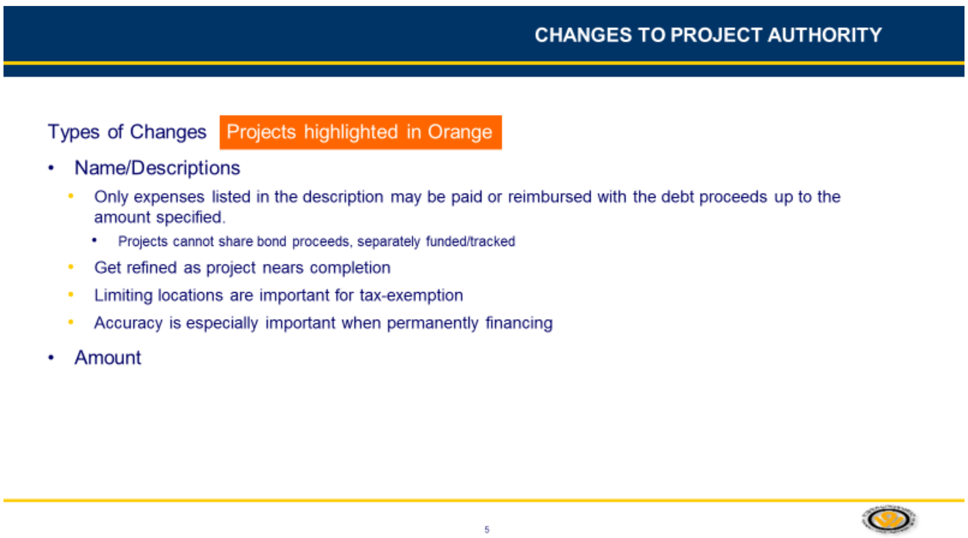
This one shows for 2018 we amended the CMIP budget by $3.4M and we've broken it out down here at the bottom to show the different classes. In 2016, we had City Debt Projects of a little over $16M. Enterprise and PBC Debt of almost $53M and that totals along with Special Revenue Projects of $6.5M totals $75.5M for 2018.

For 2019, we have the breakdown here for each one of those projects. The City Debt was $13.5M. Enterprise and PBC at $66M and Special Revenue Projects of $11M for a total of $91.3M.

This just helps to show the items—the project amounts that are listed in your packet in each one of these items has an amount, so we wanted to show how we come up with those amounts. For individual projects, the total authorization would be—if it's a project that started in 2018, the total authorization should be the total of the CMIP. If the project started prior to 2018, the authorization could be larger because we might have approved amounts in previous years. For annual projects we only approve the current year because annual projects—the type of project can change each year or the location so we only approve the annuals for each individual year.



I wanted to just note, in your packet the projects are all highlighted in multiple colors. There's pink, blue, and orange. Just wanted to talk about that a little bit. The projects that are highlighted in blue, there's a key on the first page of the project authorizations. The projects highlighted in blue are all projects that were previously authorized and there's no change to the description or the amount.

Any project highlighted in pink indicates a new project that's being financed for the first time, that there was no previous financing.

Projects that are highlighted in orange indicate that there was a change from the previous authorization which could either be the name or the description may have changed, or the amount may have changed.

I did just want to note,we put some information here, only expenses that are listed in the description may be paid or reimbursed with debt proceeds up to this specific amount. If there is an excess amount on a particular project, you cannot just take the proceeds and apply it to another project without amending the description and reauthorizing those funds for the new project.

As the project nears completion, we do sometimes refine the description. We may have listed—we had a whole list of potential locations. Maybe the funding only covered a portion of those, so then we would go back at the end when we get the permanent financing and refine the description to include the locations that the money was spent on.

CHANGES TO PROJECT AUTHORITY

Project Name	Original Authorization	Change in Authorization	Final Authorization	Change in description
Courthouse Improvements	5,375,000	4,450,000	9,825,000	Include the fire alarm system upgrades for 2020
Emergency Bridge Repair	300,000	-	300,000	2018 Reimbursement Resolution - project description added for 2019.
Facility Parking Maintenance 2017	350,000	-	350,000	update description
Facility Parking Maintenance 2018	550,000	-	550,000	update description
Fairfax Industrial Area Improvements 2018	100,000	-	100,000	2018 Reimbursement Resolution - project description added for 2019.
Fire Station	4,000,000	-	4,000,000	Amend description to include location address
Industrial District Rehab 2016	250,000	-	250,000	update description
Industrial District Rehab 2017	500,000	-	500,000	update description
Industrial District Rehab 2018	600,000	-	600,000	2018 Reimbursement Resolution - project description added for 2019.
Juvenile Facility	24,800,000	3,700,000	28,500,000	no change
Maintenance Facility	1,000,000	1,100,000	2,100,000	updated project name and description
Plant 20 & 3 Equipment and Structural Rehab	3,000,000	-	3,000,000	updated project name and description
Pump Station 18, 5,4 Upgrades	2,450,000	1,000,000	3,450,000	no change
Railroad Crossing Improvements 2018	150,000	-	150,000	2018 Reimbursement Resolution - project description added for 2019.
Relocation of Sewer Facilities	5,000,000	6,000,000	11,000,000	no change
Wolcott Expansion/Conner Creek	27,219,000	26,723,000	53,942,000	update project name and description

This is a list of all the projects in your packet that were highlighted in orange. What I went through and did was just list the original authorization, if there was a change in the authorization and then what that final authorization would be. As you can see, some of them didn't have a change in the authorization, they were just a change in the description or the project name.

I did want to note, the Facility Parking Maintenance 2017 and 2018, these two projects here, the description was updated, but we discovered that there were potential locations that were left off. They were on the description previously and somehow they were omitted when we updated the description. We would like to go ahead and add those descriptions back to those particular projects. Those project authorizations are listed on page 8 and 9 of your packet.

I also did want to note Railroad Crossing Improvements down here. We also discovered that this project was highlighted in blue when it should have been orange. It was a reimbursement resolution for 2018 so it did not have a previous description. We just forgot to change the color.

2018 TEMPORARY NOTE RECONCILIATION

2017 Sale Resolution	114,197,461
2018 - Temporary Notes	65,020,000
2018 - Bonds	35,475,000
Total note/bonds:	100,495,000
Projects authorized but not issued	13,702,461

2018 - Temporary Notes	65,020,000
Interest on Temporary Notes	980,722
Add: 2018 Amended CMIP	1,300,994
Add: 2018 Reimbursement Resolutions (Slide #8)	1,150,000
Add: 2019 Approved CMIP	91,392,000
Add: 2019 Amendments to the CMIP (Slide #9)	4,810,000
Subtract: 2019 PBC Projects	(7,075,000)
Subtract: 2019 Reimbursement Resolutions (Slide #8)	(2,500,000)
Total 2019 Sale Resolution	**155,078,716**

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The next couple of slides relate to Item No. 3 which is the sale resolution which lists all of the projects that could potentially be financed in 2019. I went through and just started with 2017 and reconciled the amounts. Last year at this time we were approving the resolutions for 2018 bond issue. We approved a sale resolution of about $114M. In 2018, we financed temporary notes of $65M and we bonded $35.4M. The projects that were authorized, but not issued, totaled $13.7M. Those projects were in the budget. It could be that either the project didn't move forward or they realized they didn't need the financing in that particular year. Maybe there was a delay with the project, so they may have just opted not to issue the funds at that time.

In the second table here what I've done here is reconciled the 2018 temp notes to the amount that's in your 2019 sale resolution. We start with $65M in temp notes. Those projects, we've had the temporary note issued for a year so there is additional interest on the temp note and then we added in projects that were included in the CMIP for 2018 that were not financed last year. This a net number, this $1.3M. We had additional projects that were added and we also had some projects that were taken off. This amount here is a net number.

The 2018 reimbursement resolutions, which I'm going to go over here in the next couple of slides, are projects where we issued a reimbursement resolution last year. We didn't finance them because we didn't either have the scope of the work identified or the locations, so we couldn't issue the financing. We issued a reimburseemt resolution which allows them to once they identify the project, they can go out for bid, they can issue contracts. Having that authority in the current year allows them to be able to do that. Once they identify the project and get it set up we can go ahead and issue the funding in the next year.

We have the 2019 CMIP. This amount reconciles back to the slide that I showed a few slides ago that have the total for the 2019 CMIP. We also have a couple of amendments for 2019, which I'll go over in a later slide, projects that were not included in the CMIP when we approved the budget in August, so we'll talk about those. Since this total is for the temporay notes, not the PBC projects, I subtracted out the PBC total. It wasn't included in this $91M and then I also subtracted out the 2019 reimbursement resolutions of 2.5M. I'll talk about those also.

