ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, March 4, 2019

The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 4, 2019, at 5:30 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners Townsend (via phone), McKiernan, Murguia, and Jeff Bryant, BPU Board Member. Commissioner Walters was absent. The following officials were also in attendance: Gordon Criswell, Assistant County Administrator; Patrick Waters, Senior Attorney; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Alan Howze, Knowledge Director; Katherine Carttar, Director of Economic Development; Jeff Fisher, Executive Director of Public Works; and Jay Doleshal, Sergeant-At-Arms.

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

Chairman Burroughs asked if there were any revisions. There were no revisions.

Approval of standing committee minutes from January 14, 2019. **On motion of Commissioner McKiernan, seconded by Commissioner Murguia, the minutes were approved with the correction that McKiernan is not the Chair of Economic Development and Finance.** Motion carried unanimously.

Chairman McKiernan said for this committee, I am simply a member of this committee. I'm chair of Neighborhood and Community Development. If we could just adjust that to refer my title properly.

Committee Agenda:

Item No. 1 – 19581…RESOLUTION: AMEND MASTER EQUIPMENT LEASE PURCHASE AGREEMENT WITH BANC OF AMERICA

Synopsis: A resolution amending the Master Equipment Lease Purchase Agreement, dated October 17, 2013, with Banc of America Public Capital Corp., submitted by Debbie Jonscher, Deputy Chief Financial Officer. The process will be used to pay the costs of acquiring and installing certain equipment. The maximum amount is not to exceed $11.5M.

Debbie Jonscher, Deputy Chief Financial Officer, said the Master Lease Purchase Agreement is the tool that we use to finance all of our fleet equipment. Our current contract is with Banc of America. This amendment would extend the period to December 31, 2019. Last year's amendment expired on December 31, 2018. To finance the 2019 equipment, we would need this amendment to extend it through the end of the year. All of the equipment that's listed—there's a page in your attachment that has all of the items that could be potential lease finance items as well as the amendment from Banc of America extending that date. All of this equipment has been approved by the Commission through the budget process.

I do just want to note that we're in the fifth year of our extension to the lease agreement so we will be going out for an RFP for the 2020 lease finance schedules.

Chairman Burroughs said just for clarification, these are five-year contracts for us. **Ms. Jonscher** said the original contact went through December 2014 and we've had five amendments after that. Actually, I think this is amendment number six. The reason for that is because, I believe it was in the second or third year, we had an amendment to the website where they were pulling the treasury rates so Banc of America did an amendment during the middle of the year to amend that. This would be the fifth year that we've amended the lease agreement.

Chairman Burroughs asked were any of the vehicles that we have under the lease agreement be put at risk of falling between the next RFP and this resolution. **Ms. Jonscher** said no. All of the equipment that was approved as leased financed for 2019 would be covered under this amendment. The RFP would cover all equipment 2020 going forward.

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

Item No. 2 – 19592…RESOLUTION: DEBT POLICY REVISIONS

Synopsis: A resolution adopting Debt Policy revisions, submitted by Kathleen VonAchen, Chief Financial Officer. On February 4, 2019, the Economic Development and Finance Standing Committee, chaired by Commissioner Burroughs, recommended action to be held over to the March 4, 2019 meeting.

Kathleen VonAchen, Chief Financial Officer, said attached is the resolution adopting the revised budget policy, which is Exhibit A. In addition, I've included in the packet a memo that summarizes all of the proposed changes and the existing policy with a red line of the changes. In my memo, I outlined that in general, a lot of the additions to our debt policy are basically the document, our current practices. All of the documentation of our current practices are additional language to the debt policy which is now roughly 15 pages instead of 5. Those are in blue in the redline version with the exception of a few small items that I have included in maroon text, which are kind of new guidelines and new procedures that we're introducing to the government at this time related to debt.

The policy, I have also provided a summary, kind of a table of contents for the various sections of the debt policy so that you can go through and see what kind of items we're discussing and adding to the policy. I would be happy to go through these again. We have had several meetings on this debt policy. I think we've already met with the committee members, not only publicly for three months, but also I've had several private meetings. I've received input from all of these committee members and have included/incorporated the suggestions in the proposed policy that you have before you.

Commissioner McKiernan said I just want to thank you for the diligence that you've had in terms of getting feedback, incorporating that. I also want to thank you again for the fact that you have really done a nice job of documenting what is standard current practice so that we actually have it documented and this can be our basis for moving forward from here. Thank you for that.

BPU Board Member Bryant said I would like to echo thanks to you and staff for all of this work. I know it's not fun and it can be tedious, but it's important.

Chairman Burroughs said, Kathleen, I would just like to say, I know this can be a very daunting process. I sincerely appreciate and respect the professional courtesy of reaching out to individual commissioners, hearing their concerns and their comments. Debt reduction is something the commissioners have looked at extensively, especially members of this committee. I want to thank you and staff for your work and presenting this in a manner that was digestible. **Ms. VonAchen** said thank you.

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

Item No. 3 – 19594…RESOLUTION: SET PUBLIC HEARING DATE FOR DOWNTOWN GROCERY REDEVELOPMENT DISTRICT – PROJECT AREA 1

Synopsis: A resolution setting a public hearing date of April 11, 2019, to consider adoption of a redevelopment project plan for Project Area 1 in the Downtown Grocery Redevelopment District, submitted by Katherine Carttar, Director of Economic Development. On January 14 and February 4, 2019, this item was presented to the Economic Development and Finance Standing Committee, chaired by Commissioner Burroughs. Both times it was requested that action be held over.

Katherine Carttar, Director of Economic Development, said I'm happy to say I'm not requesting a hold tonight, so we're moving forward. All this resolution does is set a public hearing for the project plan for the grocery store. The reason, as I have mentioned, in past meetings for the delays is we wanted to make sure that when this comes to the full Commission on April 11, that we've got a good amount of things that we're bringing you. We have a nice package that will all come to you that day, which would be the date of the public hearing.

Chairman Burroughs said my understanding is we need to move this this evening to get it to full Commission March 7, Thursday night meeting. We will need to take action this evening.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to approve with the stipulation that it be fast tracked to the March 7 full Commission meeting**.

