Economic Development and Finance
Standing Committee Meeting Agenda
Monday, October 28, 2019
Immediately upon adjournment of earlier committee.

Location:
Municipal Office Building
701 N 7th Street
Kansas City, Kansas 66101
5th Floor Conference Room (Suite 515)

Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Gayle E. Townsend	☐
Commissioner Ann Brandau-Murguia	☐
Commissioner James Walters	☐
Jeff Bryant, BPU Member	☐

I. **Call to Order/Roll Call**

II. **Revisions to October 28, 2019 Agenda**

III. **Approval of standing committee minutes from August 19, 2019 and September 9, 2019.**

IV. **Committee Agenda**

Item No. 1 - REPORT: THIRD QUARTER INVESTMENT

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

For information only.

Tracking #: 191013

Item No. 2 - RESOLUTION: ISSUANCE OF IRB'S FOR PQ CORPORATION

Synopsis: Resolution of Intent to issue IRB's in the amount not to exceed $100,000,000 for the benefit of PQ Corporation. An IRB Application was submitted by PQ Corporation for sales tax exemption for acquisition, construction, improvements and equipment for the industrial facility expansions located at 1700 Kansas Avenue, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 191016

Item No. 3 – UPDATE: LEGENDS PARKING GARAGE & APARTMENT PROJECT
Synopsis: Update on the progress being made by Legacy Development on the Legends parking garage and apartment project, submitted by Katherine Carttar, Director of Economic Development.

For information only.
Tracking #: 191017

V. **Public Agenda**

VI. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, September 9, 2019

The meeting of the Economic Development and Finance Standing Committee was held on Monday, September 9, 2019, 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 (via phone), Bynum on behalf of Townsend, McKiernan; and Jeff Bryant, BPU Board Member. Commissioner Townsend was absent. The following officials were also in attendance: Alan Howze, Emerick Cross, and Melissa Sieben, Assistant County Administrators; Patrick Waters, Senior Attorney; Kathleen VonAchen, Chief Financial Officer; Katherine Carttar, Director of Economic Development; and Jay Doleshal, Sergeant-At-Arms.

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

Approval of standing committee minutes from July 8, 2019. **On motion of Commissioner McKiernan, seconded by Commissioner Walters, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Chairman Burroughs said we have an agenda item this evening regarding the Midtown Redevelopment District. This item consists of three parts. Each part requiring a separate action this evening.

Item No. 1 – 19934…MIDTOWN REDEVELOPMENT/FOODIE PARK

Synopsis: A proposal to redevelop the former Indian Springs shopping center at 47th and State Avenue into a 266k sq. ft. food service center, at least 3 retail pad sites along State Avenue and up to an additional 45k sq. ft. of commercial users, and a 60k sq. ft. office building which will serve as the headquarters of Scavuzzo's who is the developer of this project.

Project anticipates completion of the food service center in 2021 with the other projects being completed in subsequent years.

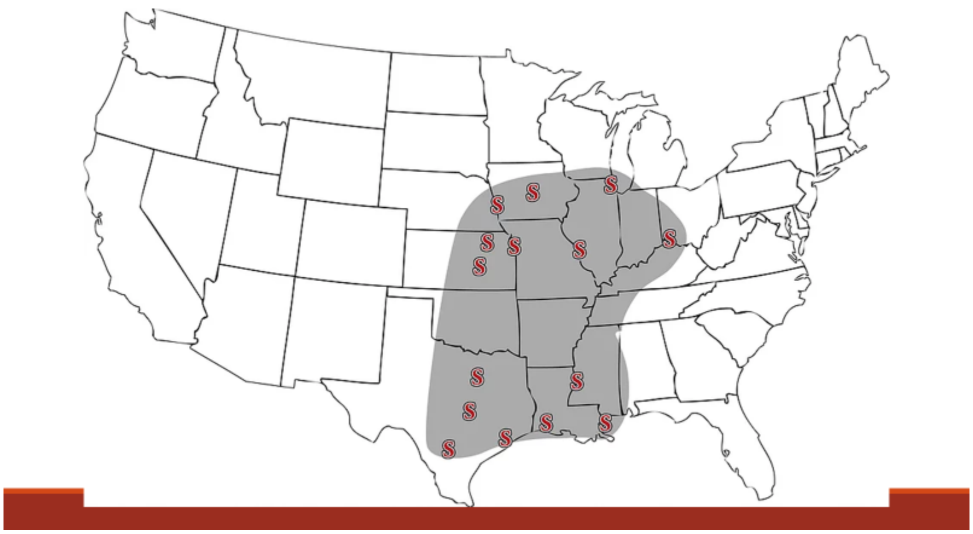
Action:

1. Ordinance approving development agreement and home rule economic development sales tax rebate
2. Ordinance approving:
   a. Division of the Midtown Redevelopment District into four redevelopment project areas
   b. Amend the redevelopment TIF district plan
   c. Adopt TIF Project Area 1 Redevelopment Project Plan
3. Resolution of intent to issue sales tax construction IRBs in an amount not to exceed $20M

Katherine Carttar, Director of Economic Development, said first, I just want to refresh everyone's memory. We originally heard this back in July. There are a few items that the Commission requested that we review. We have done so and are coming back for your approval hopefully. One of the things I would like to say, we have a presentation and there are three items that will need different actions. I would request that we kind of look at those not as one. They have to be voted on separately. I'll kind of go through the presentation and then take those one at a time, if that works for the committee. I will turn it over to Rich Scavuzzo for our presentation.

Richard Scavuzzo, CEO of Scavuzzo's Food Service, said I'm really excited to make this meeting. I apologize for not being at the last one. I serve on a board and I could not get out of that board meeting. With that being said, we're really excited to share our vision for KC Foodie Park, the old Indian Springs site. I think it's pretty important to point out where we started this process, which was a lot different than where we ended. I believe what we're presenting tonight is a far better collaborative picture of what this site should have on it than what we had originally thought of on our own. A lot of the recognition goes to this committee, the Economic Development team, which we started with Jon Stephens and Greg Kindle, and then finished with Katherine and Doug Bach has been instrumental in everything that you guys will see tonight.

I wanted to start with Scavuzzo's where we have come from. Kind of a brief history of how long we've been in business, how many generations work for us, and our love for the city. I'm part of the fourth generation. My mom, who is actually here tonight as well, she is the owner; 100% owner of Scavuzzo's, which makes us a woman-owned business enterprise. I have all of my siblings in the picture as well. They are all active in the business. There's five of us and yes, my mom had her hands full. We've been in business—we have several different businesses, but we've been in business for a little over 100 years. Our fifth generation just started in the warehouse, which are my two boys, and we are very happy to have them be part of the company.



We specialize in food service distribution so into a lot of the independently-owned restaurants here in Kansas City. We've expanded to a 14-state regional distribution hub now. You can see some of the states that we supply to, kind of a single DC. We key on local businesses for the majority of our customer base. The regional distribution is more the multi-unit. 54th Street Bar & Grill takes us to a lot of those other locations. Then we have a large casino segment that we also supply to. That's what most of the stretch distribution is done for.

The majority of our business is done here in Kansas City and to local, independently-owned restaurants which plays a part in what we're trying to put this plan together to key on.

More than a year and a half ago, we approached, I believe, it was the Economic Development Committee with a job to help us find our new home, which at that time we were just looking for land. We came across several places that we looked at and then really fell in love with the Indian Springs site and thought it would be a perfect distribution site for us. We started talking about making the whole thing a distribution facility. I quickly learned that the EDC had better plans for the property. We started negotiating on what it would look like to have more than just Scavuzzo's distribution on there.

Part of that discussion was the city gave us a survey that the neighborhood did for what they wanted on the land and that included: retail, it included restaurants, some mixed-use so that surrounding neighbors would also have a benefit from the project. That was the start of the first negotiation that we had with the UG.

We really feel like this was—what we came up with is a very good compromise that hits on every single point that everybody made thus far. I'll go over the site plan now. We had it segregated into four different phases. First phase being the distribution and solar field. It's in the yellow there. The solar field is just south of that just off the screen. What we plan on putting here is a state-of-the-art distribution facility, an order fulfillment facility, utilizing the new technology that hasn't really been in our industry, the food service industry yet. I think that's important to realize because this will be the first in the nation to utilize this technology right here in Kansas City. It being an almost fully automated facility utilizing cranes and auto pick technology that's available to us now and something I think that we can be very, very proud of.

Phase II is the top three red dots. That is going to be our retail, restaurants and convenience store segment. What we really want to key on in this whole site is independently-owned, locally owned partners. I think that's been our focus because that's who our customers are, that's who we interact with all the time. That's been our focus from day one is if we're going to do this more than just distribution, we want independently, locally-owned restaurants and other retailers to be part of this site. I think that's really what's going to bring the community together and make this successful

Phase III is what we'll call the second row. That's going to really focus on it's more of a flex row. It's more restaurants, small format, grocery, possibly a hotel, food service-related business. Examples would be like meal prep type partners that we currently sell to. We really want to get into that second row and expand and utilize not only the retail side of it, but also reaching out into Kansas City a little bit further than Wyandotte County. That's basically Phase III.

Phase IV would be the large red dot in the middle and that would be our future office headquarters. What we plan on doing in that office building there is moving our world headquarters for Scavuzzo's into that facility along with making the first level a state-of-the-art test kitchen and running culinary programs out of there so that we can engage with the youth of Wyandotte County and get them into our industry.

We try to break it down into the benefits to the UG and the community. I think just a few bullet points on that.

Unified Government / Community Benefits

- Activating a highly visible gateway site
- Restaurants/Retail/Services to the neighborhood
- Igniting State Avenue redevelopment east/west
- Construction investment ($33 million) and significant jobs
- Long-term jobs (68 jobs relocated initially & 70 new jobs created at Food Service Center)
  - Partnership with Wyandotte High School
  - New jobs created for the retail and commercial areas

Activating the rebirth of a highly visible gateway site is obviously everyone wants that to be accomplished. There's been some different opinions on what that looks like, but I believe that our plan is the closest to the best compromise that we can make with everyone that's involved and all the agendas that we have.

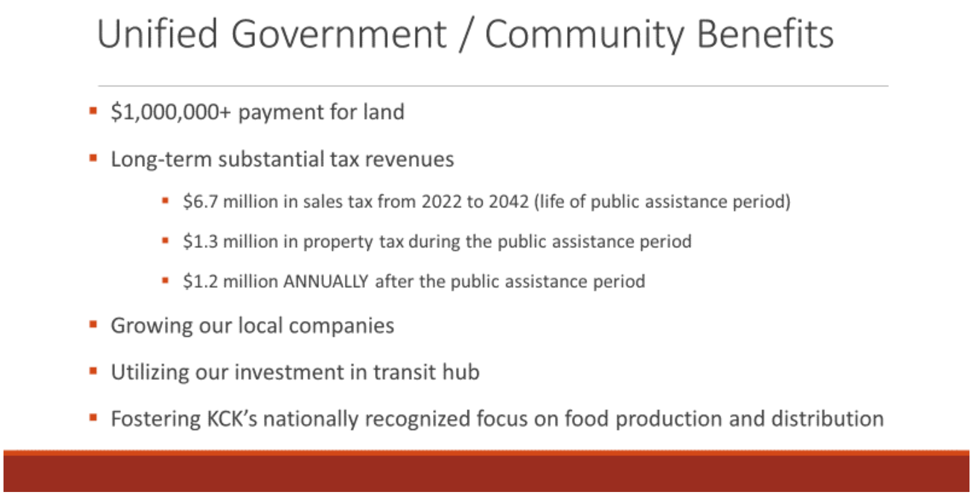
More restaurants, retail and services for the neighborhood. We want to bring local, very visible restaurants, Kansas City-based restaurants that can pull from miles around instead of what most restaurants do and they just focus on the adjacent neighborhoods. For this site to be successful, we believe that we have to have some of the most well-known Kansas City-based restaurants so that we're pulling from Front St. and some from downtown and making an impact on the type of restaurants that we're bringing in here, especially for that Phase II right along State Avenue.

This is another thing that I feel very strongly about. The UG made a commitment to the Legend's area and we've seen what that commitment has done for the surrounding area to the Legend's and it just keeps on spreading. I believe that's on the other side of State Avenue and now let's light the fuse on the east side. I think this is a project that has all the things that is needed to light that fuse and to start revitalizing from that end of State.

Jobs, this is a pretty big one. Just the construction of Phase I alone is bringing bids of $40M to the local participants just in the construction. That's what we've earmarked toward those local businesses. Just the construction of Phase I should impact the local community to around $40M.

Ongoing employment for Phase I. We anticipate hiring around 30 new jobs the first year and another 70 jobs over the first five years. The types of jobs we're creating is another thing. Because of the technology that we're installing, these aren't minimum wage jobs. I believe we looked at it today and the average pay was around $30 for the jobs—$30 an hour for the jobs that we're creating.

We started our program with Wyandotte High School approximately a year and a half ago and that's gone very, very well. We just graduated three of our first hires are five kids for our afterschool work program. Three of those five graduated last year. Two of them went on to college and one of them wanted to continue to work with us. We actually had to talk him into going to college. We told him we'd always be here for him to come back to, but he just really liked the distribution side of things. We're working with him for his college needs and hopefully he comes back educated, college educated, and ready to commit to Scavuzzo's. We've had really good success with that and we want to do more of that in the future.



This last round of negotiations, we agreed to pay a little more than $1M for the land. The long-term substantial tax revenues you can see on the board there. I don't know if you need me to read those to you or not, but we're going to grow our local companies, utilize our investment in the trans hub. That's another important piece of this puzzle with that trans hub being on property. We feel that's a very good resource for us as well as the other businesses that will be on property.

There are four phases. Phase I and II we are ready to start on right away. With that being said, Phase I, we want to start construction in Q4 of this year, which is obviously right now.

Phase II, we will start marketing right away after, obviously, the Board approves the project.

Phase III, I believe, starts within the first two years of closing Phase I.

Phase IV, we built in a little more time as far as the agreement, but our intentions are to start on it a lot faster than what the maximum projections are. I do not remember what the maximum projections are, but I know it's pretty far out there. We just want to make sure that if there's any kind of delay, we built in a little bit of safety factor for us. Our intentions are, what we're thinking right now is about three years after the start of construction of Phase I.

With all of that being said, this has been a very interesting project to work on. I've never worked on anything that has had so much government involved and citizens involved. The process has been enlightening. We're just really proud of the project plan that we put together, and we're ready to move forward if you guys are.

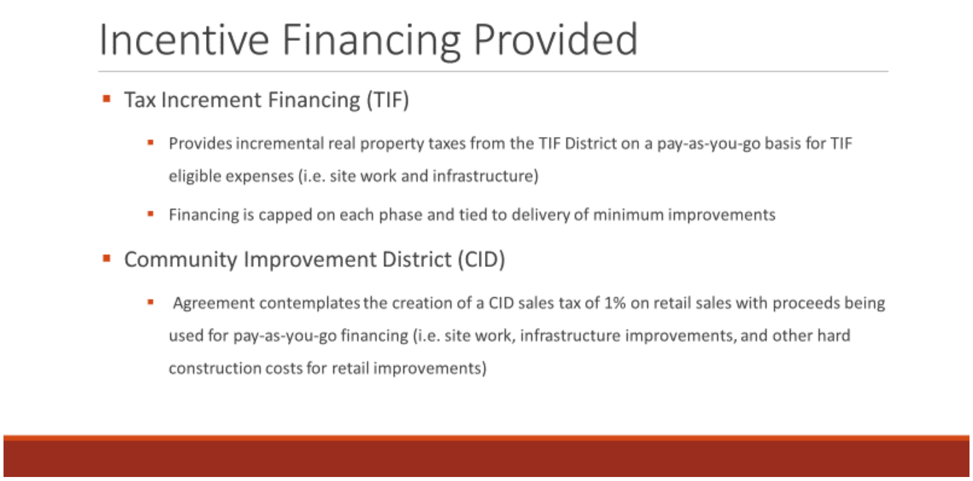
Ms. Carttar said now it's my turn to go through some of the less exciting stuff. I first really just want to hit two more bullets right here. One of the things that we have talked about a lot is the Wyandotte County workforce. We have such a tremendous number of people who are looking for great, quality jobs. To have a business like this add a minimum of about 140 jobs right off the bat, right in the center of our community, right on a transit hub, right on State Avenue bus line, which is our heaviest used bus line, this kind of brings in a lot of things that we have been talking about and hits a lot of the community goals that they have been requesting.