Chairman Burroughs said you've subtracted that $9.5M off of the total and that's reflective in the total of the $155M that's being requested. **Ms. Jonscher** said that's correct. On your sales resolution there's a separate table for the PBC projects so I didn't include them in this total.

Chairman Burroughs asked are there any questions at this time during the presentation one may have. **Commissioner Townsend** said maybe about, within the last couple of months, the Board of Commissioners approved funding to facilitate new roadway improvements in relation to a new school that's going to be built off of Parallel. Is that amount anywhere in here and if so, where? **Ms. Jonscher** said yes, that's included in this amendment to the CMIP which I'm going to go over. There's several projects that are included in that $4.8M, so I will talk about those shortly.

REIMBURSEMENT RESOLUTIONS

- Reimbursement resolutions are issued for projects where locations are unable to be determined ahead of time. No money is financed. Usually for emergency type projects.
- Once work is identified, the description is amended and the debt financing reimburses for costs incurred.

2018 Reimbursement Resolutions now being Amended and Financed	
Emergency Bridge Repair, 2018	$300,000
Fairfax Industrial Area Improvements, 2018	$100,000
Industrial District Rehab, 2018	$600,000
Railroad Crossing Improvement, 2018	$150,000

2019 Reimbursement Resolutions Authorized – not financed	
ADA Modifications, 2019	$100,000
Elevator Upgrades, 2019	$200,000
Emergency Bridge Repair, 2019	$300,000
Fairfax Industrial Area Improvements, 2019	$100,000
Industrial District Rehab, 2019	$300,000
Sewer Main Extension	$1,500,000

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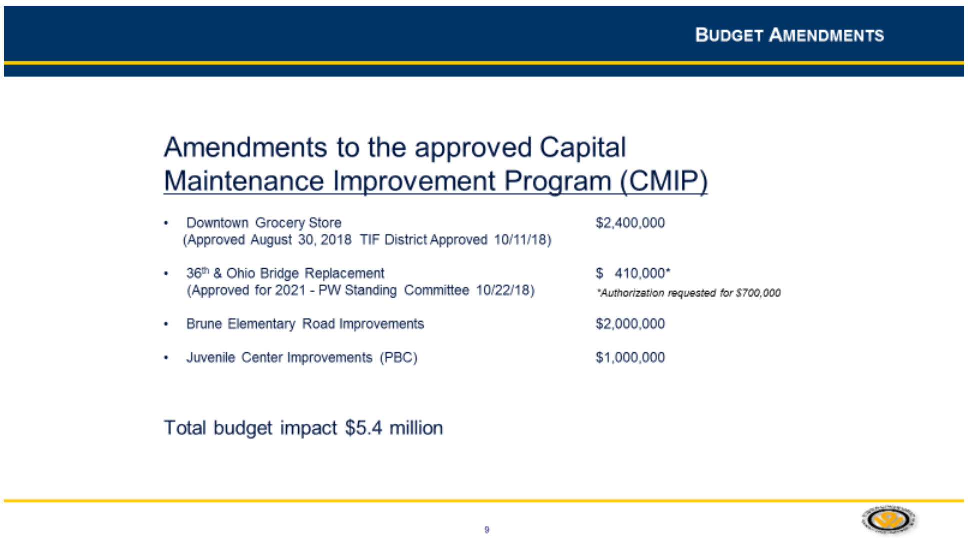
This next slide just shows the reimbursement resolutions. As we said, reimbursement resolutions are issued when projects or locations are unable to be determined ahead of time so we don't finance them, but approving them allows us once the project is identified to bid the project and enter into contracts. These are the four projects that were in 2018. The total $1.15M, they've identified the projects now. None of the money has been spent yet, but this allows them to move forward and we will finance it with the 2019 issue.

For 2019, the six projects are identified—they don't have project descipions now so we're issuing reimbursement resolutions in the event that during 2019 they identify projects that they plan to move forward. They could amend their descipions next year and issue in 2020 if they have a project to move forward. If a project doesn't develop, if it's an annual project, we would just let it go and they would issue their next year's allotment.



This shows the amendments to the CMIP. None of these prjoects were included in the CMIP that was approved in August. We have the Downtown Grocery and I've listed some of the meetings where we presented the Downtown Grocery.

36th & Ohio Bridge Replacement, this one was approved in the budget in 2021. It was stated, I believe, at the Public Works Standing Committee that this project needed to be moved forward so what they want to do is replace—there was a project in there, the 11th Street Bridge over Jersey Creek, they want to replace that project with the 36th & Ohio Bridge Replacement and so this would be budget neutral. The 11th Street Bridge was authorized and we issued $410,000 for that project, so that's why we have $410,000 here. I will note that in the project authorization, we are asking for $700,000 in authorization in the event that the project costs more than $410,000 they would have the ability to use other funds or reimburse themselves in the future with debt proceeds if the costs exceeds the $410,000. Here is the $2M for the school district road improvements. Then there was an additional $1M that has been put in for the Juvenile Center improvements. So the total impact to the budget is $5.4M because I did not include the $410,000 because it's being replaced by another project. It's replacing another prjoect.

Chairman Burroughs said I do have a question for point of clarification. The $410,000, you're requesting $700,000. That doesn't add up to the $5.4M. **Ms. Jonscher** said right. For that project we are requesting authority for $700,000, but we're only going to issue—we only want to issue $410,000 becaue that's the amount that was issued for the 11th Street Bridge Project. The reason we're asking for $700,000, if in the event that this project goes up toward the—it costs up towards the $700,000, I think Public Works believes that they may be able to fund this with Emergency Bridge Repair. If we authorize it at the $700,000, they would have the ability to reimburse themselves with future debt proceeds if they didn't have additional funds. **Chariman Burroughs** siad I want to be sure I'm able to give the committee and the community the answers to that question that when they're seeing a request for $700,000, but they only see $410,000 that's not requested in the total budget, I just want to assure that we're able to clearly communicate as to what the request is and the total amount will be for bonding authority for 2019 CMIP Plan.

Doug Bach, County Administrator, said I think the totals you're looking at, the other projects add up to the $5.4M. The $410,000 nor $700,000 are included as a budget impact because adding this bridge project, but we're removing a different project and substituing this one in place of it, so there's no true budget impact. It's an addition you have to make this project, but no financial change.

Kathleen VonAchen, Chief Financial Officer, said I just would like to also add that the Downtown Grocery Store, $2.4M, is going to be recovered from our proforma. It states that the repayment will be covered by future sales tax from the project itself, it won't be dependent on our mill levy for city projects. **Chairman Burroughs** asked and what length of time will that payback occur**.** **Ms. VonAchen** said 20 years.

AGING TEMPORARY NOTES

Temporary notes have a statutory limit of 4 years

2 projects have reached that limit

- Relocation of Sewer Maintenance Facility #6039
  - $5M was authorized and issued (2014-2016)
  - $2.7M is subject to limit
  - Paying down full amount outstanding
- Pump Station Elimination #6124
  - $5.75M was authorized, of which $4.75M has been issued (2015-2018)
  - $750K is subject to limit
  - Project is complete, bonding amount spent $1.75M and paying down remaining $3M

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Ms. Jonscher said this slide shows temporary notes have a statutory limit of four years. We issue temporary notes for a one-year term and then at the end of that year we determine whether the project is going to be bonded or if we're going to reissue another temp note.

Commissioner Burroughs, you had asked what were the oldest projects that we had outstanding and currently the relocation of Sewer Maintenance Facility and Pump Station Elimination are the two that we currently have outstanding. Relocation of Sewer Maintenance, $5M was authorized and issued between the years of 2014 through 2016. After talking with Public Works,. we determined that we are going to paydown the full outstanding amount on this $500,000 available on that project for design and consultant for them to continue to work on the project, but we're going to paydown the remaining amount.

On Pump Station Elimination, $5.75M was authorized of which $4.75M has been issued. The project is complete now and they're going to bond the total amount spent which was $1.75M and paydown the remaining $3M.

Chairman Burroughs asked do we know what the savings would be by doing it this way or is it just going to expedite the project for paying down the bonds. **Ms. Jonscher** said we're paying them down because we're not going to spend anymore—at least on the Pump Station Elimimation the project is complete with the $1.75M so—we've already got $3M sitting in our account because we've issued a temporary note on it, so we're going to pay that temporary note back and we won't issue another one. **Chairman Burroughs** asked will it be saving the interest off the temporary note moving forward. **Ms. Jonscher** said that's correct.