Justine Underwood Jones, Strawberry Hill Neighborhood Association, said I just wanted to be clear if we were moving the public hearing date from April 11 to March 7, or if we were just approving on March 7 that the public hearing date will be on April 11. Katherine is shaking her head, so it's still going to be April 11. **Chairman Burroughs** said yes. **Ms. Jones** said that's great; we'll look forward to it. Thank you, guys, so much for your hard work. **Chairman Burroughs** said for clarification, the public hearing will be April 11. This action this evening moves this item to the March 7, Thursday evening full Commission meeting.

Roll call was taken on the motion and there were five "Ayes," Bryant, Murguia, Townsend, McKiernan, Burroughs.

Item No. 4 – 19613…ORDINANCE: MIDTOWN TIF REFINANCING

Synopsis: Adopt Home Rule Ordinance authorizing general obligation economic development bonds to fund land acquisition and demolition of Indian Springs site and authorizing refunding a portion and/or all of prior Series 2010-B, 2011-C and 2013-B bonds for interest savings, submitted by Kathleen VonAchen, Chief Financial Officer, and Debbie Jonscher, Deputy Chief Financial Officer. It is requested that this item be fast tracked to the March 7, 2019 full commission meeting.

2019-B GENERAL OBLIGATION ADVANCED REFUNDING BONDS
Current Midtown TIF Taxable Refinancing

Unified Government of Wyandotte County & Kansas City, Kansas

ED/F Standing Committee
March 4, 2019

1

BOND ORDINANCE

ED&F Committee, March 4, 2019: Item No. 4
Ordinance: Midtown TIF Advance Refinancing
Future Action: Fast-track to Full Commission on March 7, 2019

Ordinance: Adopt Home Rule Ordinance authorizing general obligation economic development bonds to fund land acquisition and demolition of Indian Springs site, and authorizing refunding a portion and/or all of prior Series 2010-B, 2011-C and 2013-B bonds.

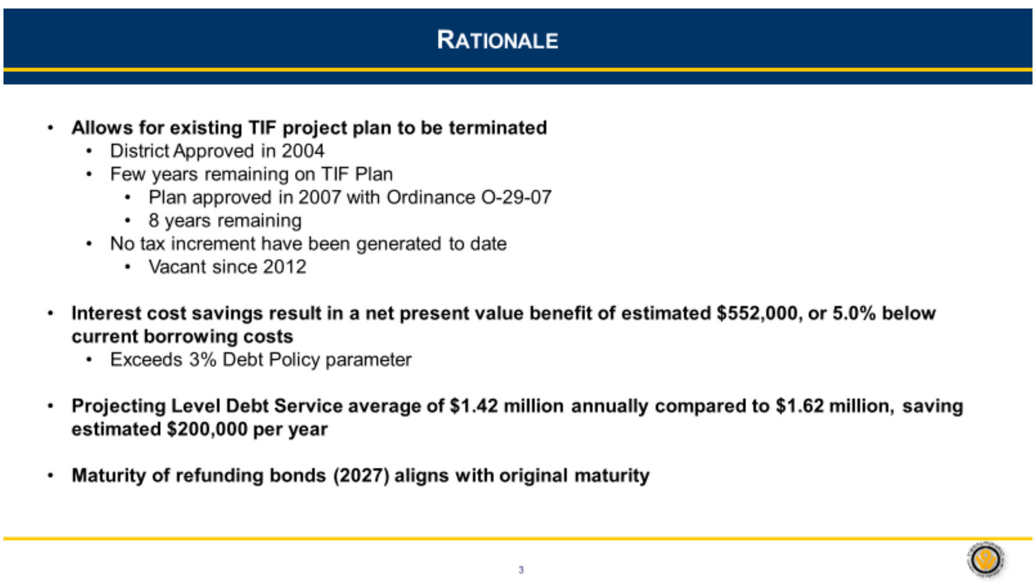
Note: Able to Advanced Refund these outstanding bonds due to their taxable status. January 2018 Tax Reform Act eliminated ability to advance refund tax-exempt bonds. These outstanding bonds proposed for refinancing are taxable and eligible for advance refunding.

2

Kathleen VonAchen, Chief Financial Officer, said tonight, we have two bond issues that we're presenting for your review and approval. Both of them are requested to be fast tracked to the March 7 full Commission meeting. The first is an ordinance that authorizes the refinancing of what we call the Midtown TIF. Basically, it's refinancing all or a portion of three different bond issues issued in three different years. All of these bond issues are GO backed, but they were issued as taxable bonds back in those years that's why it's a taxable advanced refunding.

Today, at the March 9 meeting, Item No. 4, we need your approval on this ordinance which adopts a home rule ordinance authorizing the general obligation economic development bonds to fund the land acquisition and demolition of the Indian Springs site, and authorizes the refunding of a portion or all of the 2010-B, the 2011-C, and the 2013-B Bonds. Of course, all of these bond proceeds have long ago been spent. We're just paying down the debt on these bonds that were issued previously. At this time, we're now asking you to refinance it.

I'm going to talk about the purpose of the refinance here in the next slide, but I did want to note one thing that the 2018 Tax Reform Act prohibited local governments from doing advanced refundings on tax-exempt bonds, but not on taxable bonds so that's why we're able to refund these bonds, so just keep that in mind. I know a lot of you have asked, can we refinance old debt. We have some legal restrictions that don't let us do that and that's one of the—Tax Reform Act. Because these bonds are taxable, we're able to.



The reason for the refunding primarily is to allow for the existing TIF project plan to be terminated. I mean project plan, not the district. We want to basically stop the current project plan and then start a new one for this project that Katherine and Rob, the Planning Director, also presented at a previous meeting.

This project plan began in 2004. There's only a few years remaining on the existing TIF plan. The plan was approved back in 2017 with that ordinance, and now there's only eight years remaining. No tax increment had been generated to date with this project plan. The site, itself, has been vacant since 2017. Initially, it was created as a TIF with the hope that there would be revenue generated, but in the end, it didn't happen.

The key point here is that there's only eight years left, so it makes the viability for this project plan to not be satisfactory for our project. We want to start a new project plan so that we can start the clock again, the 20-year clock afresh.