Additionally, the fact that Scavuzzo's has been in KCK for many years. They've been renting, which is great. We take all. The fact that they are wanting to own something, to build something and really sit down incredibly long-term roots. This is not something that you build just for a few years. This is a substantial investment and one that we are excited to see our local companies growing.

Phased Schedule & Investments

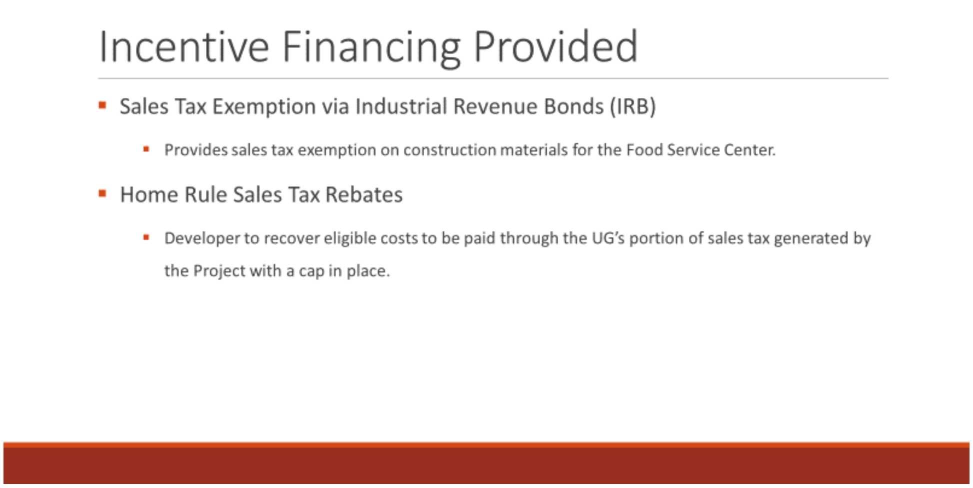
Phase	Investment	Square Footage	Construction Start	Completed
I. Food Service Center	$110,000,000	266,000	12/31/2019	12/31/2021
II. Retail Improvements	$5,000,000	12,000	07/15/2021	12/31/2022
III. Additional Commercial Buildings	$7,000,000	30,000	07/15/2022	12/31/2025
IV. Office Building	$18,000,000	60,000	07/15/2024	12/31/2026

With that, as Rich discussed, there are a number of different—each of these phases have different time periods. We were very specific in the development agreement with minimums of the square footage investment. Most of these are spelled out in the development agreement. A couple of them are what we anticipate. One of the things that is really important is the fact that to get the maximum amount of public assistance that we've been talking about, they have to hit every single one of these deadlines as well as build everything. If something were to happen and the numbers that we're talking about—again, if everything goes according to plan, which is what we expect and desire, then we get a pretty great mixed-use development that has everything from lots of great jobs to retail to office so we're pretty excited about that.



Just kind of going over what the public assistance would include. There is TIF, so that's incremental real estate property tax. This is a pay-as-you-go. These are not UG backed bonds or anything like that. It's all pay-as-you-go. Again, this is all capped for each phase. The largest amount of increment available is with that first phase, with that food service center. We will not allow Scavuzzo's to reach that cap until they do some of the other things that we kind of see as really the community needs such as the retail and the commercial. Everything is tied to delivery of a very specific minimum improvement.

There is also a community improvement district. This is, again, pretty similar to any that you've seen elsewhere. Again, pay-as-you-go and for site work, infrastructure, some are eligible expenses.



As well as sales tax exemptions via industrial revenue bonds. Again, it's something we see fairly frequently in these types of projects because it's just kind of a somewhat easy one for us because we are right in the middle of the country so a lot of construction materials are not actually purchased here. It ends up actually being we're kind of giving away other states taxes which makes that one a little easier for us because it's not really our money that we're giving away.

Finally, a home rule sales tax rebate. This is a portion of the UG's portion of sales tax generated would go to reimburse eligible expenses. There is also a cap in place with this.

Project Assumptions

	Investment	% of Total
Total Project Cost	$140,210,023	75.3%
Maximum Public Assistance	$34,700,000	24.7%

Maximum Public Assistance:
- Only future development tax dollars – No general fund contribution or UG-backed bonds
- Over a 20 year period
- Only achievable if all phases are built and within the time frame

Other Tax Revenue:
- $6.7 million in sales tax during public assistance period
- $1.3 million in property tax during public assistance period
- $1.2 million ANNUALLY after the public assistance period

The project assumption; is the total project cost would be about $140M. Again, if absolutely everything is hit in the right time, built to all the standards, then the maximum public assistance is about $34M. We have, it's spelled out in the document in the development agreement that no more than 25% of the project can be used with public funds. As you can see, they would have to remain under that threshold.

I also want to mention that this is only future development tax dollars. This is not, no general fund contribution. No UG backed bonds on this number. It's a big number, but it's also over a 20-year period and again, only achievable if all phases are built and built within the timeframe.

While that is one side of it, the other side are all the community benefits that Rich went over earlier when we're talking specifically about tax revenue. I just want to hit these again. During that 20-years that we're talking about, that 20-year period, this is, I think, a pretty conservative number in terms of sales tax, but about $6.7M in sales tax will come to the UG. This is the UG portion, not total. $6.7M in sales tax. $1.3M in annual property tax. At the end of the 20-years, that's where the big money comes in. That's about $1.2M annually in property tax. We look at this as hitting a lot of the goals that we've been wanting to hit for this development in this property. This is bringing us consistent tax dollars throughout the life as well as being a pretty diverse project, mixed-use that has a lot of the community goals that have been stated. These are some of the project highlights and then, of course, the three action items that we request you review tonight.

Chairman Burroughs asked are there any questions from the committee?

Commissioner McKiernan said thank you all for being here tonight. I have heard in some private conversations with you of your passion for this business, for this industry as well as your business. I appreciate that and you bringing that forward. I just want to go through a couple of the things to make sure that I am understanding. You're going to transfer the jobs you currently have at your other facility. They'll move here when construction in Phase I is complete. Then you're anticipating adding about an equal number of new jobs once the construction is complete. Is that correct? **Mr. Scavuzzo** said the first year we'll add about 30 new jobs and then another 70 over the next five years.

Commissioner McKiernan said you also mentioned that we will also have folks who are going to be employed for the construction of all four phases. Although you don't control that, you can't quantify that, this project will drive those jobs through construction. **Mr. Scavuzzo** said correct. That's just the jobs for Phase I. It's not including Phases II, III, and IV. **Commissioner McKiernan** said if we move ahead to Phases II through IV, there will be additional construction jobs that will be generated when those individual projects go through completion. **Mr. Scavuzzo** said correct. **Commissioner McKiernan** said again, although you don't necessarily control it, you would anticipate that in Project Area II there would be additional jobs generated by those retail establishments. **Mr. Scavuzzo** said absolutely. I just want to make sure that everyone knows that the jobs that we figured, are just the jobs that we control. Obviously, they're going to need people to work at those other establishments.

Commissioner McKiernan said one of the other things that I wanted to go over was just to confirm, we've broken this into four project areas. We retain ownership of all of that property until such time as an individual segment, Project I, Project II, Project III, Project IV is ready to go. We don't transfer ownership of all this property at once. It just goes in the chunks as each project is ready to go. Is that correct? **Ms. Carttar** said that's correct.

Commissioner McKiernan just, again, to confirm in terms of sales tax, of course, this property generates no sales tax today, so all of the base sales tax would come to us. You've added a 1% CID which would go toward the project itself, but all the base sales tax would come to us as per normal. **Ms. Carttar** said correct. There is a small portion that would go back to some of the improvements through Scavuzzo's. It' about 2/3 of it would go to the UG and about 1/3 of that 2.6. **Commissioner McKiernan** said as soon as ownership of each of the four project areas is transferred, you'd start paying property taxes on the base. Although, the increment would go toward the project, you'd start—we would begin collecting—we're collecting zero today. We would begin collecting property tax on the base starting with the day of transfer of each individual project area. **Ms. Carttar** said yes. That's 6.7% and that $1.3M that you see right there, that is money that we are not collecting right now. That would all be new money that we would be getting during the 20 years of the public assistance period. **Commissioner McKiernan** said thank you very much.

Commissioner Bynum said I have a question. Mr. Scavuzzo, I thought you said your mother is here. **Mr. Scavuzzo** said she is. **Commissioner Bynum** said I'd really like to meet her. I'm pretty excited to have a KCK company that wants to stay and more than double in size and bring a $140M development back to the community where you've been, I think, for almost 100 years if I'm not mistaken. **Mr. Scavuzzo** said we've been in Kansas City for almost that amount of time. We were on the Missouri side for quite a while. **Commissioner Bynum** said double the number of jobs that you currently have and while I'm really happy about your new production and distribution facility, as well as your potential new world headquarters, those are fabulous. I'm equally excited about the retail and service that you might bring obviously up to the State Avenue area.

I'm also really excited about the solar piece and the technology that you were speaking of. I don't want to misunderstand it, but I made a note about that being the first of it's kind in the nation. I wonder if you're talking about the solar technology piece or the automation piece within your food service building, or maybe it's both. **Mr. Scavuzzo** said it's a little bit of both. Our goal was to be a zero-consumption facility, so we'd be producing as much electricity as we're using. We're also, right now we're slated for a gold LEED standard. We're trying to get to platinum. We're only a few points away. Hopefully we can get there. Really, the technology inside the distribution center is state-of-the-art.

Commissioner Bynum said so with regard to the training program that you're doing through Wyandotte, you're helping us help our young people be job ready. They may go somewhere else. They may go to our KCKCC Tech Center and have a certification program that they're in, or they may stay with you, but none-the-less, you're helping them gain a skill that could be taken to a whole variety of places anywhere else they may want to go in that kind of work world. **Mr. Scavuzzo** said absolutely. They become very valuable with what we're teaching them. **Commissioner Bynum** said I really don't have a lot more questions, but I did want your mom to stand up again and at least come to the microphone and just tell us a couple of little things about why you are so excited about this project. Please and thank you so much.

Pam Scavuzzo said I was born in Kansas City, Kansas, at 417 N. 14th right across from St. Peter's Cathedral. My family's roots are in Kansas City, Kansas. My husbands were in Kansas City, Missouri. I got him over the line. I'm really excited about this project. My kids are driving it. We did our part to begin with. It's so exciting to see them achieve their dreams and our dreams and just—it's fun. I don't know if you have kids or not, but when they grow up and you see them doing good stuff, it just makes your heart pitter-pat. **Commissioner Bynum** said I appreciate that you've come forward. I just wanted to meet you. I wanted to thank you for raising five children and being a women-owned business and running a company of this size in KCK. Thank you very much. **Ms. Scavuzzo** said you're welcome.

BPU Board Member Bryant said I'll echo the excitement for the project. It's nice to see something going in that pad. It's very significant for Wyandotte County because of it's location and the idea that—I had a conversation earlier today with Mr. Bach. The restaurants that would be there and the fact that there would be travelers that go up and down I-635 would be a potential to pull them off the highway to stop, especially the idea that there may eventually be a lodging option there as well.

I just want to make sure that everyone completely understands the investment that will be coming from the UG side on this too. Katherine, you may have to help clarify this for me. I'm looking at the maximum public assistance, $34,700. In 20 years, there would be an $8M return estimated on that, so that leaves the balance of it at $1.2M annually. That'll be 22 more years to return that $34M back. Is that $1.2M after the 20-year period? Does that include the expected sales tax or is that just… **Ms. Carttar** said that would be just the property tax. Sales tax would continue. Again, we looked at pretty conservative numbers, I think, for the sales tax. There is a lot of potential for that number during the 20-years and certainly after to be significantly higher.

BPU Board Member Bryant said I appreciate you going back to the drawing board on this and redoing the agreement where it's much more of a partnership, a win-win for both. I know it's a long-term investment by Scavuzzo's, but it's also a long-term investment for the residents of our city who are footing this portion of the public assistance. Thank you very much for staying with our city and thank you for bringing a much more pleasing agreement to us.

Commissioner Murguia said I have no comment at this time.

Chairman Burroughs said, Mr. Scavuzzo, I think last time you were here we missed your opportunity to present the history of your company and the challenge you have. I'm stuck on the word enlightening. You said the process was quite enlightening. That's refreshing for us to hear that out of that came something positive with all the working that we've done.

I just want to talk about the property that you will be putting the solar panels on. I want to thank you for taking a piece of property that is an expense to us to maintain, as we know and is known is undermined and you will be putting an infrastructure piece on the top of it to meet an energy efficient need in the industry and partnering with our BPU for alternative power in case there's not enough energy generated by the solar system that you're putting in. Those are acres that are costing us presently. For you to take those over and have them be part of your project, I commend you for doing that. I would hope that's a shining example of what can be utilized on property around our community that is a burden to us at times when we can't find much of a use for it.

I also want to thank you. I want to echo Mr. Bryant's comments about going back and revisiting the issue and coming forward with a plan that I believe the commissioners find a lot more acceptable and hearing your words personally will go a long way within the community and your commitment. I know you said 30 new employees. I think you just let one go. I think you sent him off to college. I commend you for that, encouraging the young man to get his education so that he can come back and contribute to not only the community, but to your company.

I do have to say, if your mother is the president of the company, she sure doesn't look 100.

I just want to say that I really commend that fact that you're committed to our community. We want that partnership. The investment that you're making in our community, along with the investment our community is making on you, those are kinds of partnerships that go a long way. We do hope that we have an opportunity to see this all the way through fruition. Seven-year build out seems like a long time, but it will be here before we know it. I know if we pass this out to full committee and it gets to the full Commission for consideration, you should be breaking ground within the next 60 days. I anticipate that next year we'll see some major improvements on that property. Chairman Burroughs asked if anybody from the committee, anybody from the public care to respond or comment in reference to the item that we're discussing at this time.

The following appeared:

Greg Kindle, President, Wyandotte Economic Development Council, 727 Minnesota, said most everything has been stated, but I typically rarely ever speak at these standing committee meetings, but I thought it important to do that tonight in part because this has been a project that has been in the works for a very long period of time. This is probably one of the largest expansion projects frankly that we have worked on and one that is in a very challenging location. We are very appreciative of Scavuzzo's, Rich and the family, for choosing to stay in Wyandotte County. It's a highly competitive market. Where they're looking to go, changes the chapter of this location in the community and it also changes the chapter for the company.

He's right. This sits in the centroid of where we have about 36 food-based companies in Wyandotte County. This will kind of set the course for how others look at Wyandotte County as we go out to try and attract additional foods-related companies in the community. This will make a big impact.

We're excited about the workforce component. As you know we spend a lot of time talking about connecting Wyandotte countians to the good paying jobs. These are just jobs, but they're very well-paying jobs. That's been important to us from day one. Rich has been very open to talking with us about these challenges, about using the transit piece of it, and we look forward to working with Rich and the team. Not only with the pieces of creating those jobs specifically for them, but how we better connect that to the Wyandotte Countians. How we use transit to do that. We'd love to have some conversations about childcare, about how we bring in some additional retailers to affect and use that transit really well. The work that you all have done with the BPU as well. Thank you, committee, for working with us on this project and for the team itself.

Chairman Burroughs said I do want to recognize our colleague, Commissioner Philbrook, who's district is where the development is proposed. Commissioner Philbrook, do you have any comments you'd like to make before the Commission before we take action?

Commissioner Philbrook said at the risk of becoming a little corny and sappy which doesn't usually stop me, I would say that the Scavuzzo family came along at the right time and we're blessed to have them stick with us to make this work for our community. I expect wonderful, great things. I know your Mom has already said that she knows you're going to do great things. I just would like to stay involved with the workforce part of it and some of these other things that we can do to help you. Thank you so much.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Bynum, to approve the Foodie Park Development Agreement ordinance.** Roll call was taken and there were six "Ayes," Bryant, Walters, Murguia, Bynum, McKiernan, Burroughs.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Bynum, to approve the ordinance for the Midtown TIF Redevelopment District**.

BPU Board Member Bryant asked is there a number on that ordinance number? **Chairman Burroughs** said I don't have that number in front of me. Let me look in my book. I do not have that number in my book.

Patrick Waters, Senior Counsel, said the number is usually assigned after approval by the full Commission.

Roll call was taken on the motion and there were six “Ayes,” Bryant, Walters, Murguia, Bynum, McKiernan, Burroughs.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Bynum, to approve the resolution with intent to issue IRBs for the Foodie campus.** Roll call was taken and there were six “Ayes,” Bryant, Walters, Murguia, Bynum, McKiernan, Burroughs.