Tentative Calendar

Action Items	Tentative Dates
UG Commission considers approval of resolution authorizing projects/ the issuance of bonds	Nov.8th
Publication of November 16th project authorizations	Nov. 15 & 22
Finalize Obligation structure and provide information for Notices of Bond and Note sales	Dec. 27
First draft of Preliminary Official Statement sent out to UG Staff and Gilmore & Bell for review	Dec. 27
Comments to Springsted on first Preliminary Official Statement draft (by noon)	Jan 4
Second draft of Preliminary Official Statement sent out to UG Staff and Gilmore & Bell for review	Jan 9
Draft of Awarding Resolutions provided to Springsted (to be included in the information sent to the rating agencies)	Jan 11
Final comments to Springsted on Preliminary Official Statement (by noon); Posting of Preliminary Official Statement and application for rating forwarded to credit rating agencies	Jan 11
Credit rating conferences	Week of Jan 21
Protest period for private-purpose taxable projects expires.	Late Jan
Form of Award Resolutions from G&B; Receive ratings	Week of Feb 4
Sale of obligations; Commission considers award of obligations	Week of Feb 11
Distribution of Final OS and draft closing documents	Week of Feb 25
Closing, settlement and receipt of funds	Feb 28

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Ms. Jonscher said we put together a tentative calendar for our 2019 financing. I will just note we've got several dates for information that we need to provide to our financial advisor and bond counsel. Currently, we've got the sale of notes and bonds scheduled for the week of February 11. I believe at that time, earlier I presented the information on how much we actually authorized, but we didn't spend. At that time, I think we could probably when we do the sale, we could also give you a breakdown of—we started out authorizing $155M exactly how much of that went to temproary notes, how much we bonded and how much we didn't issue. **Chairman Burroughs** said thank you for that. I think that it's very important the committee understands the cost of doing business for these projects. If we can avoid bonding additional dollars, it saves us interest, which in turn allows us to address projects that may not demand the bonding that may have been utilized in the past. I appreciate the time you've given us in putting your testimony together.

I do have one question if I may, then I'll ask questions of the committee. You gave, I'm going back to page 7, the $91,392,000 was the $91M, that was the 2019 CMIP approved. What was 2018? Did I miss it somewhere? **Ms. Jonscher** said we have the total in here that was approved in the Amended Budget. The $75.5M was in 2018. **Chairman Burroughs** said that's what was bonded, that's not what the total CMIP request was, was it? **Ms. Jonscher** said this is the total CMIP request right here and the same as the 91 through 92. This is the amount—these are all the projects that were approved in the CMIP. **Chairman Burroughs** said I noticed in the outyears across the top of the city debt projects, that it's reducing itself starting with 2020. It begins to reduce itself on into 2023, that debt reduction unless we take on additonal CMIP projects and bond additonal dollars. Would that be a correct statement? **Ms. Jonscher** said yes.

Commissioner Walters said based on this revised CMIP and the funding, I'm recalling our auditor when they give us their annual audit report always cautions us about the amount of debt we have. What will their reaction be to our action tonight if we approve this? Will it be a positive or will they again express concern about the amount of debt we're incurring? **Ms. VonAchen** said I'm not sure the auditor actually mentions the level of debt, it's the outside agency that mentioned that. **Commissioner Walters** said I've never heard a report from the rating agency so what I was hearing was from the auditor. **Ms. VonAchen** said there is a table at the end of our CAFR that outlines the level of debt we have. It's that graph that I've shown in the past. The credit rating agencies are concerned about our level of debt. I did want to point out that when we're talking about the level of debt of the Unified Government with respect to the credit rating agencies and the CAFR, they're only really talking about the top line there. The second line is the Enterprise and the PBC debt, mainly the Enterprise debt. That's sewer related and those sewer—a good portion of that is sewer related and that sewer related debt are investments that are being made in order to bring our infrastructure up to the standard based on the Consent Decree order and it's paid for, repaid back from the charges that we are collecting for sewer revenues.

The one project that actually we're undertaking in '19 and in '20, which you can see it's a significant increase here, is that one project that's roughly $70M between those two years and that's the Biosolids Project which actually is an investment that's going to actually pay for itself and we presented information on that in the past. It wouldn't require an additional increase in the sewer rate so that's the investment that we're doing in order to address the biosolids treatment in that facility.

Commissioner Walters said back to my question, whether it's the rating agency or the auditor, will somebody say good job, you guys are really listening and addressing this issue or will they say, gee, we're still concerned or perhaps even more concerned about the level of debt. Which way are we going you think? **Ms. VonAchen** said the $13.5M is actually a reduction from the previous amount. **Commissioner Walters** said do you think they'll say good job?

Mr. Bach said I don't know if we can get a that-a-boy out of them, but I would say it would not be something they'd come back and put us in the other direction to say, at least it would show that we are holding the line on what we're doing with debt expenditures. Typically, they don't seem to comment a whole lot on it until we start to feel a trend over a number of years.

Commissioner Walters said I really like all the information that you have presented tonight. I think it makes it far more clear than it has in the past. I do have one request. If you could put PBC debt on a line of it's own, I would really like that. You can klump all the other Enterprise funds together, but I tend to kind of look at that PBC debt as an indivdual line item itself.

I see that there is a request to increase the Juvenile Facility. This might be a question for Doug. The last time we had a conversation about this, there were some cost savings initiatives underway to try to get back to the original budget. Can you update us on where we are with that or maybe expand on the need to go another $3.7M, on that project? **Mr. Bach** said I believe the request for the additional money is only $1M over what you've already—the $3.7M, we brought that to you last summer and we authorized up the $2.5M additional. We needed another $1.2M to get it done completely. We went through, did the bidding with it. I think it was a little more than that actually, but what we ended up to finish the courtrooms on the 3rd floor and all the access points to it, we were $1.2M short. I'm sorry, $1.6M short. That's the amount that we don't have in the budget today as part of that.

What we're bringing forward is, we have gone though it, looked at some ways to try to find other revenues. I'm still hoping maybe there's still some projects in this year that are related over into the jail areas and such that we could move some of that money into this project to finish it. That's where my $1.2M was. We have $1.2M in contingency funding in that project, though I'm reluctant to allocate that to this until we get a little further than we are because as you know by seeing it, we're drilling in the ground, we're drilling in the ground today and typically that's where you find a lot of things that might come up and cause you some overruns on the budget they weren't anticipaitng.

I think in sitting down with Mr. Fisher and John Kelly from Facilities, we still have a high confidence that we can find the funding somewhere else, and we should be able to have that identified by the time we get to the bond issue, to be able to tell you that one way or the other. I would like to include that additional million, as what you're including today over where we were authorized from last summer. Include that additional million in the event we don't get that identified, then I can tell you I'd like to go ahead and issue that additional temp note money for it and then we can finish the project as we go through it. It is one that we've met with judicial members. They're very adamant about seeing us get this done and trying to sit down with them and work through where we're at and explain to them the commitment that you all have that we want to finish the project, but we are trying to find it within all savings. I'm kind of putting this $1M in there as a back up. We will know before we cut the bonds on February 28th or at least that's the plan.

Commissioner Walters said as proposed we've gone away from not finishing some of the courtrooms, we're now going to finish those courtrooms. **Mr. Bach** said yes. If we're authorized with this, we'll be able to get it all done. **Commissioner Walters** said I think that's good because it will only be more expensive to come back at a later date and finish those courtrooms, but anything we can do to get closer to our original budget would certainly be appreciated I'm sure by all the Commission. **Ms. Jonscher** said, Commissioner, I can send you a revised breakout for the PBC, where the 2019 PBC total was $7,075,000 and $3,150,000 for 2020.