There's also, secondly, some interest savings from refinancing this project. We've figured out that the interest cost savings, which is net present value benefit, is estimated to be about $552,000, or around 5% of the total borrowing costs. That exceeds our policy, which we kind of set a policy that we're not going to refinance unless we can obtain 3% savings. It's pretty good.

We're projecting level debt service which averages about $1.4M annually compared to the amount we're paying right now out of the City Bonded Interest Fund which is $1.6M. That's principal and interest, so we're saving about $200,000 a year.

Finally, just to let you know that the refinancing approach that we're taking does not extend the maturity of the bonds.

PURPOSE AND NET SAVINGS DETAIL

- Advance Refund all and/or a portion of bonds outstanding taxable bonds that previously financed the Midtown TIF (land acquisition and demolition) in order to:
- 1) Remove the Tax Increment Financing pledge and reissue under the Unified Government's Home Rule powers with a general obligation pledge
- 2) Provide net savings due to: a) shorter maturities, and b) shift from taxable to tax-exempt

Current Bonds	Series	Issuance Date	Original Issuance	Average Coupon*	Remaining Years	Outstanding Balance
Taxable GO Bonds	2010-B	2/26/2010	$10,780,000	4.97%	2019 to 2026	$7,320,000
Taxable GO Bonds	2011-C	2/24/2011	$2,570,000	5.17%	2019 to 2026	$1,690,000
Taxable GO Bonds	2013-B	2/27/2013	$3,075,000	2.86%	2019 to 2027	$2,080,000

Advanced Refunding	Series	Issuance Date	True Interest Cost	Years	Refunding Amount*
Tax-Exempt GO Refunding Bonds	2019-B	4/30/2019	2.17%	2019 to 2027	$12,000,000

Estimate par of $10.4 million; amt above includes estimate premium and COI

4

The advance refunding, we're advance refunding all or a portion as much as possible of these three prior bond issues, the outstanding portion. The first table right here is a list of the three bond issues that we're refinancing. Here's the issuance date, how much we issued initially and those respective dates, what the average coupon is for the remaining balance of these respective bond issues, remaining years, and then the outstanding balance.

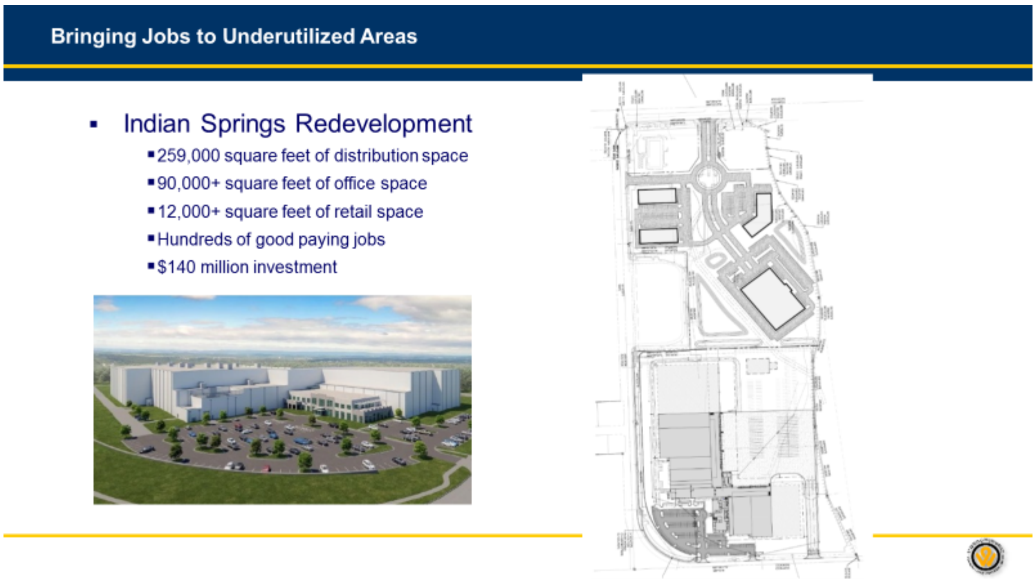
As I mentioned before, we are looking to remove the tax increment financing pledge from these proceeds and reissue under a new Unified Government Home Rule powers general obligation pledge.

Secondly, the reason the savings is in place is because we are now financing it for a shorter maturity, which typically when you take out a loan for a shorter maturity, the interest rate is lower than for a longer maturity so that results in that interest saving.

Secondly, we're shifting from what is taxable, which a tax-exempt bond issue typically has a higher interest rate or yield because investors find it to be a little more risky, and it's shifting it to a tax-exempt, which means the interest rate is also lower for tax-exempt bond issues. As a result, we're rolling in all of these into a $12M refunding, which is expected to close on April 30. Our true interest costs are estimated, at this time, to be 2% rather than these higher numbers up here.

I just wanted to point out the par value of the amounts we're refunding totals $10.4M, but we've got $12M in here just as an estimate because we're potentially doing—it kind of depends on how we structure it. We may end up paying a premium so that our investors get a higher percentage, but then they turn around and give us a little less proceeds, or we end up borrowing less if they can get a higher premium or a higher interest rate. That's what the effects of the premium happens with them. It kind of depends on how we structure it.

The new project plan is what's being called Foodie Park. I'm going to let Katherine talk a little bit about these two next slides.



Katherine Carttar, Director of Economic Development, said it's gone through Planning Commission thus far. We are currently working on a development agreement with Scavuzzo's. They are a food distribution company currently located on Kansas Avenue here in KCK. This is still relatively early days of this project. It has gone through Planning Commission, but it's got a number of times that it will be in front of you formally here in the coming months.

Just to give you a little overview of probably what we're looking it. Scavuzzo's would like to build a new distribution center. This would be a few hundred thousand square feet and hundreds of jobs, good paying jobs with good benefits. In addition, up along State Avenue, they will have retail. We have been working through the amount of retail required and timeframes and all of that. They already have a brokerage firm on board that is already doing work and trying to locate who those potential retailers could be.

In the area kind of in-between will be not only Scavuzzo's world headquarters, which would be a brand new building, but also a mix of potentially other office space, other food related businesses or potentially some more retail. It will be a nice campus and a good use to bringing more retail and jobs, good paying jobs, to that area.