Chairman Burroughs said I would like to echo the committee report. Mr. Scavuzzo, thank you to you and your family for coming forward and partnering with Wyandotte County. Staff, thank you for your due diligence on this. Katherine, I know it’s been quite an enlightening endeavor, I’m sure. Thank you all who attended this evening.

Adjourn

Chairman Burroughs adjourned the meeting at 6:16 p.m.

tk

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, August 19, 2019

The meeting of the Economic Development and Finance Standing Committee was held on Monday, August 19, 2019, at 6:05 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Murguia, Walters, and Jeff Bryant, BPU Board Member. Commissioner Townsend was absent. The following officials were also in attendance: Gordon Criswell, Melissa Sieben and Alan Howze, Assistant County Administrators; Angie Lawson, Senior Attorney; Reginald Lindsay, Budget Director; Debbie Jonscher, Deputy Chief Financial Officer; Andrea Parra, Deputy County Treasurer; Rick Mikesic, Director of Revenue/County Treasurer; 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 said there are no revisions to tonight's agenda.

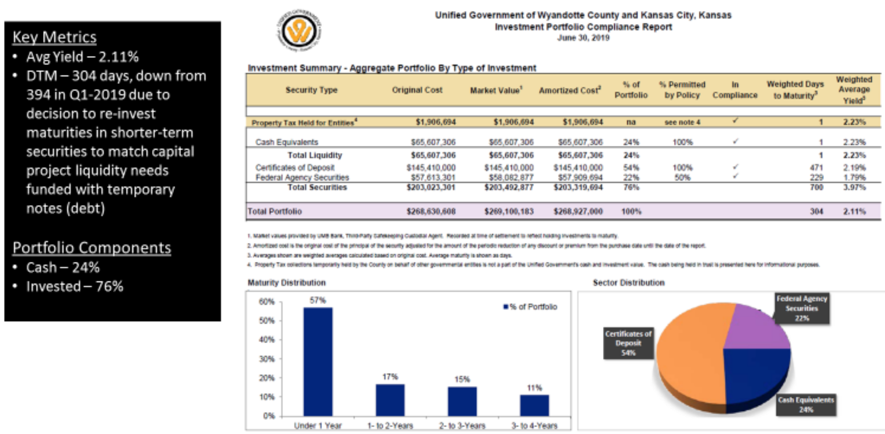
Approval of standing committee minutes from June 3, 2019. **On motion of BPU Board Member Bryant, seconded by Commissioner McKiernan, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 19890…REPORT: SECOND QUARTER 2019 INVESTMENTS

Synopsis: Summary of investments for the 2nd Quarter, 2019, submitted by Kathleen VonAchen, Chief Financial Officer, and Andrea Parra, Deputy Treasurer Motor Vehicle Department.

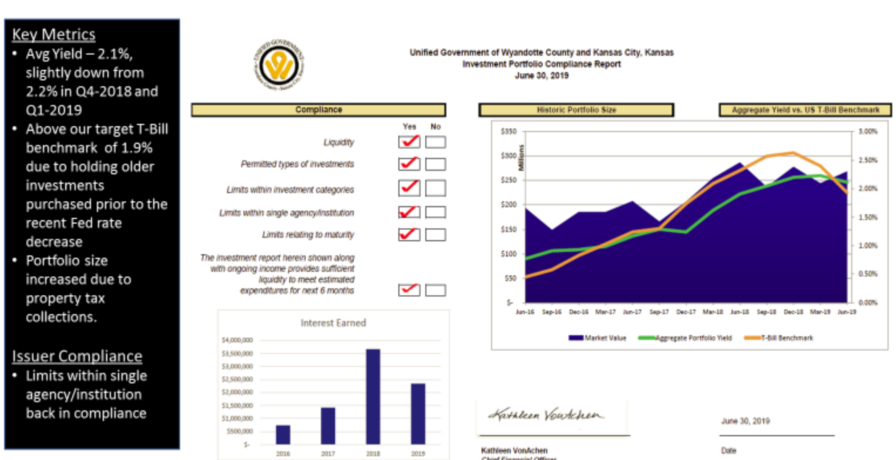
Rick Mikesic, Director of Revenue/County Treasurer, said we're happy to be here to present the Second Quarter Report, an informational report to illustrate what we've been doing with the investment. I'll let Andrea Parra start.



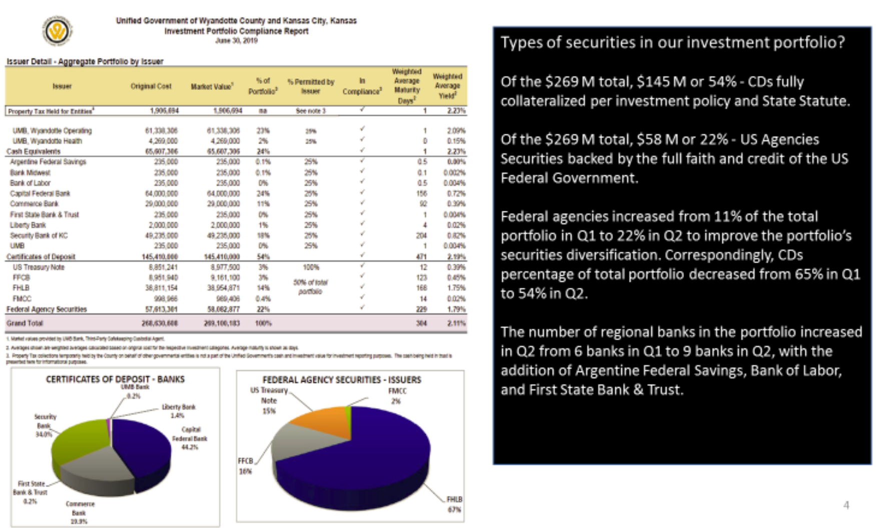
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$1,906,694	$1,906,694	$1,906,694	na	see note 4	✓	1	2.23%
Cash Equivalents	$65,607,306	$65,607,306	$65,607,306	24%	100%	✓	1	2.23%
Total Liquidity	$65,607,306	$65,607,306	$65,607,306	24%			1	2.23%
Certificates of Deposit	$145,410,000	$145,410,000	$145,410,000	54%	100%	✓	471	2.19%
Federal Agency Securities	$57,613,301	$58,082,877	$57,909,694	22%	50%	✓	229	1.79%
Total Securities	$203,023,301	$203,492,877	$203,319,694	76%			700	3.97%
Total Portfolio	$268,630,608	$269,100,183	$268,927,000	100%			304	2.11%

Andrea Parra, Deputy County Treasurer, said the first slide we're going to go over is just some metrics. Average yield is at 2.1 for the whole portfolio. Days maturity has lowered a little bit from 394 days to 304 days. We went and did some reinvestment maturities last quarter for a more short-term type of project. For the liquidity portfolio components, 24% cash and the rest is invested in CDs and federal agencies.

Next one, a few other metrics, we wanted to go over. Noteworthy enough I wanted to mention first, we have brought all insurers back in compliance as far as the amount that they can have per their institution, which is under 25%, for every institution. As we obviously reported and essentially promised for the last few quarters, we are there. We don't have any reservations that that will perpetuate and become a problem again. I'm really trying to watch each of those items. We've added some additional institutions into that, so that'll be mentioned here in a second.



Our average yield is slightly down. It was 2.2% in Quarter Four and in Quarter One, it dropped to 2.1%, still above our on-target T-bill rate, which is 1.9%, just to mention our investments we purchased prior to when the rate decreased. Then our portfolio sizes increased slightly because we have some property tax due for distribution in September.

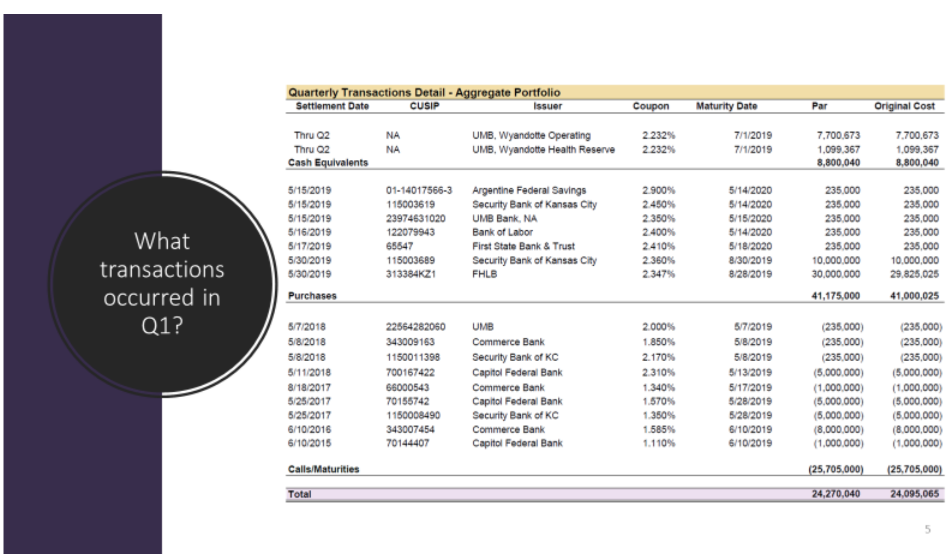


Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2019

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[2]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[4]	1,906,694	1,906,694	na	See note 3	✓	1	2.23%
UMB, Wyandotte Operating	61,338,306	61,338,306	23%	25%	✓	1	2.09%
UMB, Wyandotte Health	4,269,000	4,269,000	2%	25%	✓	0	0.15%
Cash Equivalents	65,607,306	65,607,306	24%		✓	1	2.23%
Argentine Federal Savings	235,000	235,000	0.1%	25%	✓	0.5	0.00%
Bank Midwest	235,000	235,000	0.1%	25%	✓	0.1	0.002%
Bank of Labor	235,000	235,000	0%	25%	✓	0.5	0.004%
Capital Federal Bank	64,000,000	64,000,000	24%	25%	✓	156	0.72%
Commerce Bank	29,000,000	29,000,000	11%	25%	✓	92	0.39%
First State Bank & Trust	235,000	235,000	0%	25%	✓	1	0.004%
Liberty Bank	2,000,000	2,000,000	1%	25%	✓	4	0.02%
Security Bank of KC	49,235,000	49,235,000	18%	25%	✓	204	0.82%
UMB	235,000	235,000	0%	25%	✓	1	0.004%
Certificates of Deposit	145,410,000	145,410,000	54%		✓	471	2.19%
US Treasury Note	8,851,241	8,977,500	3%	100%	✓	12	0.39%
FFCB	8,951,940	9,161,100	3%	50% of total portfolio	✓	123	0.45%
FHLB	38,811,154	38,954,871	14%		✓	168	1.75%
FMCC	998,966	989,406	0.4%		✓	14	0.02%
Federal Agency Securities	57,613,301	58,082,877	22%		✓	229	1.79%
Grand Total	268,630,608	269,100,183	100%			304	2.11%

The next slide I have is going to be what we have in our portfolio. We've got about $145M in CDs, then the other $58M is going to be in securities. We wanted to mention that our federal agencies increased by the 11% for the portfolio because we improved securities diversification, and we also decrease some of our CDs because we did some agencies instead.



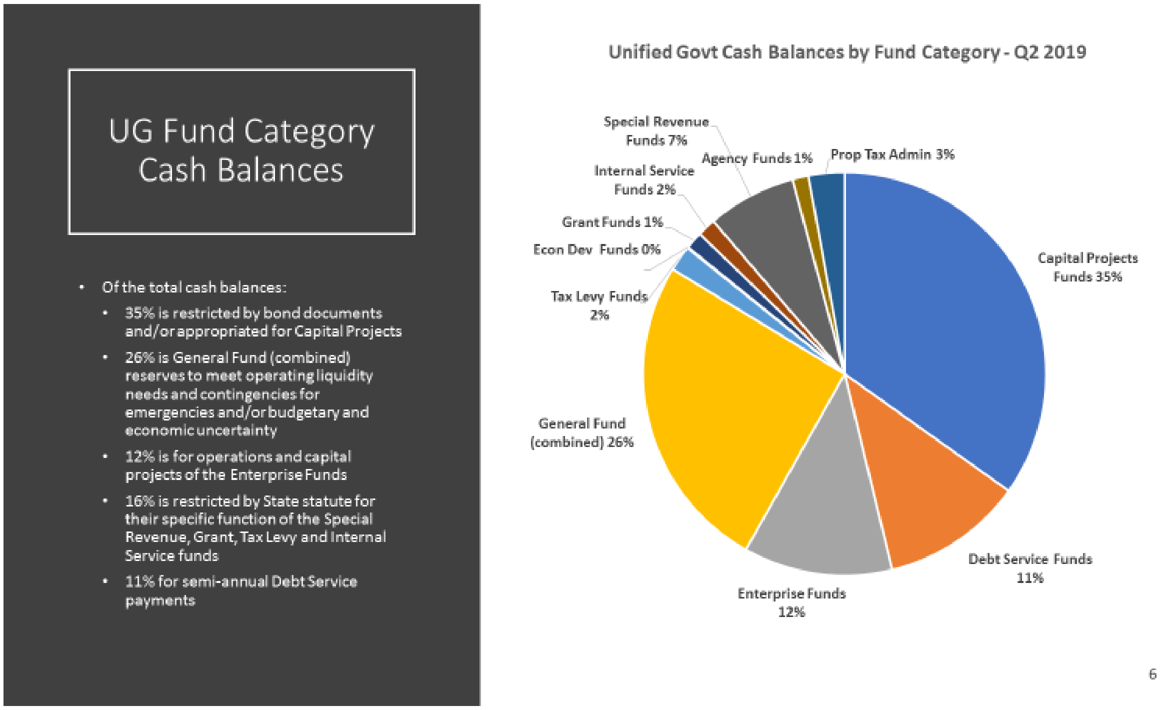
Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	2.232%	7/1/2019	7,700,673	7,700,673
Thru Q2	NA	UMB, Wyandotte Health Reserve	2.232%	7/1/2019	1,099,367	1,099,367
Cash Equivalents					8,800,040	8,800,040
5/15/2019	01-14017566-3	Argentine Federal Savings	2.900%	5/14/2020	235,000	235,000
5/15/2019	115003619	Security Bank of Kansas City	2.450%	5/14/2020	235,000	235,000
5/15/2019	23974631020	UMB Bank, NA	2.350%	5/15/2020	235,000	235,000
5/16/2019	122079943	Bank of Labor	2.400%	5/14/2020	235,000	235,000
5/17/2019	65547	First State Bank & Trust	2.410%	5/18/2020	235,000	235,000
5/30/2019	115003689	Security Bank of Kansas City	2.360%	8/30/2019	10,000,000	10,000,000
5/30/2019	313384KZ1	FHLB	2.347%	8/28/2019	30,000,000	29,825,025
Purchases					41,175,000	41,000,025
5/7/2018	22564282060	UMB	2.000%	5/7/2019	(235,000)	(235,000)
5/8/2018	343009163	Commerce Bank	1.850%	5/8/2019	(235,000)	(235,000)
5/8/2018	1150011398	Security Bank of KC	2.170%	5/8/2019	(235,000)	(235,000)
5/11/2018	700167422	Capitol Federal Bank	2.310%	5/13/2019	(5,000,000)	(5,000,000)
8/18/2017	66000543	Commerce Bank	1.340%	5/17/2019	(1,000,000)	(1,000,000)
5/25/2017	70155742	Capitol Federal Bank	1.570%	5/28/2019	(5,000,000)	(5,000,000)
5/25/2017	1150008490	Security Bank of KC	1.350%	5/28/2019	(5,000,000)	(5,000,000)
6/10/2016	343007454	Commerce Bank	1.585%	6/10/2019	(8,000,000)	(8,000,000)
6/10/2015	70144407	Capitol Federal Bank	1.110%	6/10/2019	(1,000,000)	(1,000,000)
Calls/Maturities					(25,705,000)	(25,705,000)
Total					24,270,040	24,095,065

As I mentioned last quarter, we have increased the number of our regional banks. We did have six for the last two years. We are now up to nine banks in Wyandotte County that are active and participating in our bid solicitation investment process. **Debbie Jonscher, Deputy Chief Financial Officer,** said I did just want to note with that that Kathleen VonAchen, our CFO, as well as Rick and Andrea, spent quite a bit of time this year meeting with several of our local banks to try to increase that participation. As you can see it, we were able to do that. **Ms. Parra** said we ended up meeting with 16 banks by the end of May. We got a lot of activity, names to faces, and they know what our goals are from the Unified Government's perspective and what their goals are as well.

This kind of sums up, if you see in the middle section, currently prior to our, we called it the bank tour, we only had a couple of them. Now we added five, three, which are brand new to the process. A lot of maturities happened last quarter as well.