Commissioner Townsend asked, Ms. Jonscher, do you recall what year the 11th Street Jersey Creek Project, the CMIP money for that will be moved to since the Ohio Bridge that was approved in 2021 is coming forward, how is that going to impact the Jersey Creek. What year should we look for that? **Brandon Grover, Assistant Coordinator Manager for Public Works,** said I will go ahead and answer that. At this point Public Works isn't recommending putting it back in the budget just yet. We're waiting until the Northeast Master Plan works itself out and we figure out what the ultimate plan is for Jersey Creek. What we were hoping to do is figure out if Jersey Creek is going to go back to an open channel or some other design. That way we can put a bridge that fits with the elements that's going to be there. We don't want to go back there and put a box that's going to last for 100 years and make it not fit with what we're really trying to do with the Northeast. That's why we decided that this funding would be the appropriate one to move. Once the Northeast Master Plan flushes itself out a little more, we'll have a better idea of that and we can probably put it back in somewhere close to 2023. The bridge is in structurally sound shape, so no worries there. This is just the last—the oldest one left on Jersey Creek. That's why it was next to replace, but it doesn't really need it at this time, and we don't want to put something out that's not going to fit with what we're really trying to do as a whole organization to the Northeast.

Commissioner Townsend said I follow that logic, I'm wondering about the money if you decide that there's some improvement that would fit within the plan, where would that leave us? Will we have to then allocate additional money? In other words, there's no placeholders with what I'm hearing you say. **Mr. Grover** said that is correct. It would be just like anything else we do in an outyear. As most everybody is kind of aware, our current CMIP is really solid for the next two to three years. Those fourth years are kind of out there a little bit still, so we've got some play room. If you want to flip back to the little graph at the bottom of the page, you can see how like in the city debt projects it does trend to go down out towards 2023. I know we've been trying to stay under that $15M line for city debt projects so trend is a little room there. Also, what we could do at that time is reallocate annual bridge repair money or other funding sources, some street repair money since it will have a street or something on top it to make up for those funds so it won't just be a new whole increase. We'll do the best we can to keep it as minimal as possible.

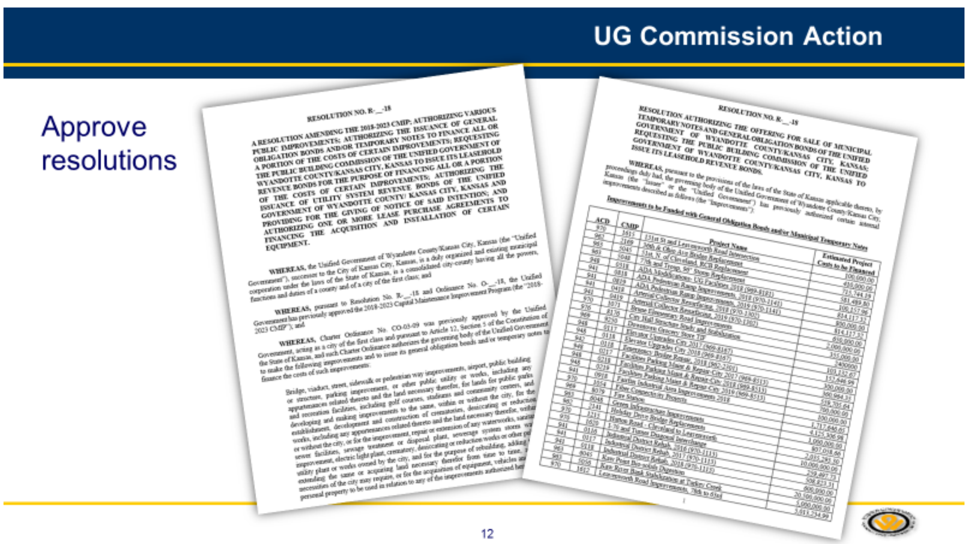
Chairman Burroughs said I noticed the $91,392, how much of that is associated to the Sewer and Biosolids Plant? **Ms. Jonscher** said it's $20M. **Chairman Burroughs** said that's for 2019 alone? **Ms. Jonscher** said yes. **Chairman Burroughs** said that's why the big bump between '18, '19, '20 and by '21 it should be—**Ms. Jonscher** said for that project alone 2019 is $20M, 2020 is $40M, and then another $10M in 2021. **Chairman Burroughs** asked can you give us an accurate number over a three-year period, the costs of that project. **Ms. Jonscher** said the total is $70.5M.

Chairman Burroughs said it was mentioned earlier about a contingency reserve Mr. Bach. In reference to this CMIP, do we have what we refer to as a contingency reserve set-aside for CMIP? **Mr. Bach** said we do contingency reserves on a per project basis. Depending on the type of project, what we build into it as we have our budget estimate to what we believe the cost of the project will be and then we'll do a percentage-based of contingency with each one. When you go through all the projects through the course of the year, and Mr. Fisher can probably speak to this better, but some of them we eat it all up, some of them we don't spend it and that's kind of the variable that works within those projects. **Chairman Burroughs** asked are those contingency reserves bonded money? **Mr. Bach** said typically they're in the temp note, right?

Ms. Jonscher said right. The project is usually done as a temp note and then if they don't get into the contingency, then we would pay that amount down at the end of the project.

Mr. Bach said the exception to that, if it's Public Building Commission, those are bonds all the time because we cannot do temp notes on those. So, in the case of the Juvenile Center that's Public Building Commission so that will be a bond, but for most of the projects you see them as temp notes and then we can clean it up before we ever go to bonding.

Chairman Burroughs asked for any questions from the committee or any questions from the public. Let the record show no one approached to speak.

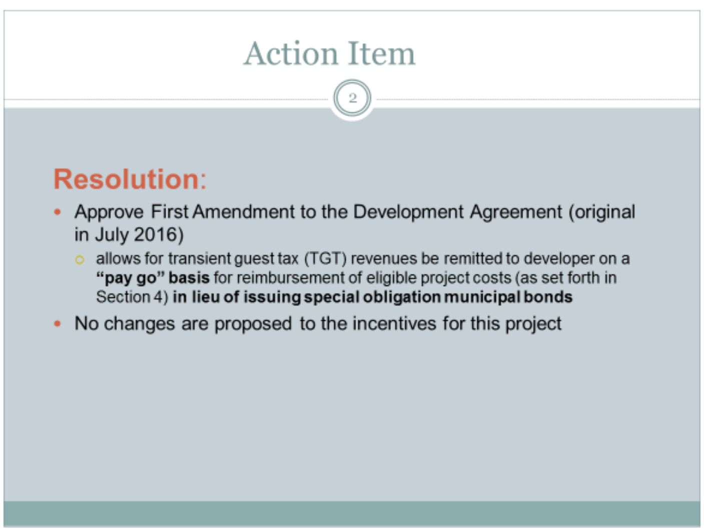


Action: **Commissioner McKiernan made a motion, seconded by Commissioner Walters, to approve the resolution amending the 2018 – 2023 CMIP**. Roll call was taken and there were six "Ayes," Bryant, Walters, Murguia, Townsend, McKiernan, Burroughs.

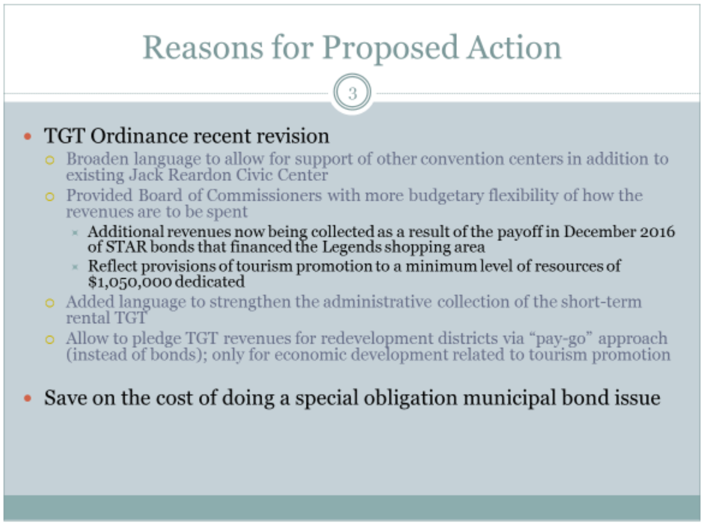
Action: **Commissioner McKiernan made a motion, seconded by Commissioner Walters, to approve the resolution authorizing the offering for sale of Municipal Temporary Notes and General Obligation Bonds.** Roll call was taken and there were six "Ayes,' Bryant, Walters, Murguia, Townsend, McKiernan, Burroughs.

ITEM NO. 4 – 18471…RESOLUTION: AMENDMENT TO RAINBOW VILLAGE DEVELOPMENT AGREEMENT

Synopsis: A resolution approving a first amendment to development agreement with Rainbow Legacy Investors II, LLC relating to the Rainbow Village development, NW corner of 34th & Rainbow Blvd., submitted by Kathleen VonAchen, Chief Financial Officer.