Ms. VonAchen said we want to move quickly on the refinancing of the existing debt so that we can allow Katherine and her Economic Development team to move forward with the development of the development agreement and all the others that go along with putting the new project in place. Once we end this project plan, we'll also be working with all of you to start a new project plan, but we can't do that until we get these bonds refinanced.

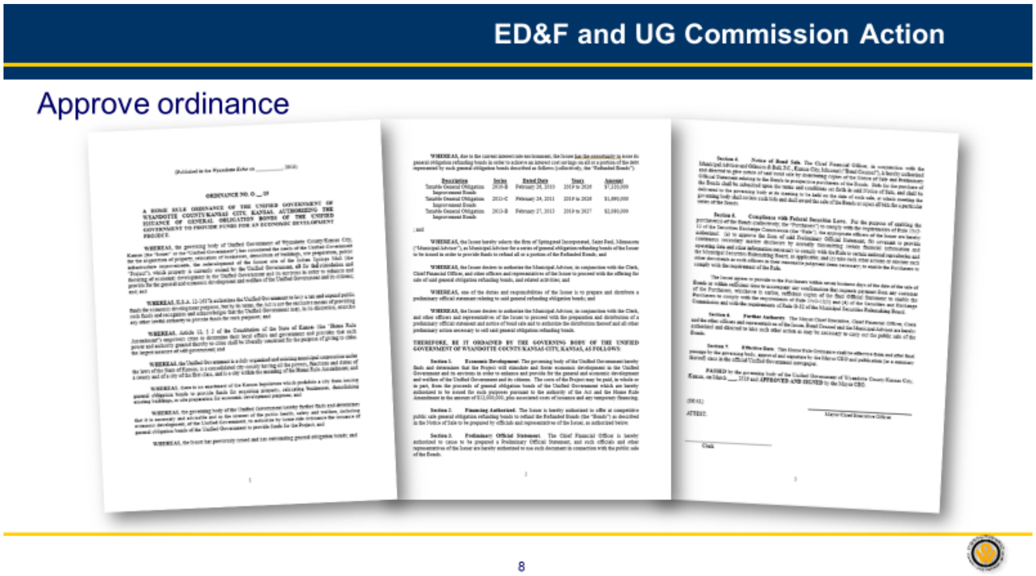
GO 2019-B Bonds Tentative Calendar

Action Items	Tentative Dates
UG Commission considers approval of ordinance authorizing projects/ the issuance of bonds	March 7
First draft of Preliminary Official Statement sent out to UG Staff and Gilmore & Bell for review	March 14
Draft of Awarding Resolutions provided to Springsted (to be included in the information sent to the rating agencies)	March 20
Posting of Preliminary Official Statement and application for rating forwarded to credit rating agencies	**March 21**
Credit rating conferences	Week of March 25
Form of Award Resolutions from G&B; Receive ratings	Week of April 8
Sale of obligations; Commission considers award of obligations	**April 11**
Distribution of Final OS and draft closing documents	April 18
Closing, settlement and receipt of funds	**April 30**
Redemption of Series 2010-B *	August 2020
Redemption of Series 2011-C *	August 2021
Redemption of Series 2013-B *	August 2023
**Advanced Refunding: new bond proceeds escrowed towards future repayment of current outstanding bonds*	

7

Here's the schedule for these bonds. The key points here are that we are posting the Preliminary Official Statement, with your approval of the bond ordinance. We plan on posting the Preliminary Official Statement in about two weeks. These dates have been uploaded to our bond link website. We're already getting the promotion with investors who may be interested in buying these bonds. We plan to do our credit rating conference calls on March 25. The sale is scheduled for April 11, and we plan to close on April 30.

Because it's an advanced refunding, how it works is the bond proceeds come in and they go into an escrow account. As the existing bonds maturity dates come up, then the escrow pays for that portion of the principal. That's why the redemption dates are in August 2020, 2021, and 2023. That's why it's advanced refunding.



We ask for your approval on the ordinance.   I do have our bond counsel here.

Commissioner Murguia said, Kathleen, you've done a great job on that. It looks like there is going to be some savings there which is fantastic. Just because this is such a large amount of money that we are refinancing, and it's been a long time that we've been paying back debt on this site, for the viewers and the taxpayers so they sort of understand what we're talking about when we talk about debt, just a very small history on this project. I believe this was even before my time when I served on the Commission.

For clarity, this Indian Springs site, correct me if I'm wrong, was taken by eminent domain. Correct? **Ms. Carttar** said portions of it, yes. **Commissioner Murguia** said portions of it were taken and the Unified Government actually purchased this property in an attempt to get control of it for redevelopment. Correct? **Ms. Carttar** said correct. **Commissioner Murguia** asked what year was that. **Ms. VonAchen** said I was just chuckling because I did previously have a slide with the history on here, but I took it out. It was definitely some time before 2010**.** **Ms. Jonscher** said it's 2007.

Commissioner Murguia said for 12 years, we've owned this property. We purchased it. We acquired it. We took it through eminent domain. For 12 years, we've tried to redevelop it. Correct? The reason that we're refinancing it and paying this large amount of money is because we've been unable to secure development for this site. Is that right? **Ms. VonAchen** said so far, yes.

Commissioner Murguia said in the best interest of transparency, I think the public needs to understand that somebody had a vision in 2007 and thought that taking this property and leveling it, we would be able to market it for redevelopment and that hasn't happened yet. As a result, we have to pay back the debt we have issued on this site. So, not to be negative, you've done a great job on the financing end of it, but I do think the public really needs to know that's a big amount of debt that we have, the fact that Indian Springs has not been redeveloped.

I understand this pending project is great, but we've had over my decade that I've served on the Commission, we've had many projects that have come forward, so just so we're very clear with the public on what's happening.

Ms. VonAchen said the existing debt is costing the Bond and Interest Fund, after the refinancing, $1.4M every year in principal and interest. **Commissioner Murguia** said I really appreciate that. Nobody wants to say that out loud, but sometimes I think we get up here and we speak in terms of really kind of fancy financial terms that the average citizen doesn't understand. Sometimes we do have to deliver not such great news. There was a vision, it didn't happen. We spent a lot of money. As a result of it still not happening, we are paying $1.42M in interest annually even though you have done a great job in trying to keep that interest rate down.