Mr. Mikesic said I did want to mention briefly. If you look in the purchase section, the middle section, you'll see that the final two in that section: Security Bank at $10M and then the agency at $30M, both of those you will note are fairly short term. We were anticipating the drop in the T-bill rate and we basically tried to jump and take advantage of getting a very short—what did we do, 90 days on those? **Ms. Parra** said yes. **Mr. Mikesic** said just a very short period, but we tried to at least maximize what we could out of those dollars. We had to watch what we were doing with that because we had some loan debt or debt payments that were due August 1st. Those two, you'll note, are coming due at the end of this month so we were kind of watching it closely to see what we could do. That's an illustration of what we tried to do to try to maximize what we can get out of the dollars in the investment process.



Then this, all those investment dollars that are sitting are the holdings of the Unified Government. This chart here illustrates the funds where those cash balances are actually held. If you kind of were to go through and start grouping them, you'll see that basically 35% of the cash we're holding is restricted for capital projects. For example, 12% is for Enterprise Funds, which those dollars can only be used in those Enterprise Funds. 16% is restricted by the state statute on how they can be used because they are grant dollars. There are special revenue dollars where the tax levies are specific for certain uses or Internal Service Funds. 11% restricted for debt service, which basically shows that only 20% or 26% of the dollars we're holding is actually sitting in the General Fund. People will look at the dollars and see $200M and $150M and sometimes the initial reaction is well, I thought you needed money. Why are you sitting on $200M? It is because of those restrictions in place on so many of those dollars.

Chairman Burroughs said if I may, Mr. Mikesic. The 26% is the reserves that we have set aside in our budget that would make up a large portion of that 26%. **Mr. Mikesic** said I think that would be a fair statement.

Commissioner Murguia asked, what's the oldest amount of money that you have in this fund? **Mr. Mikesic** said we are restricted. We cannot go out more than four years with our investments.

Is that the question you were trying to get to? **Commissioner Murguia** said yeah. **Mr. Mikesic** said I don't have the list in front of me. I know we don't go beyond four years because that is the statute restriction that we have under these spending powers.

Commissioner Murguia said so none of the money in this fund has been sitting there longer than four years. **Mr. Mikesic** said none of our investments have been out for more than 4 years. Capital project dollars that might be sitting in that fund, I would have to defer to Debbie.

Ms. Jonscher said on the Capital Projects Fund, we can issue a temporary note also up to four years. At that point, we need to determine are we going to spend the money or has it been spent and we bond it. Most of our temp notes are—I don't know how much of that breakdown is actually a four year. We do have some projects that are probably in the three-four-year range, but I don't know the amount of what that would be. **Commissioner Murguia** said but nothing longer than that. **Ms. Jonscher** said no, because usually we're bonding unless there's a—without looking at all the projects that are out there, I can't recall any that are out there. We've really been watching that pretty closely the last several years.

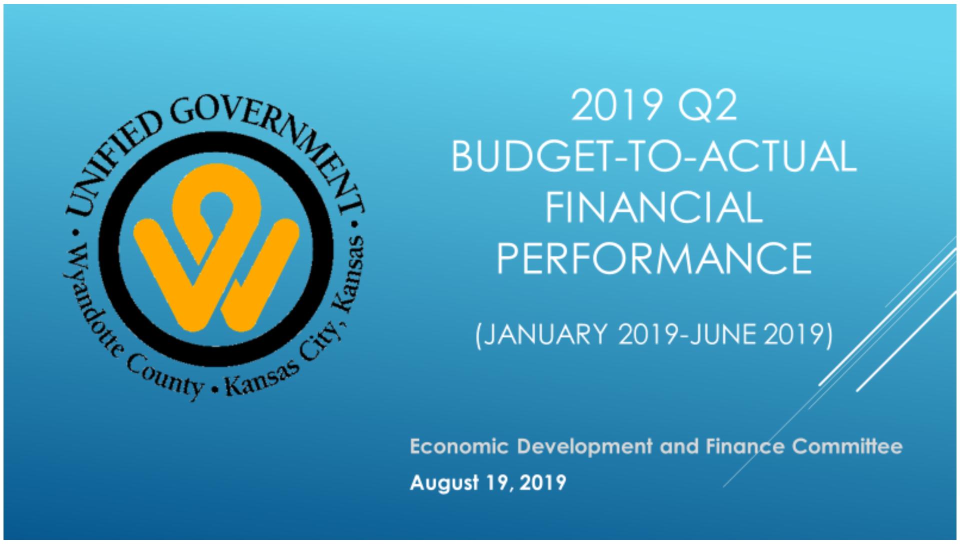
Now we could have a project that extends more than four years. If we issue temp notes, a set amount each year, say we have a large project that's $10M and we know we're not going to spend all $10M in one year, we might issue $2M the first year, $2M the second year. Once we spend that first issue, we will go ahead and bond that portion of the project. **Commissioner Murguia** said okay.

Chairman Burroughs said thanks and congratulations on getting us back in compliance on the investment percentages. That was something that committee has talked about a while. You said it would happen and here we are today. So, congratulations for getting us back into compliance with that. Can I anticipate we won't be coming out of compliance anytime soon?

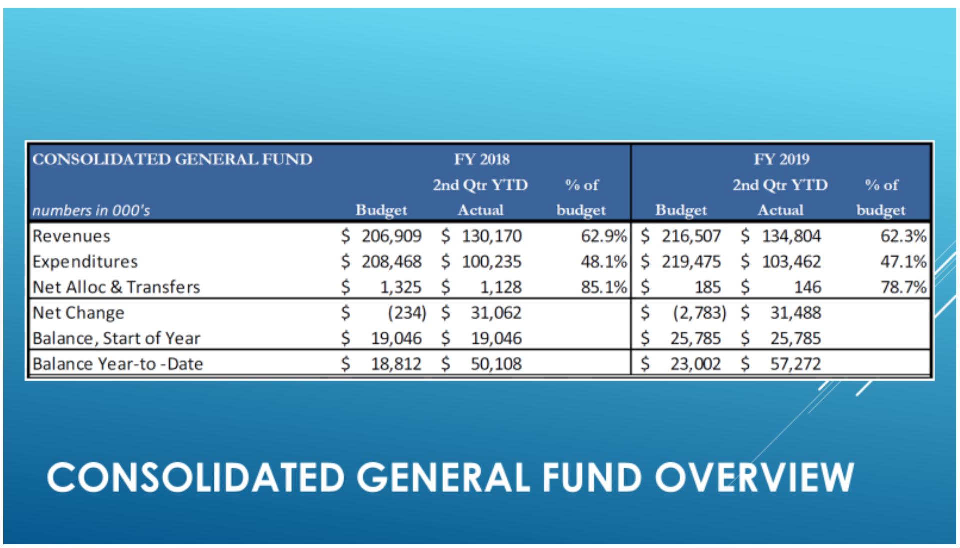
Action: Information only.

Item No. 2 – 19891…REPORT: SECOND QUARTER BUDGET TO ACTUALS

Synopsis: Second Quarter of Fiscal Year 2019 Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer, and Reginald Lindsey, Budget Manager.



Debbie Jonscher, Deputy Chief Financial Officer, said I'm going to lead the presentation, at least on the revenue side, and then I'll turn it over to Reggie for the expenses.



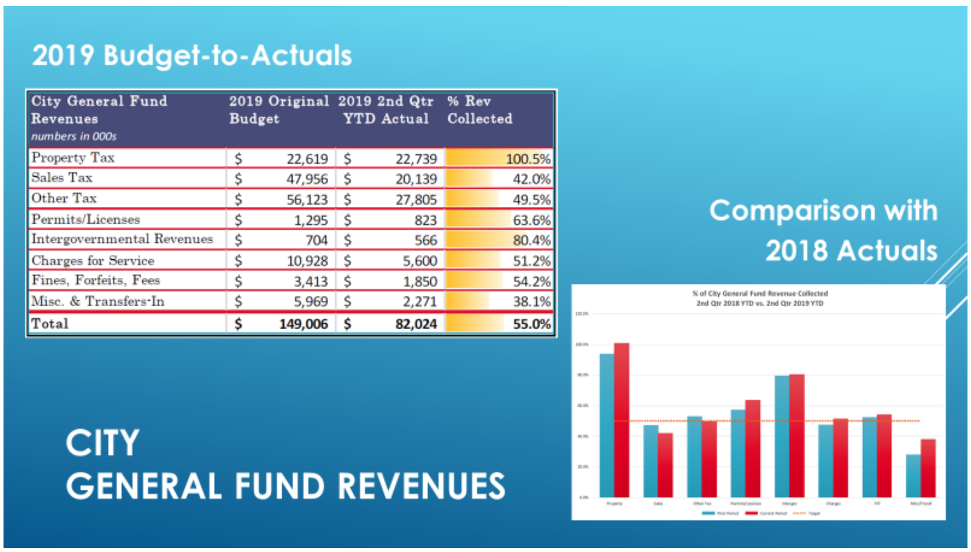
CONSOLIDATED GENERAL FUND	FY 2018			FY 2019		
numbers in 000's	Budget	2nd Qtr YTD Actual	% of budget	Budget	2nd Qtr YTD Actual	% of budget
Revenues	$ 206,909	$ 130,170	62.9%	$ 216,507	$ 134,804	62.3%
Expenditures	$ 208,468	$ 100,235	48.1%	$ 219,475	$ 103,462	47.1%
Net Alloc & Transfers	$ 1,325	$ 1,128	85.1%	$ 185	$ 146	78.7%
Net Change	$ (234)	$ 31,062		$ (2,783)	$ 31,488	
Balance, Start of Year	$ 19,046	$ 19,046		$ 25,785	$ 25,785	
Balance Year-to -Date	$ 18,812	$ 50,108		$ 23,002	$ 57,272	

We'll start out with the Consolidated General Fund. This is the Second Quarter Budget to Actuals Report. It is also for information only. We'll start with the Consolidated General Fund, which includes the City and County General Fund as well as the Parks and Recreation Fund. This graph here is just a comparison of second quarter year to date, budget to actual comparing fiscal year 2019 and 2018.

We'll start with the revenues for 2018. We were at this point. Last year we collected 62.9% of our revenues. In 2019 we're at 62.3%, so we're fairly constant with last year. Expenditures were at 48.1% for 2018 and for 2019 we're at 47.1% so in the same range. We would expect to be around 50%.

We do have some expenditures where we may have something where we might incur the entire amount at the beginning of the year, or it could be incurred periodically throughout the year.

The net allocation and transfers, you will see that in 2018, our percent of budget was 85% and in 2019 we’re at 78.7%. The net allocation and transfers is actually a net of transfers in and transfers out. Those are combined together into one amount, which is why this number looks a little bit low here because it's a net of the transfer in and transfer out number.



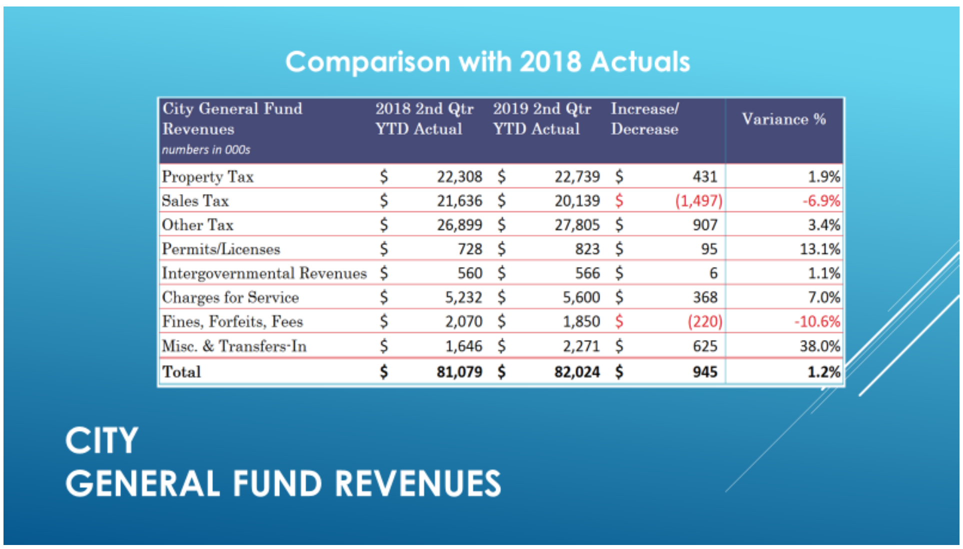
City General Fund Revenues *numbers in 000s*	2019 Original Budget	2019 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 22,619	$ 22,739	100.5%
Sales Tax	$ 47,956	$ 20,139	42.0%
Other Tax	$ 56,123	$ 27,805	49.5%
Permits/Licenses	$ 1,295	$ 823	63.6%
Intergovernmental Revenues	$ 704	$ 566	80.4%
Charges for Service	$ 10,928	$ 5,600	51.2%
Fines, Forfeits, Fees	$ 3,413	$ 1,850	54.2%
Misc. & Transfers-In	$ 5,969	$ 2,271	38.1%
Total	$ 149,006	$ 82,024	55.0%

This next graph is budget to actuals comparing 2019 Second Quarter with the 2019 and original budget. We'll look at property tax. Property tax is showing that we collected 100% of what we budgeted. I will note that probably in the Third Quarter Report, we’ll adjust the budget number to be the amended budget. If any numbers were adjusted during the amended, those will be reflected on the next report.

Sales tax, we collected 42%. I know there’s been several discussions on the decline in sales tax revenue over the last year, so that's reflected here. I do know that we adjusted this number down in the amended budget, so that will be reflected on the next report.

Chairman Burroughs said, Debbie, that's an important point. Is that the original number? **Ms. Jonscher** said this is the original number. When we forecasted the budget last year in June, when sales tax revenues appeared to be increasing, we had a higher budget number for 2019, but we have reduced that in the amended.

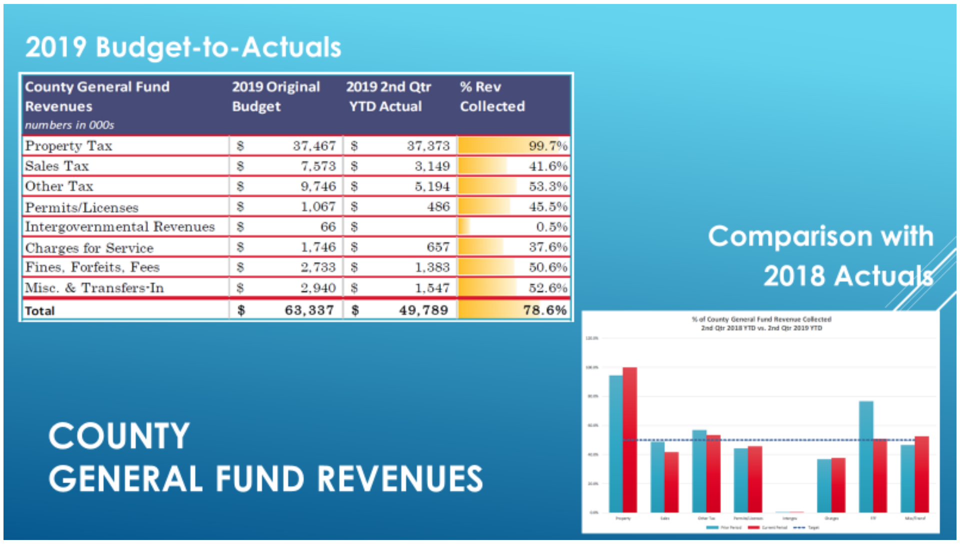
Other taxes which include the franchise fees, PILOT, casino revenue, delinquent tax running right at about 50%. Permits and licenses are up to about 63% collected. Intergovernmental revenues, which are believed most of that is the casino revenue that we get from the 7th Street Casino, is included in that number as well as there could be shared revenues from the state. Charges for service for fines and forfeitures are running at about 50 to 55%. Then miscellaneous and transfers-in is running at about 38%. You can see our total revenue to date for the second quarter, we're at about 55% of our original budget.