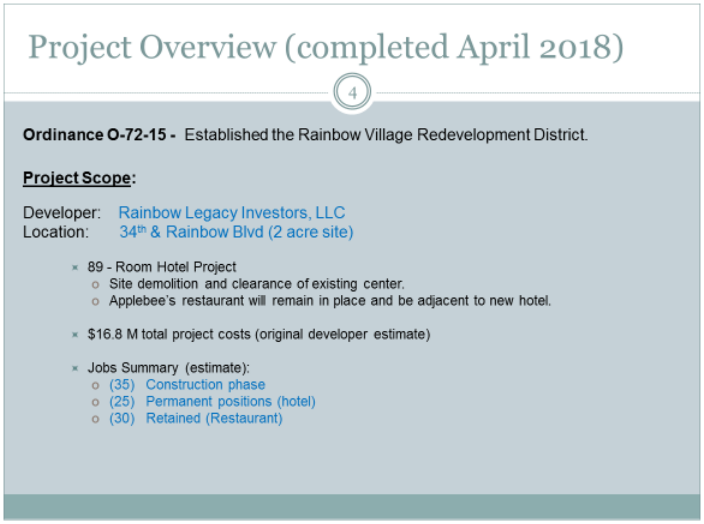
Kathleen VonAchen, Chief Financial Officer, said a little update on the Rainbow Village. The reason we're meeting to discuss this project, even though the project is completed, is because we'd like to amend the development agreement. We ask for your support on that. The resolution before you is to approve the amendment to the agreement and the only change to the development agreement is to allow for Transient Guest Tax revenues to be remitted to the developer as a "paygo" basis for reimbursement of eligible project costs. This would be done instead of issuing Special Obligation Municipal Bonds. There is no change at all to the proposed incentives of this project. It's merely just a change in the means of payment to the developer.



Just a reminder, about a month ago the Commission approved revisions to the Transient Guest Tax ordinance. It broaden the language to allow for support of other potential convention centers in our area. It also provided the Board of Commissioners with more budgetary flexibility and that speaks to the fact that we are now collecting more revenues—Transient Guest Tax revenues in the Transient and Convention Center fund as a result of the payoff of the STAR Bonds that took place in December 2016, now we have a little bit more money coming in, quite a bit more money, and that reflects that we have more funds to dedicate for tourism promotion. The ordinance does establish, at a minimal level, $1,050,000 for promotion of tourism, but of course, you can through the annual budget process approve more than that.

Also, it added language to strengthen the collection of short-term rentals or Airbnbs so that we can collect Transient Guest Tax as a project that Finance will be looking at developing in the future.

The very last thing that was of most importance and relevant to this agenda tonight, is that it allowed us to reimburse developers of hotels, those that promote tourism, to be paid on "paygo" basis rather than being forced to issue bonds and incur the cost of bond counsel and investments and interest on bonds. We'd rather just collect that money from the state on a quarterly basis and then remit it back to the developer up to the cap as prescribed in the development agreement that you all approved.



Just to give you a recap, this project was completed in April 2018. The developer is Rainbow Legacy Investors. It is on 34th & Rainbow Blvd. It comprises of an 89-room hotel and it also did some refurbishment to the Applebee's restaurant which is next to it. The total project was $16.8M. That's what the developer paid. They estimated that it would have 25 jobs permanent in the hotel and retain the 30 jobs that existed in the restaurant itself.

There is the location of the project.

Project Calendar

Date	Committee	Action
12/17/15	Full Commission	➢ Public Hearing ➢ O-72-15 Established redevelopment district.
4/4/16	ED&F Standing Committee	Presentation of TIF project plan and development agreement terms
4/11/16	Planning Commission	TIF Project Plan and land use conformance
4/14/16	Full Commission	Resolution setting public hearings ➢ TIF Project Plan, CID Petition
6/9/16	Full Commission	Conducted Public Hearings ➢ TIF Project Plan, D.A., CID ➢ Ordinances (Master Plan, TIF Project Plan & CID)
4/10/2018		Grand opening of Home2Suites and Applebee's at "University Village" in Kansas City, Kansas

Over the past few years, here's the various actions taken by the Commission and with the final which began in late 2015. The project itself was opened. The Home2Suites and the Applebee's at the University Village in Kansas City, Kansas was opened in April of this year, 2018.

Completed Project Photos

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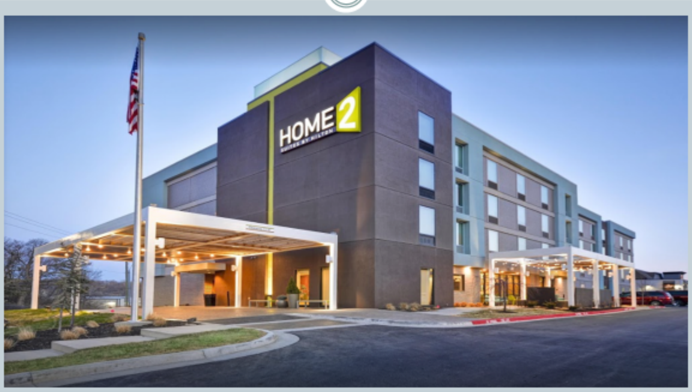
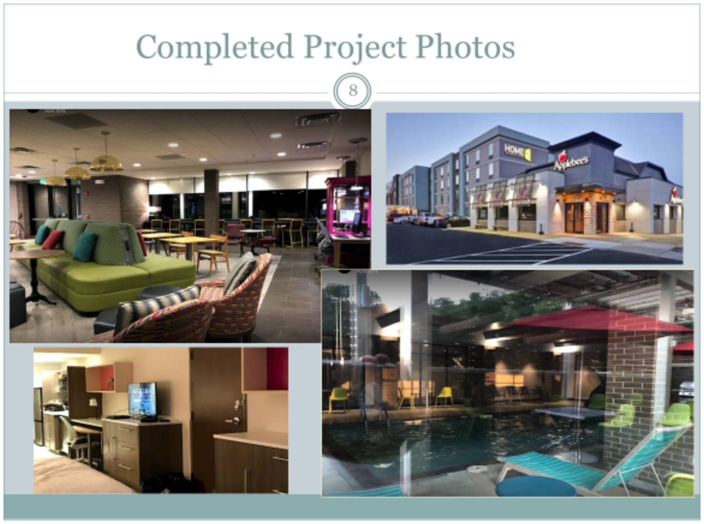
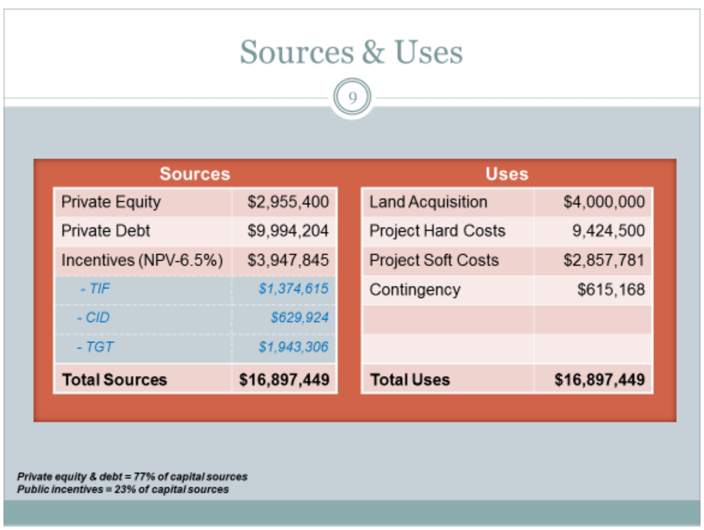


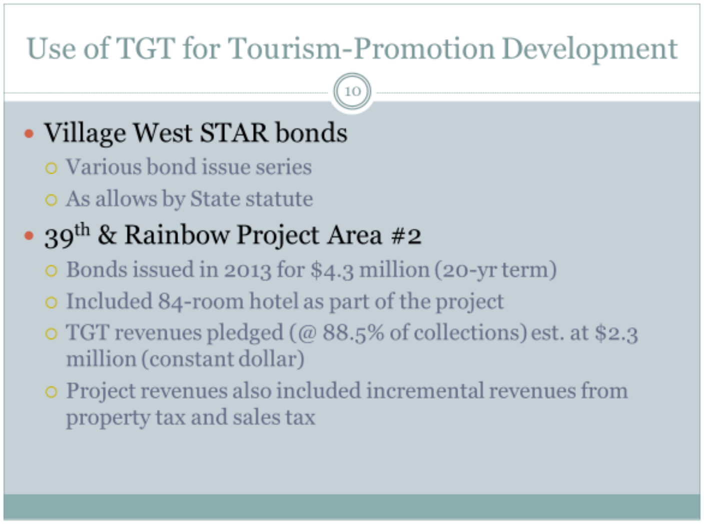


Here's some beautiful pictures of the facility that's in operation now. You can see the interior of the hotel itself, the pool, the rooms, the lobby area, and then, of course, the Applebee's as well, it's doing really well.