Commissioner McKiernan said everything that Commissioner Murguia has said is absolutely true in terms of the history of this. I want this project to come to fruition like we all do, but even if this project doesn't come, then the true savings here will still be realized by the Unified Government. We will still reduce our payback by refinancing at this point. **Ms. VonAchen** said yes.

Chairman Burroughs said in relation to the history of that place, most developments went through a recession. Most communities have been affected by the recession we went through. This is a very challenging site. Now, we have a development that brings promise to the district of additional jobs, so thank you for the work on that.

Chairman Burroughs said I do have a question in reference to the $12M. Kathleen, you've highlighted a little bit ago that it is a million shy of what the total is on the far right-hand column, the outstanding balance, and you're asking for a million more, the $12M. You stated it was for incidentals in the refinancing. Is that what I was to understand?

Ms. VonAchen stated how that works is investors, when they buy the bonds, they're willing to say—when you buy a bond, an individual, one bond is $5,000. Typically, we get institutional investors who buy these bonds. Investors, though, they like to see that higher coupon, but they're willing to pay more in proceeds. If they're going to pay a $5,000 bond, they're buying a $5,000 bond. That's the par value, but they want to have, let's say, a 5% coupon rate in the future for their portfolio so they're willing to pay more than $5,000 in exchange for that 5% coupon rate. As a result, it's sort of a marketing endeavor because investors just like to get a higher premium. They're willing to pay more for it. What happens is, we end up getting a larger amount of bond proceeds than the outstanding balance. That's why the $12M is greater than the subtotal of these three amounts.

The bond documents are set up so the amount that we're borrowing—the bond document states that higher amount, but when we actually go out and issue the bonds, we redo all the bond documents so we're only paying off the amount that we need.

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

Item No. 5 – 19622…RESOLUTION: KAW RIVER BANK TURKEY CREEK STABILIZATION (STORM WATER) GO TEMPORARY NOTES SERIES 2019-II

Synopsis: A resolution authorizing the sale of Series 2019-II General Obligation Temporary Notes to fund $7.5 million of project costs for the Kaw River Bank Turkey Creek Stabilization Storm Water Project, submitted by Debbie Jonscher, Deputy Chief Financial Officer. Prior GO Series 2019-I Temporary Notes authorized $2.5 million towards this project. Proposed resolution increased temporary notes proceeds to $10 million for this project to address total project costs. It is requested that this item be fast tracked to the March 7, 2019 full commission meeting.

2019-II TEMPORARY NOTES
Kaw River Bank Turkey Creek Stabilization Project
(Stormwater Utility)

Unified Government of Wyandotte County & Kansas City, Kansas

ED/F Standing Committee
March 4, 2019

1

Debbie Jonscher, Chief Financial Officer, said this is the second issue that Kathleen referred to as she started talking about the previous item. We are requesting authorization on a sale resolution for Series 2019-II Temporary Notes that would fund the Kaw River Bank Turkey Creek Stabilization Project. This is a storm water utility project.

RELATED PROJECT RESOLUTIONS

Public Works & Safety Standing Committee February 25, 2019, Item No. 6
Resolution: Amending 2019 CMIP Authorization
Future Action: Before Full Commission on March 7, 2019

Resolution: Amending the 2018-2023 CMIP; amending prior authorization of certain public improvements related to the Kaw River Bank Stabilization at Turkey Creek project (CMIP 963-5056) increasing the project costs from $5 million to $10 million; and expressing the intent to issue general obligation bonds and/or temporary notes to finance all or a portion of the costs of such improvements.

ED&F Committee, March 4, 2019: Item No. 5
Resolution: Sale of Municipal Temporary Notes GO Series 2019-II
Future Action: Fast-track to Full Commission on March 7, 2019

Resolution: Authorizing the sale of Series 2019-II General Obligation Temporary Notes to fund $7.5 million of project costs for the Kaw River Bank Turkey Creek Stabilization Storm Water Project. Prior GO Series 2019-I Temporary Notes authorized $2.5 million towards this project. Proposed resolution increases temporary notes proceeds to $10 million for this project to address total project costs.

2

To give you some background, here's some related resolutions that have gone through. Last week, Public Works took a resolution amending the 2019 CMIP authorization to the Public Works & Safety Standing Committee last Monday. This was to amend the CMIP and also amend the authorization for the project increasing the project from $5M to $10M, and expressing the intent to issue general obligation temp notes to finance all or a portion of the project. That resolution was passed by the Public Works Standing Committee to be forwarded to the March 7 full Commission meeting.

Tonight, we are here to ask for the approval of the resolution authorizing the sale of the municipal temporary notes in the amount of $7.5M for the project. I'll go into a little bit more detail on how we got to that amount.

UNIFIED GOVERNMENT • Wyandotte County • Kansas City, Kansas

2019-II TEMPORARY NOTES
Kaw River Bank Turkey Creek Stabilization Project
(Stormwater Utility)

Unified Government of Wyandotte County & Kansas City, Kansas

ED/F Standing Committee
March 4, 2019

3

KAW RIVER BANK STABILIZATION AT TURKEY CREEK (STORMWATER) PROJECT AUTHORITY

Amendment approved by Public Works and Safety Committee 2/25/19 Item #6 (Amending 2019 Project Authorization) are based off of the totals from the Original Adopted CMIP

- Original project authorization reflected below
- The Public Works & Safety Committee action increased the project by $5 million, for a total of $10 million.