City General Fund Revenues *numbers in 000s*	2018 2nd Qtr YTD Actual	2019 2nd Qtr YTD Actual	Increase/ Decrease	Variance %
Property Tax	$ 22,308	$ 22,739	$ 431	1.9%
Sales Tax	$ 21,636	$ 20,139	$ (1,497)	-6.9%
Other Tax	$ 26,899	$ 27,805	$ 907	3.4%
Permits/Licenses	$ 728	$ 823	$ 95	13.1%
Intergovernmental Revenues	$ 560	$ 566	$ 6	1.1%
Charges for Service	$ 5,232	$ 5,600	$ 368	7.0%
Fines, Forfeits, Fees	$ 2,070	$ 1,850	$ (220)	-10.6%
Misc. & Transfers-In	$ 1,646	$ 2,271	$ 625	38.0%
Total	**$ 81,079**	**$ 82,024**	**$ 945**	**1.2%**

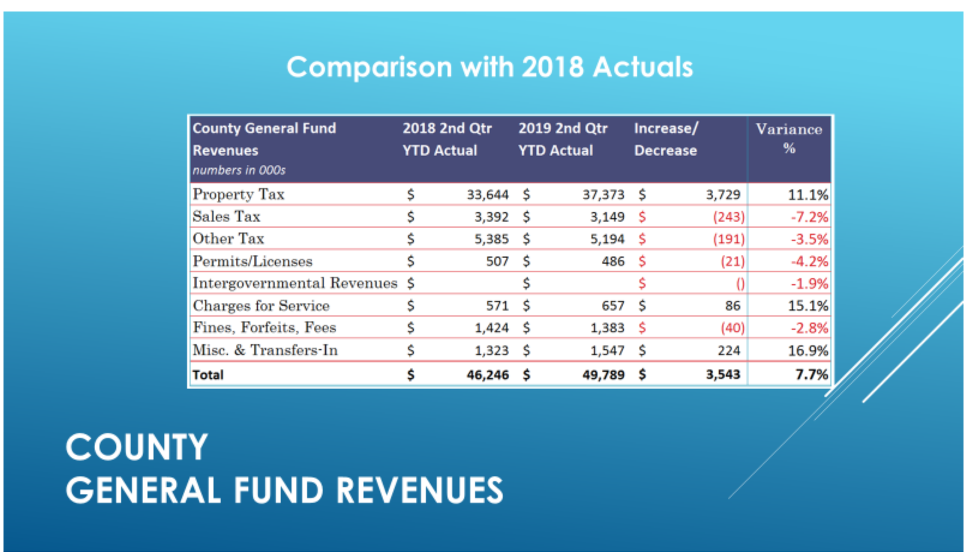
This is the same City General Fund revenues just compared with the Second Quarter of 2018. We've got the same categories here and just showing what we've collected for year to date, Second Quarter 2019 verses 2018. It shows a similar movement; sales tax down about 7%.

Chairman Burroughs said I do have a question. Fines, forfeits, and fees. Can we back up one slide? The fines, fees, and forfeitures were at 54.2%. Yet on the next slide, we show we're down 10%. Are we behind? **Ms. Jonscher** said this one is comparing the current collections to the budget this year. This one is comparing the current year to the current year collected last year. We are down. We're up compared to our budgeting number, but we're down compared to what we've collected for the same time period in 2018. **Chairman Burroughs** said I appreciate that clarification. Thank you. **Ms. Jonscher** said so overall, we're at about 1.2% difference from 2018. That was the City General Fund.



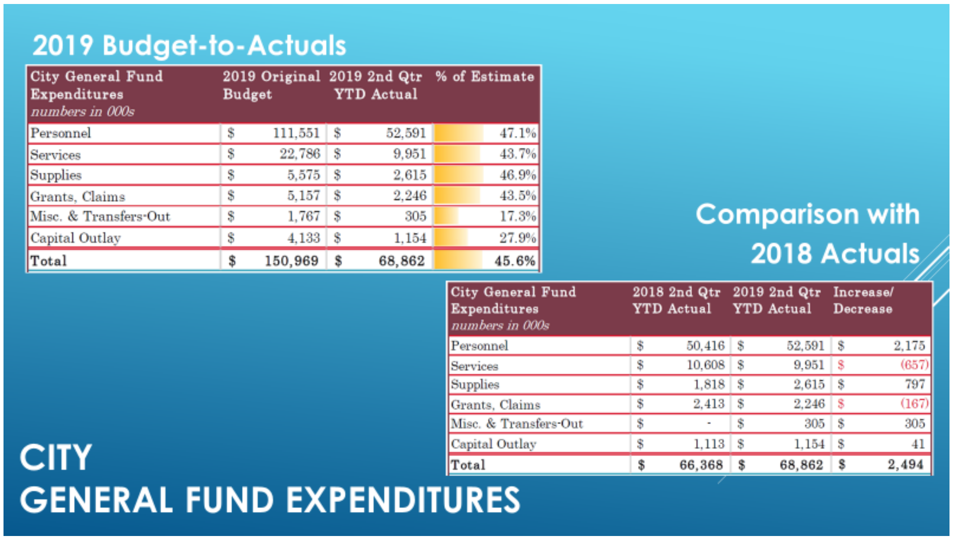
County General Fund Revenues *numbers in 000s*	2019 Original Budget	2019 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 37,467	$ 37,373	99.7%
Sales Tax	$ 7,573	$ 3,149	41.6%
Other Tax	$ 9,746	$ 5,194	53.3%
Permits/Licenses	$ 1,067	$ 486	45.5%
Intergovernmental Revenues	$ 66	$	0.5%
Charges for Service	$ 1,746	$ 657	37.6%
Fines, Forfeits, Fees	$ 2,733	$ 1,383	50.6%
Misc. & Transfers-In	$ 2,940	$ 1,547	52.6%
Total	**$ 63,337**	**$ 49,789**	**78.6%**

Now we'll talk about the County General Fund. All the same categories. Property Taxes at about 99.7%. Same as with the City, we will adjust these numbers on the next report to reflect the amended budget. Don't really see anything here. Sales tax, once again, is about 42%. Charges for service is only at about 37%. A large portion of that is the jail fee and that could just be reflected. Maybe we don't have all the billing in there yet. But overall, we're at currently at about 78% collected of our original budget for the county.



County General Fund Revenues *numbers in 000s*	2018 2nd Qtr YTD Actual	2019 2nd Qtr YTD Actual	Increase/ Decrease	Variance %
Property Tax	$ 33,644	$ 37,373	$ 3,729	11.1%
Sales Tax	$ 3,392	$ 3,149	$ (243)	-7.2%
Other Tax	$ 5,385	$ 5,194	$ (191)	-3.5%
Permits/Licenses	$ 507	$ 486	$ (21)	-4.2%
Intergovernmental Revenues	$	$	$ ()	-1.9%
Charges for Service	$ 571	$ 657	$ 86	15.1%
Fines, Forfeits, Fees	$ 1,424	$ 1,383	$ (40)	-2.8%
Misc. & Transfers-In	$ 1,323	$ 1,547	$ 224	16.9%
Total	**$ 46,246**	**$ 49,789**	**$ 3,543**	**7.7%**

Then the same graph here. Just a comparison of the actual amount collected second quarter year to date 2019 versus what we collected for the same period in 2018. Overall, the total we're about 7.7% above what we've collected for the same period last year. With that, I will turn it over to Reginald Lindsay, our Budget Director, to talk about the expenditures.



City General Fund Expenditures *numbers in 000s*	2019 Original Budget	2019 2nd Qtr YTD Actual	% of Estimate
Personnel	$ 111,551	$ 52,591	47.1%
Services	$ 22,786	$ 9,951	43.7%
Supplies	$ 5,575	$ 2,615	46.9%
Grants, Claims	$ 5,157	$ 2,246	43.5%
Misc. & Transfers-Out	$ 1,767	$ 305	17.3%
Capital Outlay	$ 4,133	$ 1,154	27.9%
Total	**$ 150,969**	**$ 68,862**	**45.6%**

City General Fund Expenditures *numbers in 000s*	2018 2nd Qtr YTD Actual	2019 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 50,416	$ 52,591	$ 2,175
Services	$ 10,608	$ 9,951	$ (657)
Supplies	$ 1,818	$ 2,615	$ 797
Grants, Claims	$ 2,413	$ 2,246	$ (167)
Misc. & Transfers-Out	$ -	$ 305	$ 305
Capital Outlay	$ 1,113	$ 1,154	$ 41
Total	**$ 66,368**	**$ 68,862**	**$ 2,494**

Reginald Lindsey, Budget Manager, said I'm going to step through the expenditure financials. Currently, on the screen we have the City General Fund. We got two different views of the City General Fund, we have budget to actuals for the current year, up here in the left-hand corner, and then down in the lower right-hand corner we have the actuals compared to last year and the actuals compared to this year.

As we start out up here in the 2019 budget to actuals, one of the rules of thumb with the budget to actuals is that we want to have the expenditures below 50%. We can see total expenditures are 45%, which is a good number. These categories here: personnel, services, supplies, grants, claims and capital outlay all make up this 45%. You see that all the categories are pretty much here in the 2019 budget to actuals are under that 50%.

As we go down and look at the actuals as compared to 2018 and we compare them to 2019, we can see we have spent \$2.4M more than we spent in 2018. A bulk of that is \$2.1M in personnel. That just comes with increased costs in personnel each year.

This current slide is the same makeup as the slide we were just on except it is the County General Fund. A rule of thumb here also is that we want to make sure we are below 50% or around 50%. We can see here we're slightly above 50%. What's driving that is services, were at 60%.

Basically, here in services, some of the larger categories are some of our jail expenses as far as like inmate housing that we pay when we send people out to be housed in other places and then also inmate medical. What pretty much drives that number is basically a population of the inmates we have. Compared to last year, we've spent like $368,000 more in inmate housing and then about $200,000 in inmate medical, more money. So, pretty much what's kind of driving, we're a little bit over 50% in the services here which is definitely driven by inmates.

	REVENUES *numbers in 000's*			EXPENDITURES *numbers in 000's*		
Tax Levy Funds	2019 Original Budget	2019 YTD Actual	% of Budget	2019 Original Budget	2019 YTD Actual	% of Budget
City General Fund	$ 149,006	$ 82,024	55.0%	$ 150,969	$ 68,862	45.6%
City Bond & Interest	$ 33,971	$ 22,496	66.2%	$ 34,852	$ 8,750	25.1%
County General Fund	$ 63,337	$ 49,789	78.6%	$ 63,932	$ 32,094	50.2%
Cons. Parks General Fund	$ 6,420	$ 4,119	64.2%	$ 6,645	$ 3,489	52.5%
County Bond & Interest	$ 4,753	$ 3,831	80.6%	$ 5,351	$ 311	5.8%
CIFI	$ -	$ -		$ -	$ -	
Aging	$ 1,868	$ 1,559	83.5%	$ 1,894	$ 901	47.6%
Developmental Disabilities	$ 522	$ 479	91.6%	$ 598	$ 205	34.2%
Elections	$ 1,309	$ 1,172	89.5%	$ 1,502	$ 525	34.9%
Health	$ 3,268	$ 2,314	70.8%	$ 3,512	$ 1,792	51.0%
Mental Health	$ 612	$ 565	92.4%	$ 580	$ 270	46.6%
Total UG Tax Levy Funds	**$ 265,066**	**$ 168,347**	**63.5%**	**$ 269,835**	**$ 117,198**	**43.4%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

This is the 11 other Tax Levy Funds that make up our Tax Levy Funds. Basically, on one side we have revenues and on the other side we have expenditures. This is a summary of what we have pulled in so far for second quarter. Rule of thumb for the revenue side is that we look for those to be above 50%, and we see that most everything here is above 50%. All of them together are at 63%. Then over in the expenditure side, rule of thumb is we want it to be below 50%. We see that mostly everything over here is below 50% except the County General Fund that I did speak about and also Consolidate Parks General Fund. One thing that goes on here with Consolidated Parks General Fund is that they spend a lot of their money in the summer. So, it's a good thing to see that they have spent over 50%.

ALL OTHER & TOTAL UG FUNDS

Other Funds	2019 Original Budget	2019 YTD Actual	% of Budget	2019 Original Budget	2019 YTD Actual	% of Budget
Alcohol	$ 530	$ 267	50.3%	$ 788	$ 180	22.9%
Clerk Technology	$ 45	$ 19	41.6%	$ 50	$ 3	5.5%
Court Trustee	$ 410	$ 234	57.2%	$ 588	$ 229	38.9%
Dedicated Sales Tax	$ 10,635	$ 4,828	45.4%	$ 10,822	$ 4,411	40.8%
Emergency Medical Services	$ 11,433	$ 5,407	47.3%	$ 11,474	$ 5,530	48.2%
Environmental Trust	$ 1,078	$ 534	49.5%	$ 1,130	$ 309	27.4%
Jail Commissary	$ 25	$ 15	59.0%	$ 60	$ 1	1.2%
Parks & Recreation	$ 530	$ 266	50.2%	$ 546	$ 291	53.3%
Public Levee	$ 335	$ 177	52.7%	$ 387	$ 31	8.1%
Register of Deeds Technology	$ 160	$ 75	46.8%	$ 130	$ 116	89.1%
Sewer System	$ 42,713	$ 19,563	45.8%	$ 49,560	$ 17,797	35.9%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 293	$ 59	20.2%	$ 661	$ 216	32.7%
Stormwater	$ 3,740	$ 1,740	46.5%	$ 4,720	$ 1,284	27.2%
Street & Highway	$ 7,080	$ 3,646	51.5%	$ 7,650	$ 4,051	53.0%
Sunflower Hills Golf Course	$ 685	$ 270	39.4%	$ 681	$ 398	58.4%
Travel & Tourism	$ 3,863	$ 1,587	41.1%	$ 5,703	$ 1,133	19.9%
Treasury Technology	$ 45	$ 19	41.6%	$ 19	$ 5	26.5%
Wyandotte County 911	$ 823	$ 403	48.9%	$ 867	$ 278	32.0%
Total Other Funds	**$ 84,423**	**$ 39,107**	**46.3%**	**$ 96,687**	**$ 36,263**	**37.5%**
Total Funds	**$ 349,489**	**$ 207,455**	**59.4%**	**$ 366,522**	**$ 153,461**	**41.9%**
County Library	$ 3,091	$ 2,951	95.5%	$ 3,205	$ 2,924	91.2%
Total ALL Funds	**$ 352,580**	**$ 210,405**	**59.7%**	**$ 369,727**	**$ 156,385**	**42.3%**

The next slide shows a summary of 20 other funds, which are Special Tax Revenue Funds, which include Enterprise Funds, special taxes that we have coming in. On the left side of the page, we have the revenues and on the right side of the page, we have expenditures for these 20 funds. Rule of thumb, again, is on the revenue side we like to see revenues above 50% since we're in the second quarter, and on the expenditure side we like to see them below 50%.

We can kind of see there are some funds that have spent over 50%. We can see the Register of Deeds at 90%. They have contracts that they start costing out and start spending money on so they have spent up a lot of their money. There's no personnel or anything paid out and there.

There is a Special Technology Fund and some of our other funds. That's pretty much the only one that is a lot over 50%. You can see Parks and Rec, again. This is Special Parks and Rec Fund at 53%. Overall, we can kind of see that we are below 50% on the expenditure side and we've spent like 41% of the money, which is a good position to be in.

Chairman Burroughs said, Mr. Lindsey, I do have a question. The jail, when we pay the bonded indebtedness off on the jail, that will impact the numbers that you have that you just showed us. Correct? **Ms. Jonscher** asked, are you referring to the debt service? **Chairman Burroughs** said yes. **Ms. Jonscher** asked, on the Juvenile Center? **Chairman Burroughs** said yes. **Ms. Jonscher** said that would be shown in the County Bond and Interest Fund, which would have been one of the funds he showed. **Mr. Lindsey** said so it would be this one right here. **Chairman Burroughs** said you have it at 50% now. **Ms. Jonscher** said actually, it's the County Bond and Interest Fund. The reason, if you're wondering why it only shows 5.8%, usually we have two payments on debt service, one in February is an interest only payment, and then the payment in August is a principal and interest, which is the majority of the payment. So, for the second quarter, you're not seeing the majority of the debt service hit yet, but you will see it once we get to the third quarter. **Chairman Burroughs** said so that 5.8% will change. **Ms. Jonscher** right. **Chairman Burroughs** said that was my question.

Ms. Jonscher said it's the same thing on the City Bond and Interest Fund. It's only showing 25% and that's because we haven't made the second interest payment or the principal payment that's due for the year.

Chairman Burroughs said what I do see from this report is the revenues are up and meeting expectations, and in most cases, exceeding expectations. Property tax value, the revenue has come in. They're even on the county side. They're down just a skosh under at 99.7%, but it was in excess of 100% for the city so that's good.

We knew the sales tax was going to be off a little. That that was something we discussed in the budget. The fees are the ones that—I see the fees were doing okay, but now we're kind of dropping in fees. I know that we do have some discussions going on in reference to fees here in the very near future. We see that everything's moving forward with the jail. So, looks like everything's right on target. Great, thank you very much.