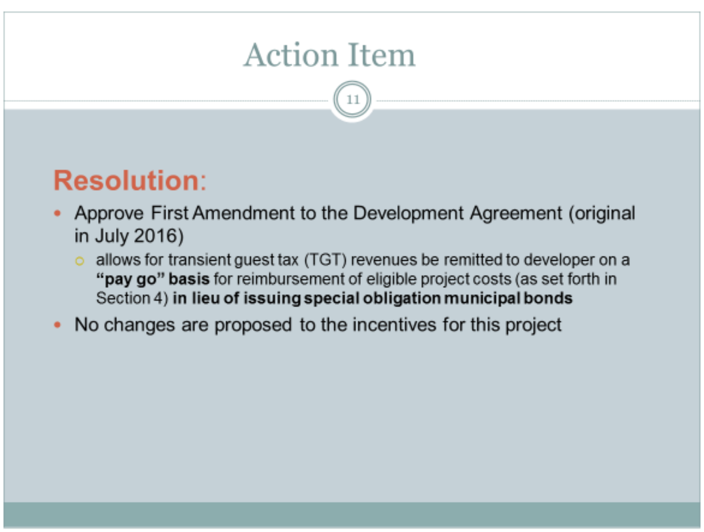
Sources		Uses	
Private Equity	$2,955,400	Land Acquisition	$4,000,000
Private Debt	$9,994,204	Project Hard Costs	9,424,500
Incentives (NPV-6.5%)	$3,947,845	Project Soft Costs	$2,857,781
- TIF	$1,374,615	Contingency	$615,168
- CID	$629,924		
- TGT	$1,943,306		
Total Sources	**$16,897,449**	**Total Uses**	**$16,897,449**

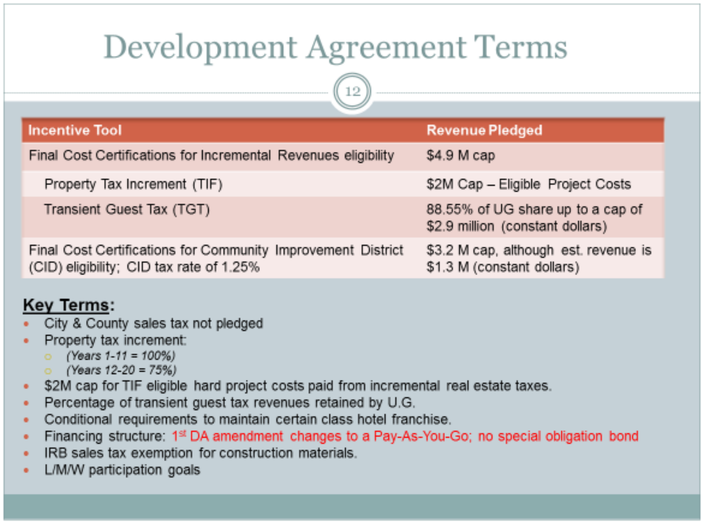
Overall, the project sources and uses—the $16M included $3M in private equity, $10M in private debt, and then incentives of roughly $4M over the course of the 20 to 22-year period. I have more details on each of these incentives, but for the most part nothing has changed in this development agreement. The only thing that's changed is the means that we're going to be reimbursing the developer, which by the way, the developer is here tonight. Ken Lee from Polsinelli is representing as the developer. If you have any questions, he'd be happy to answer them for you.



There was a question about whether we've used tourism promotion or TGT revenues for tourism promotion in the past. I just wanted to point out here that first off Village West STAR bonds, you know various STAR bonds have Transient Guest Tax as a component of their revenue pledge and that is allowed by state statute. Some of those bonds have already been paid off. We didn't want to go into each and every one. All those STAR bonds in Village West have those.

The last 39th & Rainbow Project Area 2, we issued bonds in 2015 for \$4.3M for 20 years. That was an 84-room hotel as part of the project and some \$2.3M in Transient Guest Tax revenues were pledged for that. This project also included property tax and sales tax increment.





We ask for your approval of the amendment to the development agreement which only allows for us to in lieu of issuing bonds to reimburse the developer on a "paygo" basis.

Commissioner Walters said I guess this might be for Mr. Bach. Is this going to be a trend that we're going to start funding hotel financing through this kind of a mechanism? I assume this was our idea. **Mr. Bach** said this is what was—as we worked through the development agreement with the developer, this was one of the proposed solutions to do it, was to use a Transient Guest Tax funding for it. I think one of the maybe positive side of it is, they're just using—it's just projected revenue that they're newly creating within their project area so we're not using our other money. Looking at it just from what's new dollars coming into the market because of the hotel, it's kind of like looking at it from a TIF perspective. You say this is sales tax dollars that wouldn't otherwise create it, so when they came in they did it. Really, going to it from the tool that Kathleen has put forward, I like a lot better, because then we don't have to worry about the whole bonding. This is the structure of how that deal was done before when we put the deal together. This just allows us to do the "paygo" versus the bonds, which we hadn't got to issue yet. It works out well.

Commissioner Walters said I'm glad you clarified that it's only for this project. I had the impression that we we're asking other hotels to collect tax so that they could build competing hotels which didn't seem like a good idea, but it is interesting that other hotels will be contributing money to tourism funds that this hotel will not be because it will be only using that money to finance its own project. Would that be fair? **Mr. Bach** said that would be accurate. Of course, and as Kathleen pointed out, that was the philosophy we used as we went through the Village West area and now our Tourism Fund is much more robust than it ever has been so we're able to go through, pay off and use that tool to help create new development and now all the new hotels as they come on line and all the existing ones are paying into that fund. Like the new Home2Suites that just opened immediately, starts to pay in.

Chairman Burroughs said I know the language says a minimum level of resources of $1,050,000. Do we have a ceiling or period or a timeframe in which we can only allocate dollars? Is there a ceiling of dollars that can be allocated over a period of time? **Mr. Bach** said no sir. It's only ceiling is based on the actual revenue that comes in. **Chairman Burroughs** said I think it's an innovative way to, I guess close the gap. I just hate to see our future revenue go to pay for projects that wouldn't be here if it wasn't for that. I'd like to see that revenue come to other additional issues.

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve.** Roll call was taken and there were six "Ayes," Bryant, Walters, Murguia, Townsend, McKiernan, Burroughs.

ITEM NO. 5 - 18475…RESOLUTIONS/ORDINANCE: METROPOLITAN AVENUE REDEVELOPMENT PROJECT

Synopsis: Request the following actions in coaction with the Metropolitan Avenue Redevelopment District, submitted by Katherine Carttar, Interim Economic Development Director.

- Adopt a resolution approving the redevelopment agreement.
- Adopt a resolution setting a public hearing date of January 10, 2019, to consider creating the CID
- Adopt a resolution setting a public hearing date of January 10, 2019, to consider the project plan (TIF).
- Approve an ordinance authorizing the use of Home Rule powers for local sales tax.

Metropolitan Avenue Fast Food Project

ED&F MEETING

OCTOBER 29, 2018

What we're here for tonight

2

- Metropolitan Avenue Fast Food Project

Proposed Site

3

Chairman Burroughs said that brings us to our last item this evening and it consists of several actions for the Metropolitan Avenue Redevelopment Project. This evening we have Katherine Carttar, our Interim Economic Development Director, who will be making the presentation.

Doug Bach, County Administrator, said, Commissioner, I think I probably need to jump in here. We've had some changes to this project that we need to discuss. Katherine, I'd ask that you go ahead and put the map of the project area up. As commissioners are aware, this is some information that really some changes have come to our attention here in the last, well, a lot of it today. The property where the star is, is the project area site. This is Kansas Department of Transportation property. We had an agreement that we entered into them with several years ago stating we would be able to market this property and come back with a development agreement. That agreement had expired during the time we were going through this. We were working through this with the developer that we would get it renewed with the state. In fact, the agreement that's in our packet tonight has a provision within it that contemplates that it is subject to getting that renewed with the state of Kansas. I think both our sides thought that this was just what would be more of a routine move, that the state was very willing to continue to have this property in the project to be redeveloped. However, as we hit the end of the week, I asked Mr. Waters, our attorney, to just contact them and make sure that everything was good to get that done. We've hit a couple of snags in that regard. One being, what we did in this process is through our procurement process, is we get unsolicited proposals come in. That means our procurement. Their statement was, you would need to have formal RFP's done; however, that wasn't the biggest clause because that's one I think we can work through other than the fact that we would need to do that in advance of approving it.