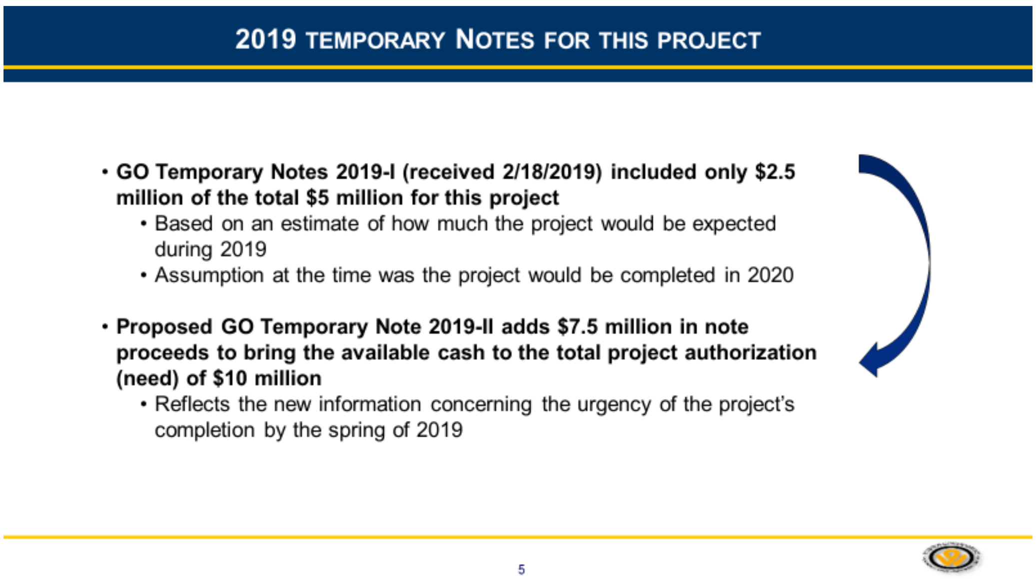
Sample of:

UNIFIED GOVERNMENT
2019 - 2023 Proposed Capital Maintenance Improvement Program (CMIP)
DEBT FINANCED PROJECTS

Project Type	New	MSF	CMIP	2018 Original	2018 Amended	2019	2020	2021	2022	2023	FY18-23
Storm Water Utility											
			5040 - 29th/Ohio Storm Sewer Reconst.	250,000	-	-	-	-	-	-	-
			5045 - 51st N of Cleveland RCB Replacement	500,000	500,000	-	-	-	-	-	500,000
			5046 - Stream Bank Stabilization Improvements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	600,000
			5048 - 77th & Troup 96" Storm Replacement	80,000	80,000	500,000	-	-	-	-	580,000
			5049 - Strong Ave Levee Pump Sta Flood Control	1,200,000	1,200,000	-	-	-	-	-	1,200,000
	☐		5056 - Kaw River Bank Stabilization at Turkey Creek	-	$\boxed{400,000}$	$\boxed{4,600,000}$	-	-	-	-	$\boxed{5,000,000}$
			5317 - Stormwater Enhancements	-	-	-	-	500,000	500,000	-	1,000,000
			Storm Water Utility Total	**2,130,000**	**2,280,000**	**5,200,000**	**100,000**	**600,000**	**600,000**	**100,000**	**8,880,000**

4

This is showing last year when the budget was approved last July, this project was in the budget. At the time, it was estimated to be $5M but couldn't get in, I think, to determine the full amount of work that had to be done on the project so they did estimate thinking it would be about $5M. As they determined, once the water levels decreased and they actually got in and took a closer look at the project, it was going to cost more than what they had estimated. That's the reason for the increase from $5M to $10M.



This project was included in the 2019-1 Temporary Notes that were sold in February. The project did have an authorization of $5M; however, we only included $2.5M in that total, I think, because based on those estimates, we were thinking this project might rollover into 2020 and we wouldn't need all the money upfront. It has since been determined that this project needs to be completed this spring, I think, to avoid future additional failures related to the wall. Now, we're coming requesting the additional $7.5M and a second temp note to get us to the $10M. Jeff Fisher, our Public Works Director, is here to give some additional detail on the project if needed.

KAW RIVER BANK STABILIZATION AT TURKEY CREEK (STORMWATER)

6

These were some pictures that were provided to the Public Works Standing Committee. This is the area, I believe, this is the area where the failure has occurred. This is a close-up picture. You can see—this was taken right after the wingwall failed and it is encroaching upon the railroad tracks. There is some urgency to get this project fixed, I believe, before the river levels rise again and get this corrected before anymore damage occurs.

TIMELINE OF EVENTS, STAKEHOLDERS AND REVISED PROJECT ESTIMATES

- Timeline of Project Events
  - July 2014 - Small hole in Wingwall brought to our attention
  - 2015-2016 - Design of repair, monitoring efforts, construction cancelled
  - August 2017 - After 2 consecutive rain events, wingwall & floodwall failed. Emergency Stabilization. Applied for FEMA funding
  - 2017-2018 - CMAR design of repair, FEMA funding denied, began FEMA appeal process
  - 2019- Phase I construction began week of Feb 11
- Stakeholders include (potential outside funding sources being pursued):
  - UG, BNSF, KVDD, COE, KCMO
- Revised Project Cost Estimate – ALL FROM STORMWATER UTILITY FUND:
  - CMAR (Construction-Manager-At-Risk) (Designer & Contractor)
    - ✓ Construction $8,763,000
    - ✓ Additional Design/Permits/Contingency: $1,237,000

7

This is a timeline of the project events. Back in 2014 there was a—they found a small hole in the wall and they've been monitoring it. August 2017, the wingwall and the floodwall failed. They did apply for FEMA funding. That funding was denied; however, they have appealed that process and are waiting to hear back on that.

Now that they've gone in there, they've revised project estimates. We're looking at construction costs just a little under \$8.8M with a contingency of about \$1.2M, which totals the \$10M that we're asking for as part of the temp note.

Kathleen VonAchen, Chief Financial Officer, said I did want to add something that I meant to point out. The UG administration, including the County Administrator's Office and Public Works, are in conversation with not only—specifically with KCMO to discuss some cost-sharing arrangements. They've been fairly receptive, but at this point, we're not 100% sure how much that's going to be.

This project is actually—we're asking for the full amount of the project costs at this time. We expect that the amount that the UG will be responsible for paying for is some lesser number than the \$10M, just so you know, a sizable less number than the \$10M. If Jeff wants to add anything to that. **Jeff Fisher, Executive Director of Public Works,** said no, you all did a great job.