Action: Information only.

Adjourn

Chairman Burroughs adjourned the meeting at 6:30.

ade

Staff Request for Commission Action

Tracking No. 191013

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 10/28/19 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
10/15/2019	Rick Mikesic, Kathleen VonAchen, Andrea Parra	x8046, x5186	rmikesic@wycokck.org, kvonachen@wycokck.org	Finance

Item Description: Third Quarter Investment Report is Provided for Informational Purposes Only. No Action is Required.
Action Requested: *For Information Only.*
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: 2019 Q3 Invstmt Report Presentation

Unified Government of WyCo/KCK
Quarterly Investment Report
Third Quarter 2019
July 1 – September 30, 2019

Presented by:

Richard Mikesic, County Treasurer

Andrea Parra, Deputy Treasurer

Key Metrics

- Avg Yield – 2.18%
- DTM – 309 days, slightly up from 304 in Q2-2019 due to decision to re-invest maturities in shorter-term securities to match capital project liquidity needs funded with temporary notes (debt)

Portfolio Components

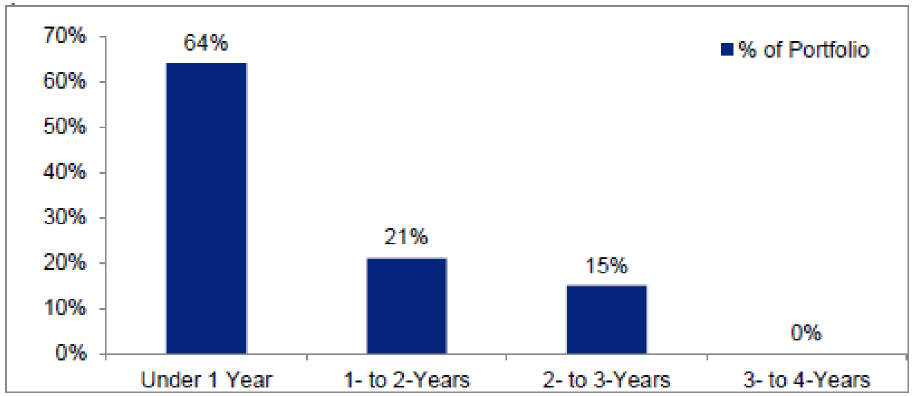
- Cash – 32%
- Invested – 68%

Investment Summary - Aggregate Portfolio By Type of Investment

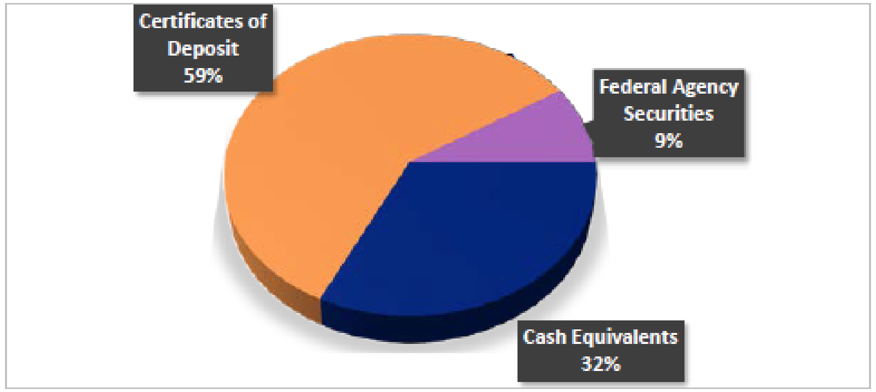
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$786,345	$786,345	$786,345	na	see note 4	✓	-	1.87%
Cash Equivalents	$69,256,000	$69,256,000	$69,256,000	32%	100%	✓	-	1.87%
Total Liquidity	$69,256,000	$69,256,000	$69,256,000	32%			-	1.87%
Certificates of Deposit	$126,175,000	$126,175,000	$126,175,000	59%	100%	✓	446	2.26%
Federal Agency Securities	$18,937,035	$19,195,390	$18,943,385	9%	50%	✓	530	2.75%
Total Securities	$145,112,035	$145,370,390	$145,118,385	68%			976	5.01%
Total Portfolio	$214,368,035	$214,626,390	$214,374,385	100%			309	2.18%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
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.

Maturity Distribution



Sector Distribution



Key Metrics

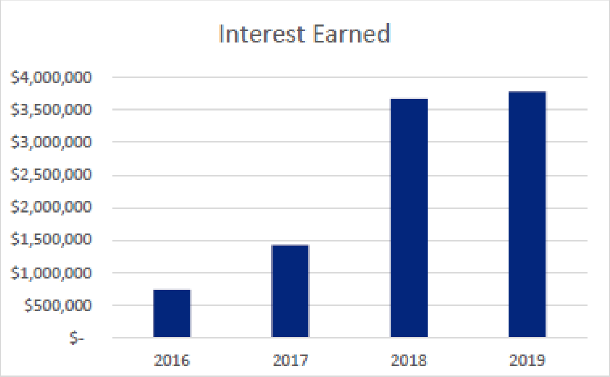
- Avg Yield – 2.1%,
- Above our target T-Bill benchmark of 1.76% due to holding older investments purchased prior to the recent Fed rate decrease

Issuer Compliance

- Limits within single agency/institution is out of compliance

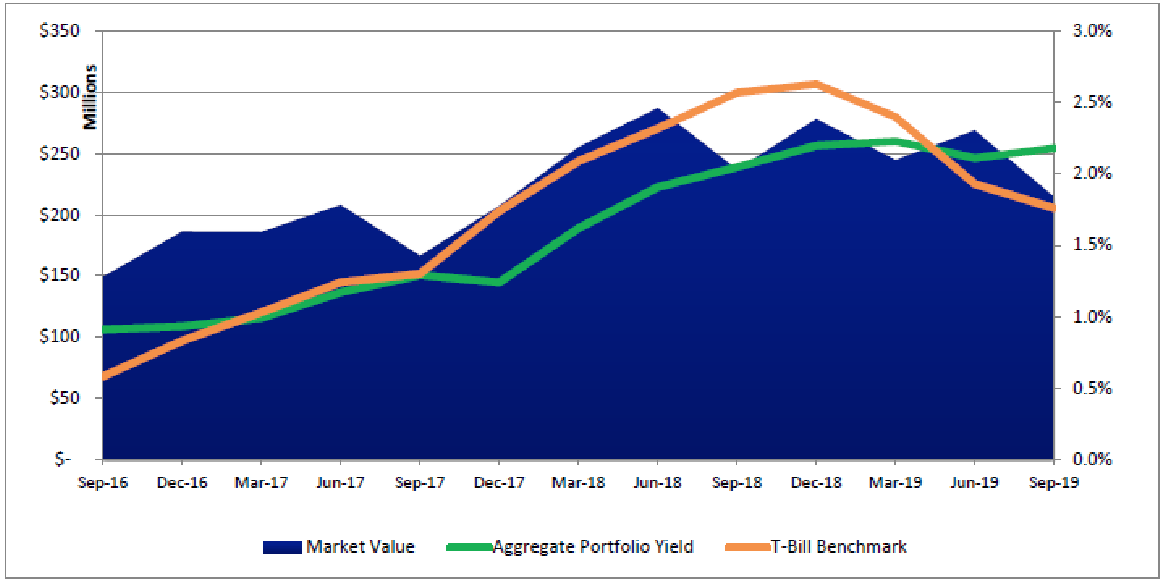
Compliance

	Yes	No
Liquidity	✓	
Permitted types of investments	✓	
Limits within investment categories	✓	
Limits within single agency/institution		✓
Limits relating to maturity	✓	
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 6 months	✓	



Historic Portfolio Size

Aggregate Yield vs. US T-Bill Benchmark



CFO Note: The 25% limit within a single banking institution per the investment policy compliance parameters was exceeded. Capital Federal Bank holdings totaled 26% of the total aggregate portfolio. In the upcoming quarters, the CFO will adjust investment strategies to come into compliance with the policy.

Kathleen VonAchen

September 30, 2019

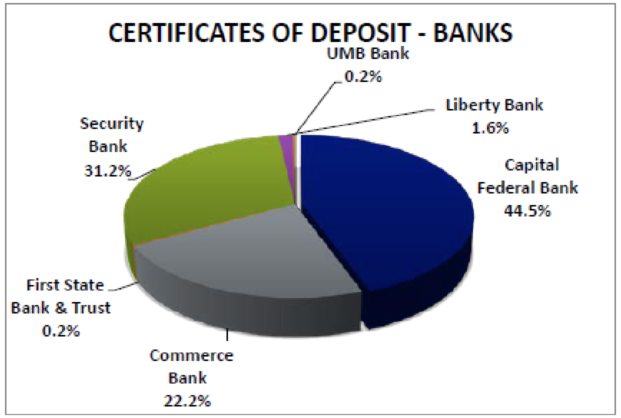
Kathleen VonAchen
Chief Financial Officer

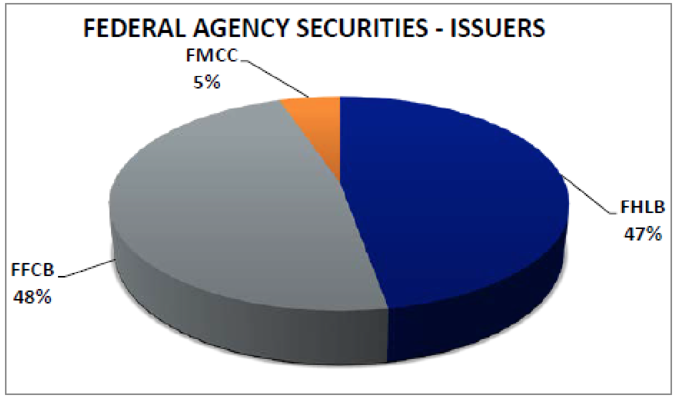
Date

Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	786,345	786,345	na	See note 3	✓	0	1.87%
UMB, Wyandotte Operating	66,419,000	66,419,000	31%	25%	✓	0	1.79%
UMB, Wyandotte Health	2,837,000	2,837,000	1%	25%	✓	0	0.08%
Cash Equivalents	**69,256,000**	**69,256,000**	**32%**		✓	**0**	**1.87%**
Argentine Federal Savings	235,000	235,000	0.1%	25%	✓	0.4	0.01%
Bank of Labor	235,000	235,000	0%	25%	✓	0.4	0.004%
Capital Federal Bank	56,000,000	56,000,000	26%	25%	✓	154	0.82%
Commerce Bank	28,000,000	28,000,000	13%	25%	✓	100	0.47%
First State Bank & Trust	235,000	235,000	0%	25%	✓	0	0.004%
Liberty Bank	2,000,000	2,000,000	1%	25%	✓	3	0.02%
Security Bank of KC	39,235,000	39,235,000	18%	25%	✓	180	0.75%
UMB	235,000	235,000	0%	25%	✓	0	0.004%
Certificates of Deposit	**126,175,000**	**126,175,000**	**59%**		✓	**446**	**2.26%**
FFCB	8,951,940	9,139,410	4%	*50% of total portfolio*	✓	329	1.37%
FHLB	8,986,129	9,063,673	4%		✓	165	1.33%
FMCC	998,966	992,307	0.5%		✓	36	0.05%
Federal Agency Securities	**18,937,035**	**19,195,390**	**9%**		✓	**530**	**2.75%**
Grand Total	**214,368,035**	**214,626,390**	**100%**			**309**	**2.18%**

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.
3. 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 for investment reporting purposes. The cash being held in trust is presented here for informational purposes.





Types of securities in our investment portfolio?

Of the $214 M total, $126 M or 59% - CDs fully collateralized per investment policy and State Statute.

Of the $214 M total, $19 M or 9% - US Agencies Securities backed by the full faith and credit of the US Federal Government.

Federal agencies decreased from 22% of the total portfolio in Q2 to 9% in Q3 to improve the portfolio's securities diversification. Correspondingly, CDs percentage of total portfolio increased from 54% in Q2 to 59% in Q3.

What transactions occurred in Q1?

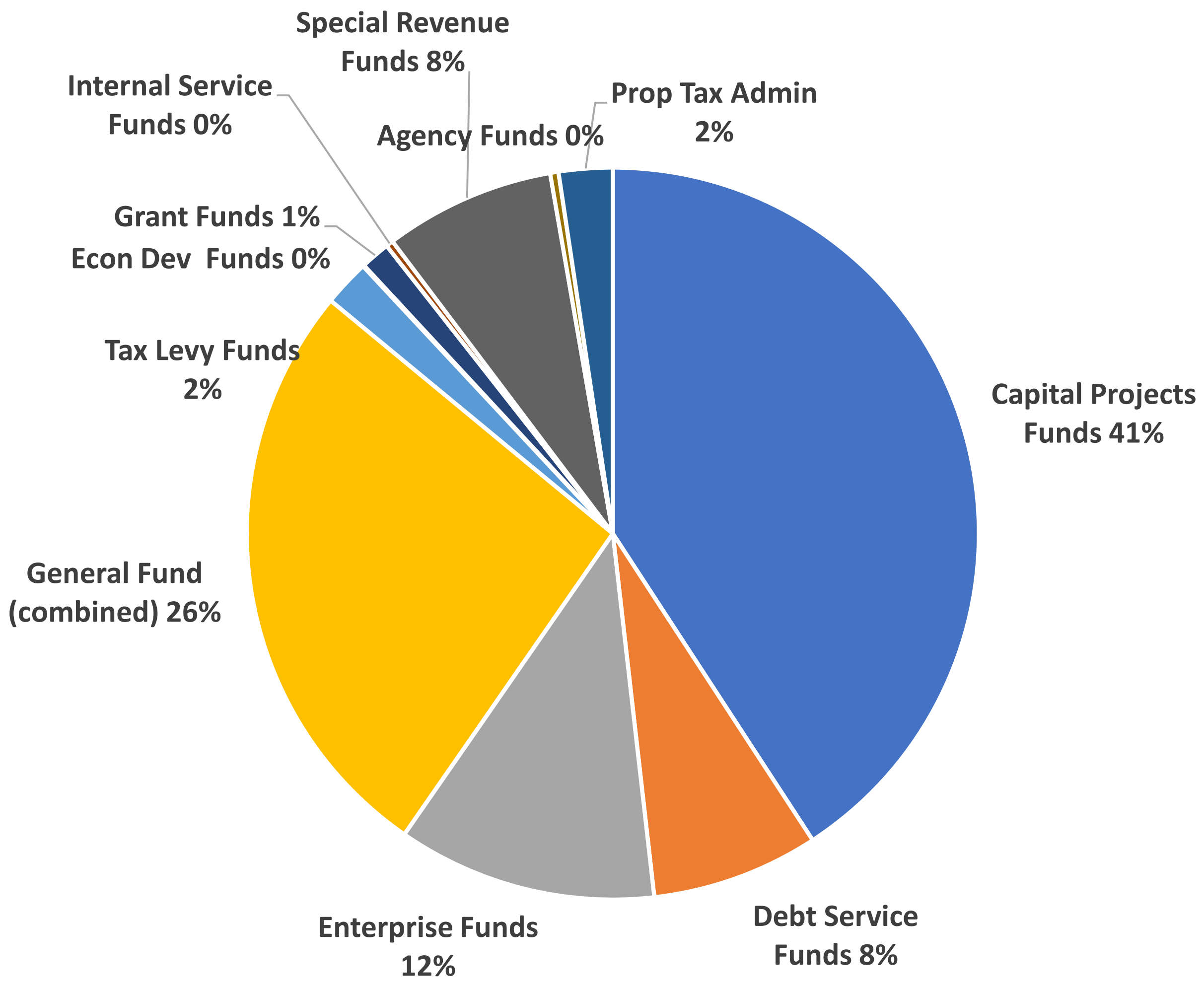
Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	1.865%	9/30/2019	5,080,694	5,080,694
Thru Q2	NA	UMB, Wyandotte Health Reserve	1.865%	9/30/2019	(1,432,000)	(1,432,000)
Cash Equivalents					**3,648,694**	**3,648,694**
7/26/2019	9065574853	Capitol Federal Bank	2.100%	10/26/2019	5,000,000	5,000,000
Purchases					**5,000,000**	**5,000,000**
2/25/2016	70141539	Capitol Federal Bank	1.510%	7/25/2019	(8,000,000)	(8,000,000)
9/13/2016	70146622	Capitol Federal Bank	1.120%	9/13/2019	(1,000,000)	(1,000,000)
9/16/2016	70147531	Capitol Federal Bank	1.120%	9/16/2019	(1,000,000)	(1,000,000)
9/21/2016	70148245	Capitol Federal Bank	1.120%	9/23/2019	(1,000,000)	(1,000,000)
9/23/2016	70148177	Capitol Federal Bank	1.120%	9/23/2019	(1,000,000)	(1,000,000)
9/28/2016	70148362	Capitol Federal Bank	1.090%	9/27/2019	(1,000,000)	(1,000,000)
7/31/2017	1565570771	Bank Midwest	1.360%	7/31/2019	(235,000)	(235,000)
8/18/2017	66000543	Commerce Bank	1.370%	8/19/2019	(1,000,000)	(1,000,000)
9/17/2018	9128282G4	US Treasury Note	2.569%	9/15/2019	(9,000,000)	(8,851,242)
5/30/2019	115003689	Security Bank of KC	2.360%	8/30/2019	(10,000,000)	(10,000,000)
5/30/2019	313384KZ1	FHLB	2.379%	8/28/2019	(30,000,000)	(29,825,025)
Calls/Maturities					**(63,235,000)**	**(62,911,267)**
Total					**(54,586,306)**	**(54,262,573)**

UG Fund Category Cash Balances

- Of the total cash balances:
  - 41% is restricted by bond documents and/or appropriated for Capital Projects
  - 26% is General Fund (combined) reserves to meet operating liquidity needs and contingencies for emergencies and/or budgetary and economic uncertainty
  - 12% is for operations and capital projects of the Enterprise Funds
  - 13% is restricted by State statute for their specific function of the Special Revenue, Grant, Tax Levy and Internal Service funds
  - 8% for semi-annual Debt Service payments

Unified Govt Cash Balances by Fund Category – Q3 2019



Staff Request for Commission Action

Tracking No. 191016

Full Commission Meeting Date: 11/14/19

Committee: Economic Development & Finance

Date of Standing Committee Action: 10/28/19 (If none, please explain):

Publication Required: Yes 10/31/2019

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
10/16/2019	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

Resolution of Intent to issue IRB's in the amount not to exceed $100,000,000 for the benefit of PQ Corporation. An IRB Application was submitted by PQ Corporation for sales tax exemption for acquisition, construction, improvements and equipment for the industrial facility expansions located at 1700 Kansas Avenue.