The bigger thing that came to us now was as they're working in the 18th St. corridor area, and I think you're all aware, that 18th St. has been down. They started a study review process on October 26 and they identified the area from I-70 all the way down to Steele Rd. which includes this. They stated until we complete our review, our study review, we're not going to renew this or open this option up for you to put anything on that property because they may need to come into this site and expand the highway in a way like they never thought they would before. So, with that, they said we don't have an option on that property until it happens, and we'll be studying it through August of next year. While Patrick had had some conversation regarding the RFP, I called up directly to talk to the staff members today to push for that issue and make sure that's where they were and received this back from them in writing at about 2:30 this afternoon, so fairly late breaking from that perspective. I will say it was a mistake on our part by not going to the state earlier and say, okay, we want to make sure we have this renewal in place and then we could have brought that discussion to a head to see where we were at. We notified the developer this afternoon as soon as we found out this was going to be a problem. We started that conversation earlier today. With that, the item we have in front of you right now, I no longer have the authority to put this ground in play. I don't have that option from KDOT to do this. Until we get any different ruling from them or clarification of that agreement, I don't think we can take action to give away property that's not ours.

Chairman Burroughs asked do we have options available if this ground is not available. Do we have options available? Maybe that would be something I would ask of not only you, but of staff possibly, what our options might be. **Katherine Carttar, Interim Economic Development Director,** said there are a couple of options in terms of pad sites that are nearby. There is one right in front of the Save-A-Lot there and also in front of the Walmart which is obviously now in place. I think not the most ideal as the developer obviously wanted to have it directly right off the highway, but there are some other development sites, pad sites, ready to go in the general vicinity. **Chairman Burroughs** said if I understood correctly, should the Kansas Department of Transportation choose to modify 18th St. Expressway, there's no guarantee that that's where an exit will be anyway moving forward if I understood Mr. Bach correctly, with the news from KDOT in reference to long-term plans for 18th St. **Mr. Bach** said they could make modifications around here. I mean I know most of the bridge work that the focus is on the area that heads across all the railroad areas and such like that, but it does come back in and connect directly over Metropolitan as you can see. That could have some impact on the interchange is what they come up with in the end. We won't know that until they get done with their study.

Jeff Sharp, representing Ferguson Properties, said I am acting as the developer hired by ABC for this project. I've been in communications with the retailer, Wendy's/Pizza Hut, in the past three years working here. We have tried and tried and tried to push them originally to the site next to the Save-A-Lot which would be the easiest deal for all of us to do and it's the retailer's direction to pick the site off of 18th St. that we are talking about right now. We've been told time and time again that it's either that site or no site, no deal for them, just because of the easy on access points from 18^{th} St. and the visibility. **Chairman Burroughs** said so, an alternative is not viable is what I'm hearing. **Mr. Sharp** said we have a letter of intent agreement with them on the site right there and there's been no alternative site that they would support.

Commissioner Murguia said I just have a couple of comments to make. For those of you that didn't necessarily understand what Mr. Bach said, I think I might be able to break it down a little easier for people. So, in my role as the Executive Director of the Argentine Neighborhood Development Association I worked with Governor Brownback directly to acquire this ground where the star is located. An agreement was drafted and that land was given to the Unified Government to hold until the development could move forward. We're all aware—what I will always believe to be a lot of political delays in this development and a lot of political shenanigan's in regard to moving this forward over the last 2.5 years. Now, I find it very interesting that we were just here a month ago, October 1^{st}, and we were told by the County Administrator, Doug Bach, and our staff that there were three issues that needed to be resolved. However, they were such minor issues that all we needed to do was to get them included in the development agreement. They were pretty sure that it would be ready for a vote on the 29^{th}.

Since October 1^{st}, I have received a draft copy of the development agreement that had new issues on it, something involving a reversionary clause that was never mentioned in the October 1^{st} meeting. There were additional concerns. In addition to the original three items that were not supposed to be any big issue and it was supposed to come for a vote on the 29^{th}, tonight, we have all these other issues. Interestingly enough, as of today, somebody decided to do their job and call the state and find out whether or not there's anything that needed to be done on this ground where it's now apparently held up again. I just find it interesting that we can move through at lightening speed $6M grocery stores and multi-million-dollar projects in western Wyandotte County and for 2.5 years we can't move through two fast food restaurants. I just don't understand that.

The other thing that I am extremely concerned about is that for those of you that follow politics at all, or follow the news media. *The Kansas City Star* has repeatedly written nasty, negative articles about myself as Commissioner and my role as Executive Director of ANDA. I've ignored those for a lot of years; however, this latest article that was written today I'm not going to ignore.

One of the comments that was made in here is it's supposedly a quote according to Steve Vockrodt, the writer in the Star, that he quoted our Mayor as saying again, no private money in this development deal. That is not true, there is private development money in the deal. It still requires ABC to go out and get a bank loan to construct this building all of which will not be paid back with just government incentives. There will be tenants, the tenants Wendy's and Pizza Hut, will pay rent which will be used to buydown that debt as well. Wendy's and Pizza Hut are absolutely private entities with private cash. That is flat out inaccurate and I would hope that our government would ask for a retraction of that completely inaccurate statement, not to mention that Mr. Vockrodt writes that this property is jointly owned by the Kansas Department of Revenue and the Unified Government. Obviously, it is not jointly owned or we would not need to get permission from anybody at the state level for this property and the Kansas Department of Revenue is not the Kansas Department of Transportation, which is who the ground is owned by. Again, Mr. Vockrodt is inaccurate, as he routinely is, in the articles that he writes about myself and Wyandotte County and the development in Argentine. I think it's very bad journalism.

I think it's bad, rotten politics, and I thought we were past all of that and I'm incredibly disappointed because we're about to see projects from Village West come back in front of us that are complete failures, that are going to require hundreds of thousands of dollars' worth of annual subsidy which is just shocking to me. Yet, I will bet you, it will not take 2.5 years to make sure that those deals are taken care of. It's very disappointing to me that this continues to go on. This one small area has gone above and beyond to raise money and to make things happen for their neighborhood. This community has worked very hard to make these things happen in their community.

The Walmart, the market did not drive the Walmart, the market did not drive the Save-A-Lot, it was a community, a small group of committed citizens than came together and actually went to retailers and knocked on doors, that knocked on doors and asked retailers to come here and be a grocery store here. There was no Unified Government that stepped up and wrote a check and said here is $6M, please come and build a grocery store and locate in Argentine. There wasn't even anybody in Wyandotte County, in the Unified Government, that went and called anybody about bringing a grocery store to Argentine. That had to be done by me and people within our community in the Argentine neighborhood.

Again, I go back to what I said on the October 1st meeting. All we're asking for in District 3 is fairness and decency and as we move forward with this project, I'll contact the

Governor again, and we'll see how the project moves forward. I will be looking at every economic development deal in the future that moves forward much more closely in regard to the amount of subsidy that it takes because in District 3 they pay taxes also, just like everybody else does so their entitled to that. There are a number of people that came here this evening. I'm sure there are some people that are here that are in favor of this project, I'm sure there are some that are not, but given that they took their time to come out, I'd like to give the people that are here the opportunity to tell you what their opinion is. I think there are some, like I said, that are in favor and some that are not in favor.

Chairman Burroughs said, Mr. Bach, in reference to the late news today, will we have a legal document stating such from the Kansas Department of Transportation in reference to the land and the RFP proposal being denied.