DOWNSTREAM WINGWALL REPAIRS

Proposal

Line No.	Pay Item No.	Description Subtotal Description	Quantity	Unit of Measure	Unit Price	Total Price
1	001	MOBILIZATION	1.00	LS	735,000.00	735,000.00
2	002	SITE PREP PREPARE STAGING AND LAYDOWN AREAS	1.00	Each	94,002.65	94,002.65
3	003	SITE PREP DEMO WALL	1.00	LS	40,993.41	40,993.41
4	004	BUILD WORK PAD FOR DRILLED SHAFT INSTALLATION	5,544.00	Ton	36.30	201,247.20
5	005	INSTALL SHEET PILE	315.00	LF	1,367.60	430,794.00
6	006	COMMON EXCAVATION	925.00	CY	17.55	16,233.75
7	007	EXCAVATE FOR GUIDEWALL	280.00	CY	17.55	4,914.00
8	008	CLAY BACKFILL FOR GUIDEWALL	300.00	CY	42.83	12,849.00
9	009	INSTALL DRILLED SHAFTS	1.00	LS	2,679,413.28	2,679,413.28
10	010	PURCHASE AND INSTALL RE-STEEL	68.00	TN	3,095.25	210,477.00
11	011	INSTALL TIE BACK ANCHORS	1.00	LS	1,096,855.35	1,096,855.35
12	012	INSTALL CONCRETE CAP FOR DRILLED SHAFT WALL	112.00	CY	836.08	93,640.96
13	013	BACKFILL CONCRETE CAP TO GRADE	608.00	CY	35.10	21,340.80
14	014	INSTALL CLF ON TOP OF CONCRETE CAP	88.00	Each	57.80	5,086.40
15	015	INSTALL AGG SURFACE LANDSIDE OF CAP	500.00	Ton	39.47	19,735.00
16	016	REMOVAL OF WORK BENCH	5,108.00	CY	32.90	168,053.20
17	017	EXCAVATE FOR RIPRAP	1,176.00	CY	32.90	38,690.40
18	018	INSTALL RIPRAP BEDDING	500.00	TN	34.25	17,125.00
19	019	INSTALL 36 IN RIPRAP	1,940.00	TN	34.61	67,143.40
20	020	RESTORATION OF FLOOD WALL ACCESS	2,000.00	TN	26.58	53,160.00
21	021	RESTORATION OF RAILROAD ACCESS	2,000.00	TN	26.58	53,160.00
22	022	PURCHASE RAILROAD PROTECTIVE INSURANCE	1.00	Each	63,710.50	63,710.50
23	023	QC TESTING	6.00	Month	32,839.99	197,039.94
24	024	GENERAL CONDITIONS	1.00	Each	318,552.50	318,552.50
25	025	CONTINGENCY	1.00	Each	318,552.50	318,552.50
					Subtotal:	6,957,770.24
					Running Total:	6,957,770.24
					GRAND TOTAL:	6,957,770.24

Ms. Jonscher said these next two slides just give a breakdown of the costs. I believe the downstream wingwall repair is the current repair that needs to be done, which is about \$7M. This kind of details all of those costs.

UPSTREAM WINGWALL REPAIRS

Line No.	Pay Item No.	Proposal Description Subtotal Description	Quantity	Unit of Measure	Unit Price	Total Price
1	001	MOBILIZATION	1.00	LS	226,791.45	226,791.45
2	002	SITE PREP PREPARE STAGING AND LAYDOWN AREAS	1.00	Each	35,990.38	35,990.38
3	003	SITE PREP DEMO WALL	1.00	LS	41,419.13	41,419.13
4	004	BUILD WORK PAD FOR SOIL ANCHOR INSTALLATION	5,905.00	Ton	36.30	214,351.50
6	006	COMMON EXCAVATION	313.00	CY	24.48	7,662.24
8	008	IMPORT AND PLACE SOIL BACKFILL	1,325.00	CY	42.84	56,763.00
9	009	INSTALL SOIL ANCHORS	1.00	LS	594,066.13	594,066.13
10	010	PURCHASE AND INSTALL RE-STEEL	2.00	TN	3,095.95	6,191.90
12	012	INSTALL CONCRETE FOR GOUND ANCHOR END CAPS	1.00	LS	68,089.88	68,089.88
14	014	INSTALL CLF ON TOP OF CONCRETE CAP	88.00	LF	61.14	5,380.32
15	015	INSTALL AGG SURFACE LANDSIDE OF CAP	500.00	Ton	39.48	19,740.00
16	016	REMOVAL OF WORK BENCH	3,192.00	CY	32.91	105,048.72
17	017	EXCAVATE FOR RIPRAP	998.14	CY	32.91	32,848.79
18	018	INSTALL RIPRAP BEDDING	500.00	TN	34.26	17,130.00
19	019	INSTALL 36 IN RIPRAP	1,846.57	TN	34.61	63,909.79
20	020	RESTORATION OF FLOOD WALL ACCESS	500.00	TN	26.58	13,290.00
21	021	RESTORATION OF RAILROAD ACCESS	500.00	TN	26.58	13,290.00
22	022	PURCHASE RAILROAD PROTECTIVE INSURANCE	1.00	Each	31,862.39	31,862.39
23	023	QC TESTING	1.00	Month	34,740.66	34,740.66
24	024	GENERAL CONDITIONS	1.00	Each	108,332.15	108,332.15
25	025	CONTINGENCY	1.00	Each	108,332.15	108,332.15
					Subtotal:	1,805,230.58
					Running Total:	1,805,230.58
					GRAND TOTAL:	1,805,230.58

CONSTRUCTION TOTAL: $8,763.000

Then we also have upstream wingwall repair which while they're doing the other repair, they want to go in and repair this portion. They believe there's the potential for this portion to also fail, so rather than just fixing the current one and having an additional expense when this portion fails, they want to fix it all at the same time. That's where they get the $8.7M for the repairs.