Action Requested:

Approve and advance to 11/14/19 Full Commission

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

CBA_PQ_Corp_10142019, Resolution of Intent (PQ 2019)

A Tax Abatement Cost-Benefit Analysis of PQ Corporation (Zeolyst) for the Unified Government of Kansas City/Wyandotte County

Completed by

Municipal Consulting, LLC

10/14/2019

CONTENTS:

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized on pages 4 and 5. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions.

DEFINITIONS USED:

- **Rate of Return**: Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.
- **Net Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Net Present Value. Generally a positive net present value represents and acceptable investment opportunity.
- **Benefit - Cost Ratio**: Typically referred to as the "Cost-Benefit Ratio," this is the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision.

DISCLAIMER:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	3.07	21%
Wyandotte County	1.41	4%
Kansas City USD 500	1.80	8%
KC Community College	1.36	4%
Wyandotte Co. Library	1.35	3%
State of Kansas	5.87	49%

All of the governing entities have a benefit to cost ratio in excess of the desired 1.3. This report is based on the assumption that the Unified Government will approve a 75% property tax abatement on the new construction. The firm indicates that it will pay an average salary for the new jobs that is 146% of the average wage in the Kansas City, Kansas MSA. We used a multiplier of 1.46 applied to the average per capita retail spending to arrive at the total retail spending and local sales tax revenues generated by the new employees.

If you have any questions or comments, you may reach me with the contact information below.

R. Steven Robb

Digitally signed by R. Steven Robb
DN: cn=R. Steven Robb, o=Municipal Consulting, LLC, ou, email=steverobb@ckt.net, c=US
Date: 2019.10.14 14:34:46 -05'00'

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Column1	Column2	Column3	Column4	Column5	Column6
COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:			**PQ Corporation (Zeolyst)**		
DATE:			10/14/2019		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			**City of Kansas City**		
COUNTY:			**Wyandotte County**		
SCHOOL DISTRICT:			**Kansas City USD 500**		
SPECIAL TAXING DISTRICT #1			**KC Community College**		
SPECIAL TAXING DISTRICT #2			**Wyandotte Co. Library**		
STATE:			**State of Kansas**		
INFLATION RATE:		1.50%	DISCOUNT RATE:		2.50%

PQ Corporation (Zeolyst)

Column1	Column2	Column3	Column4	Column6	Column7	Column11
Community Data Inputs:						
	City of Kansas City	Wyandotte County	Kansas City USD 500	KC Community College	Wyandotte Co. Library	State
Mill Levy	38.137860	39.010762	60.575302	27.475764	6.067506	1.500000
Market Value New Home	$131,300	$138,900	$142,600	$138,900	$131,300	$239,700
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	n/a
Utility Revenue/HsHld	$48.33	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	$792.91	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	$222.79	$62.63	n/a	$251.56	$33.54	$1,078.69
Marg. Cost/Res./Student	$92.08	$31.51	$1,452.32	$23.10	$9.49	$555.12
Other Revenues/Worker	$215.44	$60.57	n/a	$243.26	$32.43	$936.49
Marginal Cost/New Worker	$89.04	$30.47	n/a	$22.34	$9.18	$481.94
State Funding/Pupil	n/a	n/a	$9,831.36	n/a	n/a	n/a
Federal Funding/Pupil	n/a	n/a	$2,229.89	n/a	n/a	n/a
Visitor Daily Spending	$37.50	$37.50				$75.00
Average Hotel Room Rate	$100	$100				n/a
Retail Pull Factor	0.97	0.98				n/a
Percent of County Share	90.80%	100.00%				n/a
Ann. Local Per Capita Sales Tax	$211	$154				n/a
Ann. State Per Capita Sales Tax	$919	$937				$952
Annual Per Capita Retail Sales	$14,143	$14,409				$14,654
Average Household Size	2.68	2.67				2.49
Housing Vacancy Rate	13.00%	12.50%				10.90%

PQ Corporation (Zeolyst)

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:														
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Project Phase #				I	II	III	IV	V	VI	VII				
Investment in Land				$400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$400,000
Investment in Building				$30,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$30,000,000
Building Square Feet				0	0	0	0	0	0	0	0	0	0	0
Investment in Equipment[1]				$69,600,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	69,600,000
Investment in Private Infrastructure				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
Investment in Public Infrastructure				$0										$0
Other Project Costs				$171,250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$171,250
Total Project Costs				$100,171,250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$100,171,250
Unified Government Infrastructure Incentives				$0										$0
		Growth	**Const. Per.**	**Yr. 1**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Yr. 5**	**Yr. 6**	**Yr. 7**	**Yr. 8**	**Yr. 9**	**Yr. 10**	**Total**
Sales		0.00%		$10,000,000	$25,000,000	$35,000,000	$50,000,000	$60,000,000	$62,000,000	$65,000,000	$66,000,000	$66,000,000	$67,000,000	$506,000,000
Purchases		0.00%		$133,000	$137,000	$141,000	$145,000	$149,000	$153,000	$157,000	$161,000	$165,000	$169,000	$1,510,000
Net City Util. Revenue		3.00%	$0	$60,360	$61,266	$62,185	$63,244	$64,192	$65,155	$66,133	$67,125	$68,131	$69,153	$646,944
Franchise Fees		3.00%	$0	$280,257	$284,461	$288,728	$295,132	$299,559	$304,052	$308,613	$313,242	$317,941	$322,710	$3,014,697
PILOT- City			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PILOT - County			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PILOT - State			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PILOT - School			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PILOT - Comm. Coll.			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PILOT- Library			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Jobs Created			0	12	0	0	5	0	0	0	0	0	0	17
Households new to the city			50%	6	0	0	3	0	0	0	0	0	0	9.0
Households new to the county			50%	6	0	0	3	0	0	0	0	0	0	9.0
Households new to the state			50.0%	6	0	0	3	0	0	0	0	0	0	9.0
New students in K-12				12	0	0	5	0	0	0	0	0	0	17.0
New employee average salary			2.00%	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	N/A
Tax Abatement-Land				0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
Tax Abatement-Bldg.				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Number of Visitors to the Firm				60	60	60	70	70	70	70	80	80	80	700.0
				City	**County**	**State**								
Percentage of sales taxable in the				0%	0%	0%								
Percentage of purchases taxable in the				0%	0%	0%								
Assumed Inflation Rate				1.50%										

[1] Fixtures, furniture and equipment costs are exempt from sales taxes, but are included here to reflect the firm's total investments.

[2] Totals may not be precise due to rounding.

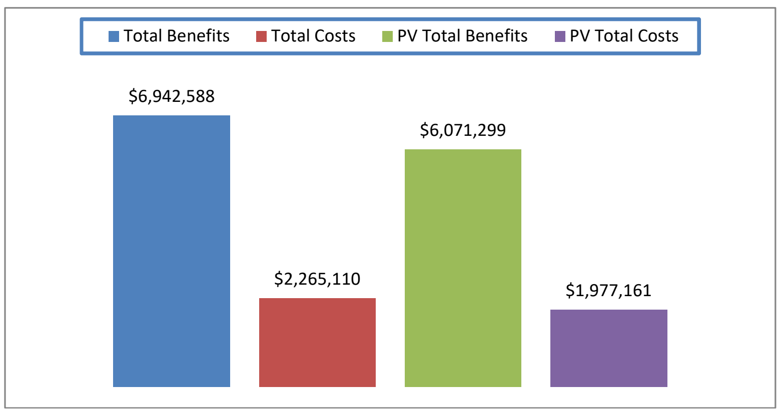
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY								
PROJECT NAME:		**PQ Corporation (Zeolyst)**						
DATE:		10/14/2019						
Entity	**Total Benefits**	**Total Costs & Incentives**	**Net Benefits**	**Net Present Value of Net Benefits**	**NPV of Incentives & Taxes Abated**	**Ratio of NPV of Net Benefits to NPV of Incentives and Taxes Abated**	**Actual Benefit to Actual Cost Ratio**	**Avg. Annual Rate of Return**
City of Kansas City	$6,942,588	$2,265,110	$4,677,478	$4,094,138	$1,959,316	2.09	3.07	21%
Wyandotte County	$3,243,488	$2,302,813	$940,675	$829,953	$2,004,161	0.41	1.41	4%
Kansas City USD 500	$5,796,780	$3,215,225	$2,581,554	$2,246,447	$2,701,034	0.83	1.80	8%
KC Community College	$2,212,344	$1,622,176	$590,168	$514,795	$1,411,556	0.36	1.36	4%
Wyandotte Co. Library	$483,624	$359,210	$124,413	$108,565	$311,716	0.35	1.35	3%
State of Kansas	$1,941,471	$330,491	$1,610,980	$1,500,970	$79,846	18.80	5.87	49%

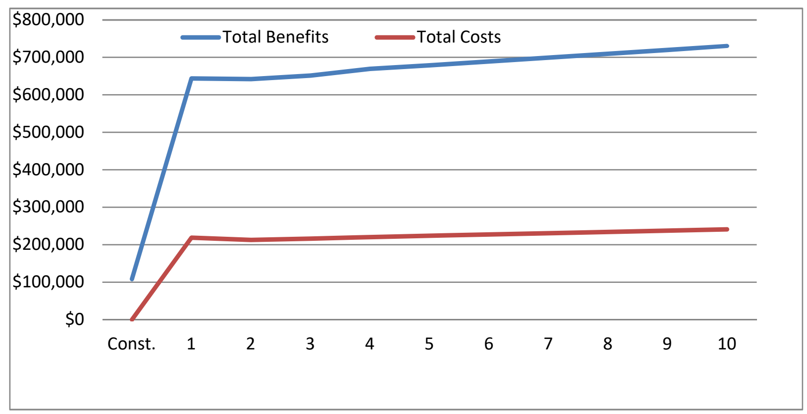
SUMMARY OF COSTS AND BENEFITS FOR: **City of Kansas City**
PROJECT: **PQ Corporation (Zeolyst)**
DATE: 10/14/2019

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: **3.07**
Ratio of Present Value of Total Benefits to Present Value of Total Costs: **3.07**
(Typical desired ratio would be 1.3 to 1) **Average ROI** **20.65%**

Year	Sales Taxes	New Property Taxes	Utilities and Franchise Fees	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Incentives and Cost of Various City Services	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	$108,449	$0	$0	$0	$0	$108,449	$108,449	$0	$0	$0	$0	$0	$108,449	$108,449	$108,449	$0
1	$10,061	$289,848	$340,618	$0	$3,591	$644,118	$628,407	$1,484	$217,386	$0	$218,870	$213,532	$425,247	$533,697	$414,876	$212,084
2	$10,061	$282,740	$345,727	$0	$3,645	$642,173	$611,229	$1,507	$212,055	$0	$213,561	$203,271	$428,611	$962,308	$407,958	$201,837
3	$10,061	$286,981	$350,913	$0	$3,700	$651,654	$605,126	$1,529	$215,236	$0	$216,765	$201,288	$434,890	$1,397,197	$403,838	$199,868
4	$14,253	$291,286	$358,376	$0	$5,320	$669,234	$606,293	$2,199	$218,464	$0	$220,663	$199,910	$448,571	$1,845,769	$406,383	$197,918
5	$14,253	$295,655	$363,751	$0	$5,400	$679,059	$600,189	$2,232	$221,741	$0	$223,973	$197,959	$455,086	$2,300,855	$402,230	$195,987
6	$14,253	$300,090	$369,208	$0	$5,481	$689,031	$594,149	$2,265	$225,067	$0	$227,333	$196,028	$461,698	$2,762,553	$398,121	$194,075
7	$14,253	$304,591	$374,746	$0	$5,563	$699,153	$588,173	$2,299	$228,443	$0	$230,742	$194,116	$468,410	$3,230,963	$394,057	$192,181
8	$14,253	$309,160	$380,367	$0	$5,647	$709,426	$582,259	$2,334	$231,870	$0	$234,204	$192,222	$475,222	$3,706,186	$390,037	$190,306
9	$14,253	$313,797	$386,072	$0	$5,731	$719,854	$576,407	$2,369	$235,348	$0	$237,717	$190,346	$482,137	$4,188,323	$386,061	$188,450
10	$14,253	$318,504	$391,864	$0	$5,817	$730,438	$570,617	$2,404	$238,878	$0	$241,282	$188,489	$489,155	$4,677,478	$382,127	$186,611
Total	$238,400	#########	$3,661,641	$0	$49,896	$6,942,588	$6,071,299	$20,622	$2,244,488	$0	$2,265,110	$1,977,161	$4,677,478	$4,677,478	$4,094,138	$1,959,316





SUMMARY OF COSTS AND BENEFITS FOR: **Wyandotte County**

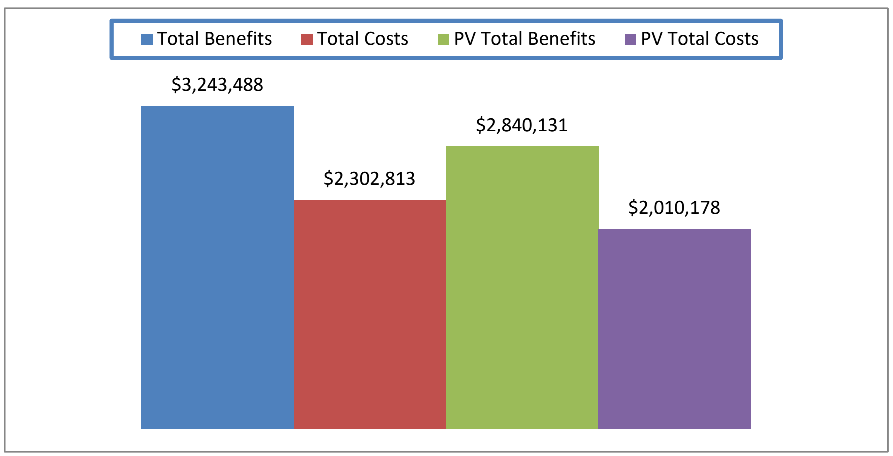
PROJECT: **PQ Corporation (Zeolyst)**

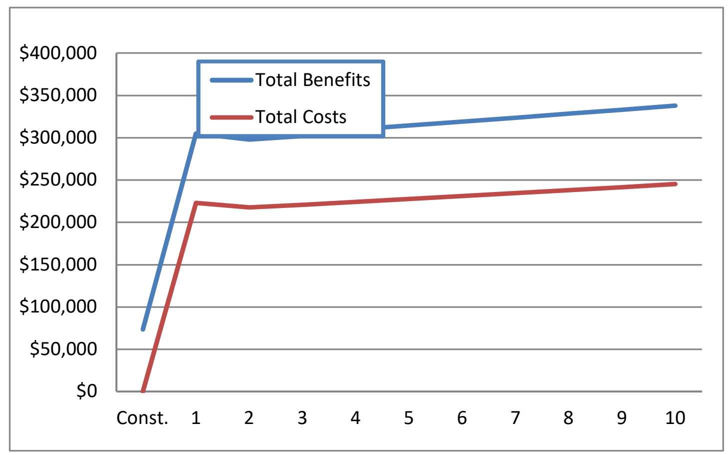
DATE: 10/14/2019

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	**1.41**
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	**1.41**
Average ROI	**4.08%**