Mr. Bach said I have a letter that came out from KDOT today. They'll go back through and verify with their head engineer and verify where they're at with the study and that this will be part of it. If they pull it from it, and say even though it is within the corridor, the study area, there's the last map that was put on there where they showed us—they sent this to me this afternoon. They showed me this. They said here's the study area, as you can see, it extends down from up there by PQ Corporation, it crosses the Kansas River and goes all the way to Steele Rd. They said this is all within the study area and with that they are going to restrict it. If they go through that and their chief engineer determines that this property does not need to be held as part of it, and they can release it, they would let us know of that, but as of today it is held within that area,

Chairman Burroughs said in reference to Commissioner Murguia's request about public comment, before we move to that I would like to ask staff a question or Legal possibly. In light of the information, and in response to the developer stating that there is no other alternative, Mr. Bach, you say you can't advance this to us tonight and that this has impacted the project being discussed in advance this evening to this committee. **Mr. Bach** said, yes sir. I mean for the property that we have in play. We have a provision that says subject to this being done; but now I've been told affirmatively by KDOT it's not going to have a renewal right now and we need to go through—wait through the study period process and then look to do an RFP process after that. There is kind of a double hit that we'll be working through as we go into the next phases of this. I would continue to try to work with Mr. Sharp and see if there is a way for us to know whether there is an alternative and I understand what they've told him. I think probably until we know affirmatively from KDOT if they were to come back and say this property is absolutely out of play and see what they're going to do with that interchange, it might change that perspective.

Chairman Burroughs said so the question before us is do we—if we're can't take action on this project this evening, would we be remiss to not allow the public to comment on the issue before us? **Patrick Waters, Senior Counsel,** said, Mr. Chairman, you've opened the discussion, so I think your fine to have a hearing. **Commissioner Murguia** said I'm just requesting that people be allowed to speak. It's just a public hearing. **Chairman Burroughs** said it was not my intent not to allow that to happen. I just want to ensure that we're not sending a false message that this may advance this evening. I'd never want to stifle public comment, so with that we'll open the floor to public comment.

The following appeared:

John Altevogt said I live in Edwardsville. I'm a member of the Edwardsville City Council or Planning Commission out there. I'm also on your Landmark Commission. I was originally excited about this project because I have many clients in this area as a realtor. I'm a realtor with Reece Nichols Roberts. I'm an Associate Broker there. I have many clients in this area. This type of project enhances the value of that for the citizens who want to move there, and it enhances the value of the property, which is good for you folks because it creates more revenue for you as the property values raise in that area.

The thing that I'm concerned with now is sitting on the Edwardsville Planning Commission we just dealt with, and you may be familiar with the project we have coming, which is the Hard Rock Hotel and the associated development around there. The same developer has a project just down the street on the Bonner side. It's a huge project there and he just bought some more land down 110th St. That's three projects that are massive that are going to contribute to our community. Those folks, they're out of Minneapolis, first came down here and they first came to Kansas City, Kansas to do business and they were jerked around so much that they just said the hell with it, we'll go over to Edwardsville and see how it works there, and obviously it worked out well for them. That's not because we rolled over and just gave them everything they wanted, but what we did do was we worked with them efficiently. It didn't take them 2.5 years for us to wake up and say here's your project. With that in mind I would encourage you to do the best that you can to get this moving and other development like this, so that your city does not get a reputation for being hostile to development.

Therese Gardner, 5141 Sterns, Shawnee, KS, said I work for ANDA and in 2013 we got the grant to build the Save-A-Lot. That was a great thing. We were able to get the store built and running and it's still running, then Walmart came.

In 2014, we got the grant to build Goodcents. That became Pizza Hut/Wendy's when Goodcents couldn't operate the restaurant. We went forward trying to get this developed.

In 2015, we got the grant to build the Dunkin' Donuts, all in that same strip of land that was given to us long ago. These properties should have already been developed. We should not be here tonight talking about not being able to develop. They should have already been built. It's dirty politics. It's a bad mark against KCK. I'm very disappointed in all of you. I think Argentine is. They've lost jobs, the services, and the businesses that would have come because of these developments. I hope that you can straighten it out.

Mario Escobar, 1438 S. 25th St., said I'm the president of SANA via Argentine Homeowner's Association. We've had meetings on this several times for this project. We were looking forward to this. It's a shame that this doesn't go through. Like the Commissioner said, we've been dealing with this for four years now and it should have been done a long time ago. We just hope that these people that want to do business in our community will still be with us, if we ever come down to this. It's a boost for our community which will also eventually down the road will bring more development to our community. I hope that when it comes up again, that you don't delay this anymore.

Henry Sandate said I spoke with you last month. I am the Chairman of the Board of the Argentine Neighborhood Development Association. I live in Shawnee, KS. I've been on this board for 12 years since it's inception. I don't live in Wyandotte County. I am a resident of Shawnee, as I mentioned, but I have a real sincere concern for the community, specifically the large Hispanic community, Mexican-Americans community, who reside there, and also the other minorities and I would say the lower-income Caucasian population that live there as well. These folks have been ignored. This community has been written off. I'm not sure what they did, but it's very obvious that Wyandotte County does not care about the residents of Argentine. I'm not sure if it's racial, but the implications are such that it seems to be that way because the majority of people leading this community are Caucasian, to be honest with you. The majority of the population happens to be Hispanic, Mexican/American. It just seems like the services that exist for this community are not underwritten, provided for, the stewardship is not there, the concern, leadership is not there for this part of your city. It just seems like there's a lot being exploited. I would say exploited because, obviously, with a poverty community there's grants and there's welfare and there's CHIP. There's all sorts of federal programs that you folks receive money for.

I didn't want to think that, but I spoke with another developer who spoke with the previous Mayor and he said when I spoke to him about the vacancy situations, I approached him, and said I would be glad to purchase every one of those properties and develop those that developer said to me, I never got a phone call, I never got any emails. He said I emailed him three times, I called him three times and never got a response. He said to me, you know what that says to me Mr. Sandate, this developer from Johnson County says to me, I said no sir, what does that say. He said there's a lot of money in poverty and they really need those Hispanics to be poor.

This is your city. I'm going to try to help those people as much as I can. Give them myself in a community where I do not reside because I feel for those people. These are American citizens, these are Wyandotte County citizens who deserve an opportunity to climb out of poverty and this project would have definitely given them an opportunity. Gentlemen, congratulations. You've done very well keeping them poor and running the federal programs.

Mario Madrigal, 1528 S. 42nd St., said I just turned 60 years old a couple of weeks ago. I lived 57 of those 60 years in Wyandotte County. I spent the first 18 in District 3 before moving to our current address. I can say this, I thought the day of three-headed monster in Wyandotte County, back when had just the Mayor and the Finance Director, were over. I thought our former Mayor, Mark Holland, was behind delaying this project for the last three years and now I think I know where that's coming from, and that's from you Mr. City Administrator. You've let us down in Wyandotte County and I think you should look in the mirror tonight when you go home because all you have done is lied to the people of the Third District for the last three to four years.

Faith Rivera, 908 Hagemann St., said I'm a third generation Rosedalion. I'm not only a resident, I've also taken the opportunity within this last year to become a precinct leader, so I have also too been elected in my area. I have come today because I was concerned for my community. I've not only, do I knock door-to-door in my community, but I also do it not only in Kansas, but in Missouri. So, I wanted to let you know that when I walk in Kansas City, Kansas, that's Turner, that's Argentine, and that's Rosedale, Northeast; we're all concerned currently about where our taxes are going to and this is why I came today. I don't want my taxes to go to a franchise for fastfood. I don't want that. I have two children that are also living and residing in Rosedale. They will have to pay for this. That's why I came today.

Nicholas Murguia, 1430 S. 25th St., said I'm a multi-generational Argentine resident. My grandparents started living there many, many years ago. When I decided to make my residence there in Argentine, I got many questions like why don't you go to the west end, you have enough money to go over there. They have everything that you can need, retail, fastfood, whatever. My family grew up in that area and I feel it's very difficult, but it was not a difficult decision to live in a community in which I love. Over the past 10 years we have been making progress in that area, which I hadn't seen as a child. For our government to stand in the way of further development is very appalling. It makes me very angry that for such a small commitment and other projects that they have undergone in that area, it has been very prosperous to the surrounding area. It just seems like a slap in the face. If I did my job the way that some people have done their jobs here, people would die. I'm a Firefighter EMT. If this gross negligence that has occurred tonight would have happened on my watch, people would die. People lives can be dependent on the money for funding these jobs and for future development in this area. Take that with a grain of salt.

Chairman Burroughs closed the public hearing.

Chairman Burroughs said in light of new information, I don't know if there is any action we can take on this issue tonight. I would ask that we acknowledge those that came out this evening. Thank you for your community input. It's very important that we have an opportunity to hear your concerns and your comments, but the fact we cannot take any action this evening, it would be for informational purposes only.

Action: Information only.

Chairman Burroughs adjourned the meeting at 7:00 p.m.

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