GO 2019-II Temporary Tentative Calendar

Action Items	Tentative Dates
UG Commission considers approval of resolution authorizing projects/ the issuance of temporary notes	March 7
First draft of Preliminary Official Statement sent out to UG Staff and Gilmore & Bell for review	March 14
Draft of Awarding Resolutions provided to Springsted (to be included in the information sent to the rating agencies)	March 20
Posting of Preliminary Official Statement and application for rating forwarded to credit rating agencies	March 21
Credit rating conferences	Week of March 25
Form of Award Resolutions from G&B; Receive ratings	Week of April 8
Sale of obligations; Commission considers award of obligations	April 11
Distribution of Final OS and draft closing documents	April 18
Closing, settlement and receipt of funds	April 30

10

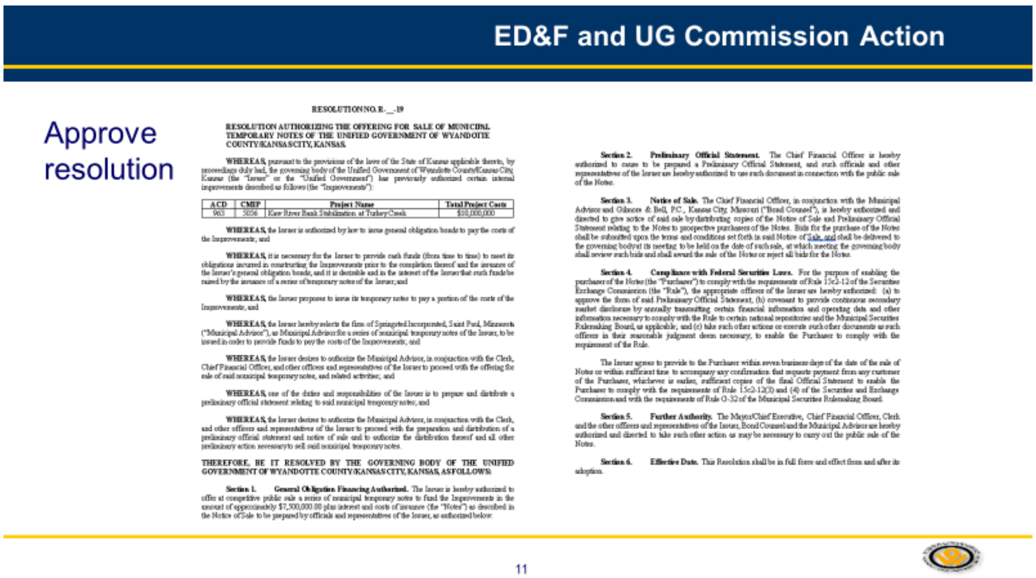
This is a timeline and coincides with the timeline on the bond issue showing you that we are requesting that this be fast tracked to the March 7 full Commission meeting so we can start preparing the official statements prepared and with the sale occurring on April 11.

Commissioner McKiernan said historically, we have spent—and this was really before and right as my time on the Commission started, but we've spent a considerable amount of money on Turkey Creek flood control stabilization projects or one big project that came in chunks. Is this any part of that or is this in addition to what we have previously done? **Jeff Fisher, Executive Director of Public Works,** said this would be in addition.

Commissioner McKiernan said logistically, I'm trying to look it up on the map here. I guess Metropolitan Road comes to a gate at this point in time. You can't get past it. I can't just look, but where is this? If we could go back to the map, where is the work we previously did in comparison to this failure of this wingwall?

Mr. Fisher said it would be south of I-35, upstream of that. They are currently in here and upstream of that. **Commissioner McKiernan** said that is just to the east of 7th St. turning into Rainbow Blvd. then. **Mr. Fisher** said right.

As Debbie and Kathleen said, we're still pursuing FEMA reimbursement then also working with KCMO as well. We have an agreement, we believe. **Commissioner McKiernan** said our hope is that we can recover at least maybe a portion of this from KCMO because ultimately, they are downstream of this, but that's speculative at this point. **Mr. Fisher** said right. **Commissioner McKiernan** said we've taken our original $5M CMIP authorization and we're adding $5M to it hoping, and we're going to prepare to bond all $10M hoping that, ultimately, we can get refunded a portion of that. **Ms. VonAchen** said well, it's a temp note. They're going to spend it all and they're hoping to spend whatever they have to spend by spring because they really need to get this project done fast.



Action: **Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve.**

Chairman Burroughs said thank you for that clarification. As you can tell, the committee has worked hard to try to come up with debt reduction. This was just one of those. **Ms. VonAchen** said although it's a general obligation bond, the revenue is coming from the storm water utility, not property taxes.

Chairman Burroughs asked should we be reimbursed by FEMA, will all parties be reimbursed accordingly by their contribution level. Does this hamper us? Does this weaken our position to go in and negotiate additional assistance in remedying this issue with those other entities that were mentioned? **Mr. Fisher** said I believe all parties would be reimbursed. I don't think it weakens our position though. **Ms. VonAchen** said I think the FEMA reimbursement is a result of a rain event. Right? It's like an emergency relief.

Chairman Burroughs said I'm quite aware of the issue. My concern is I'd like to see us get the best negotiated position we possibly can in addressing this issue. If under the emergency status that we're putting in the $10M to remedy this, all of a sudden, it's nobody else's problem. Anything that may have contributed to that beyond us, it's been remedied. I'm just trying to be a good steward of the city's money to ensure that we put our staff in the best negotiation position to have the fare share paid by those that share some responsibility. **Mr. Fisher** said we're doing all we can. The repair must happen this spring. That's our big drive right now. **Chairman Burroughs** said it still needs to be remedied.

Commissioner Murguia said I think that what we've been trying to do, what you've been trying to do up to this point, is to play nicely with others who this affects and who has been a part of this issue; to meet with them and kind of get them involved and try to build some consensus around how we all are going to take responsibly for this and all going to pay for this. I know you're working hard at that because we've met in regard to that. Hopefully, people will rise to the occasion. If not, I would hope that we would, our government, would seek out legal counsel to potentially help us with that.

As I look at this slide and look at the damage that's done, there is a party on the other side of this damage that you would think would have a big interest in seeing this situation resolved. How cooperative has the railroad been? **Mr. Fisher** said they've been very cooperative. We hope they'll help us lobby state and FEMA for reimbursement. We've shared information with them to help us do that. I have a call tomorrow morning with BNSF. **Commissioner Murguia** said that's great because if we had to shutdown that rail it would be—**Mr. Fisher** said millions of dollars a day. **Commissioner Murguia** said it would be millions of dollars a day. Thank you, Jeff. I knew you were doing a great job.

This is in my district so I am briefed on it as often as Jeff can brief me on it. I've been here long enough to know the history of it. Thank you all for your hard work.

Roll call was taken on the motion and there were five "Ayes," Bryant, Murguia, Townsend, McKiernan, Burroughs.

Adjourn

Chairman Burroughs adjourned the meeting at 6:17 p.m.

tk