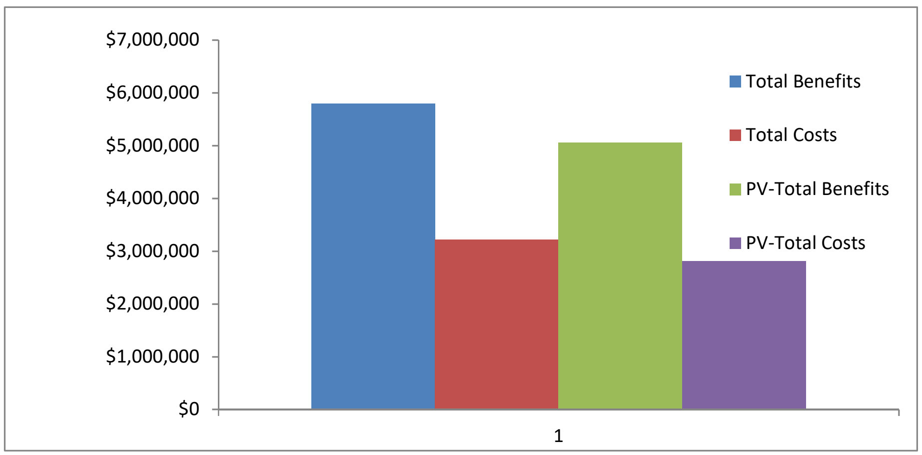
Year	Sales Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	$73,500	$0	$0	$0	$73,500	$73,500	$0	$0	$0	$0	$73,500	$73,500	$73,500	$0
1	$7,356	$296,482	$0	$995	$304,833	$297,398	$500	$222,361	$222,862	$217,426	$81,971	$155,471	$79,972	$216,938
2	$7,356	$289,211	$0	$1,010	$297,577	$283,238	$508	$216,908	$217,416	$206,940	$80,161	$235,632	$76,298	$206,456
3	$7,356	$293,549	$0	$1,025	$301,931	$280,373	$516	$220,162	$220,678	$204,921	$81,253	$316,885	$75,451	$204,442
4	$10,422	$297,952	$0	$1,474	$309,848	$280,707	$741	$223,464	$224,206	$203,119	$85,642	$402,527	$77,587	$202,448
5	$10,422	$302,422	$0	$1,496	$314,339	$277,830	$753	$226,816	$227,569	$201,138	$86,770	$489,297	$76,692	$200,473
6	$10,422	$306,958	$0	$1,518	$318,898	$274,985	$764	$230,219	$230,982	$199,175	$87,916	$577,213	$75,809	$198,517
7	$10,422	$311,562	$0	$1,541	$323,525	$272,170	$775	$233,672	$234,447	$197,232	$89,078	$666,291	$74,938	$196,580
8	$10,422	$316,236	$0	$1,564	$328,222	$269,387	$787	$237,177	$237,964	$195,308	$90,258	$756,549	$74,079	$194,662
9	$10,422	$320,979	$0	$1,587	$332,989	$266,633	$799	$240,735	$241,533	$193,403	$91,455	$848,004	$73,231	$192,763
10	$10,422	$325,794	$0	$1,611	$337,827	$263,910	$811	$244,346	$245,156	$191,516	$92,671	$940,675	$72,394	$190,882
Total	$168,521	$3,061,146	$0	$13,820	$3,243,488	$2,840,131	$6,954	$2,295,860	$2,302,813	$2,010,178	$940,675	$940,675	$829,953	$2,004,161

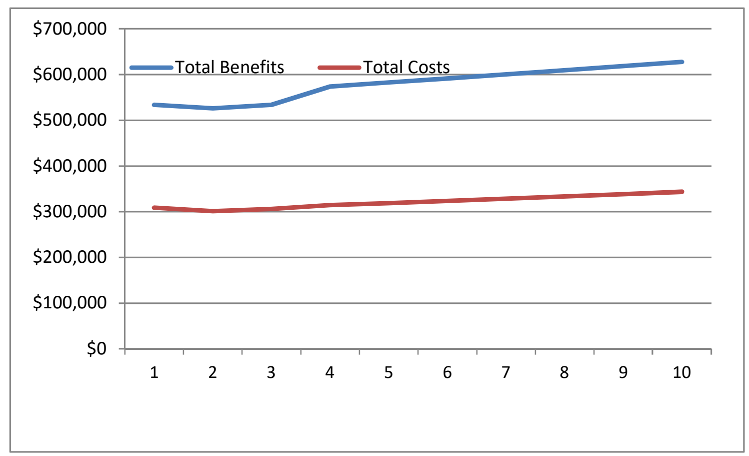




SUMMARY OF COSTS AND BENEFITS FOR:	**Kansas City USD 500**	**Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:**	**1.80**
PROJECT:	**PQ Corporation (Zeolyst)**	**Ratio of Present Value of Total Benefits to Present Value of Total Costs:**	**1.80**
DATE: 10/14/2019	**DISCOUNT RATE:** 2.50%	(Typical desired ratio would be 1.3 to 1) **Average ROI**	**8.03%**

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$399,572	$0	$60,800	$73,453	$533,825	$520,805	$8,714	$299,679	$308,393	$300,871	$225,432	$225,432	$219,934	$292,370
2	$389,773	$0	$61,712	$74,555	$526,040	$500,693	$8,845	$292,330	$301,175	$286,662	$224,866	$450,298	$214,030	$278,244
3	$395,620	$0	$62,638	$75,673	$533,931	$495,808	$8,977	$296,715	$305,692	$283,866	$228,239	$678,536	$211,942	$275,529
4	$401,554	$0	$63,577	$108,812	$573,943	$519,964	$12,909	$301,166	$314,074	$284,536	$259,869	$938,405	$235,428	$272,841
5	$407,578	$0	$64,531	$110,444	$582,552	$514,891	$13,102	$305,683	$318,785	$281,760	$263,767	$1,202,172	$233,132	$270,179
6	$413,691	$0	$65,499	$112,100	$591,291	$509,868	$13,299	$310,268	$323,567	$279,011	$267,723	$1,469,895	$230,857	$267,544
7	$419,897	$0	$66,481	$113,782	$600,160	$504,894	$13,498	$314,923	$328,421	$276,289	$271,739	$1,741,635	$228,605	$264,933
8	$426,195	$0	$67,479	$115,489	$609,162	$499,968	$13,701	$319,646	$333,347	$273,593	$275,815	$2,017,450	$226,374	$262,349
9	$432,588	$0	$68,491	$117,221	$618,300	$495,090	$13,906	$324,441	$338,347	$270,924	$279,953	$2,297,403	$224,166	$259,789
10	$439,077	$0	$69,518	$118,979	$627,574	$490,260	$14,115	$329,308	$343,423	$268,281	$284,152	$2,581,554	$221,979	$257,255
Total	$4,125,546	$0	$650,725	$1,020,508	$5,796,780	$5,052,242	$121,066	$3,094,159	$3,215,225	$2,805,794	$2,581,554	$2,581,554	$2,246,447	$2,701,034





SUMMARY OF COSTS AND BENEFITS FOR: **KC Community College**

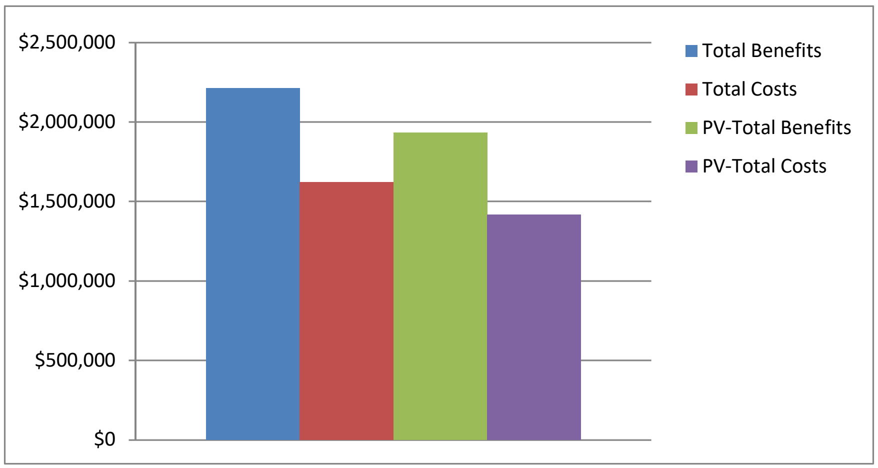
PROJECT: **PQ Corporation (Zeolyst)**

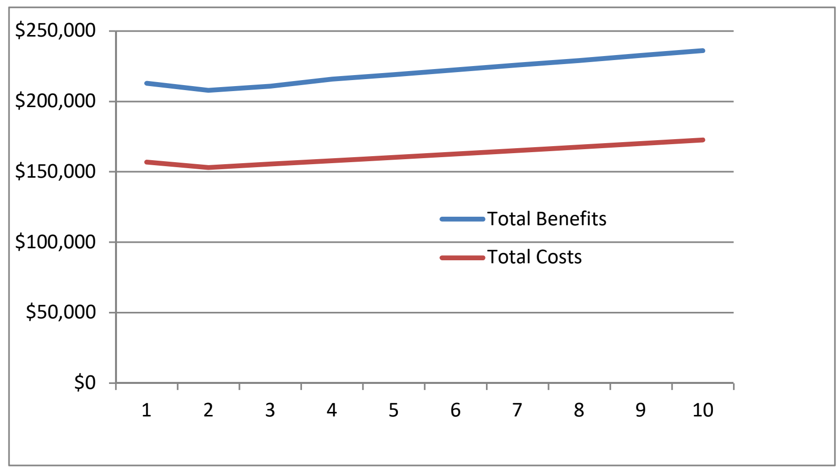
DATE: 10/14/2019

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	**1.36**
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	**1.36**
(Typical desired ratio would be 1.3 to 1) **Average ROI**	**3.64%**

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$208,816	$0	$4,055	$212,871	$207,679	$372	$156,612	$156,984	$153,155	$55,887	$55,887	$54,524	$152,792
2	$203,695	$0	$4,116	$207,811	$197,798	$378	$152,771	$153,149	$145,770	$54,662	$110,549	$52,028	$145,410
3	$206,750	$0	$4,178	$210,928	$195,868	$384	$155,063	$155,446	$144,347	$55,482	$166,030	$51,520	$143,991
4	$209,852	$0	$6,007	$215,859	$195,558	$552	$157,389	$157,940	$143,086	$57,919	$223,949	$52,471	$142,586
5	$212,999	$0	$6,097	$219,097	$193,650	$560	$159,750	$160,309	$141,690	$58,787	$282,737	$51,960	$141,195
6	$216,194	$0	$6,189	$222,383	$191,760	$568	$162,146	$162,714	$140,308	$59,669	$342,406	$51,453	$139,818
7	$219,437	$0	$6,282	$225,719	$189,890	$577	$164,578	$165,155	$138,939	$60,564	$402,970	$50,951	$138,454
8	$222,729	$0	$6,376	$229,105	$188,037	$585	$167,047	$167,632	$137,583	$61,473	$464,443	$50,454	$137,103
9	$226,070	$0	$6,472	$232,541	$186,202	$594	$169,552	$170,147	$136,241	$62,395	$526,838	$49,961	$135,765
10	$229,461	$0	$6,569	$236,030	$184,386	$603	$172,096	$172,699	$134,912	$63,331	$590,168	$49,474	$134,441
Total	$2,156,003	$0	$56,341	$2,212,344	$1,930,827	$5,173	$1,617,003	$1,622,176	$1,416,032	$590,168	$590,168	$514,795	$1,411,556





SUMMARY OF COSTS AND BENEFITS FOR: Wyandotte Co. Library

PROJECT: PQ Corporation (Zeolyst)

DATE: 10/14/2019

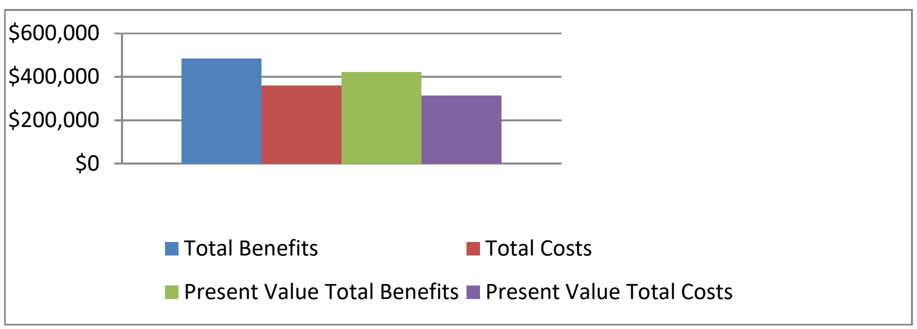
DISCOUNT RATE: 2.50%

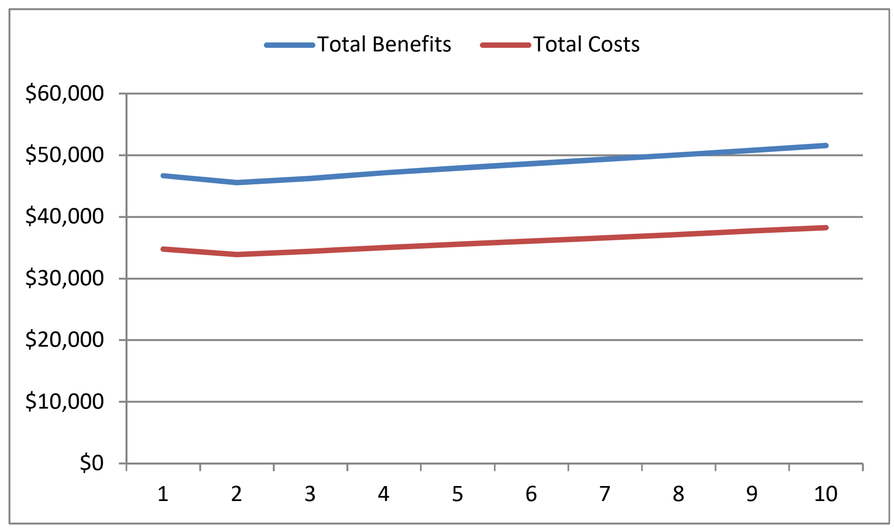
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 1.35

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 1.35

(Typical desired ratio would be 1.3 to 1) **Average ROI** 3.46%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	$46,113	$0	$541	$46,654	$45,516	$153	$34,585	$34,738	$33,891	$11,916	$11,916	$11,625	$33,741
2	$44,982	$0	$549	$45,531	$43,337	$155	$33,737	$33,892	$32,259	$11,639	$23,555	$11,078	$32,111
3	$45,657	$0	$557	$46,214	$42,914	$158	$34,243	$34,400	$31,944	$11,814	$35,368	$10,970	$31,798
4	$46,342	$0	$801	$47,143	$42,709	$227	$34,756	$34,983	$31,693	$12,160	$47,528	$11,016	$31,488
5	$47,037	$0	$813	$47,850	$42,292	$230	$35,278	$35,508	$31,384	$12,342	$59,870	$10,909	$31,180
6	$47,742	$0	$825	$48,568	$41,880	$234	$35,807	$36,040	$31,077	$12,527	$72,397	$10,802	$30,876
7	$48,459	$0	$837	$49,296	$41,471	$237	$36,344	$36,581	$30,774	$12,715	$85,112	$10,697	$30,575
8	$49,185	$0	$850	$50,035	$41,066	$241	$36,889	$37,130	$30,474	$12,906	$98,018	$10,592	$30,277
9	$49,923	$0	$863	$50,786	$40,666	$244	$37,442	$37,687	$30,177	$13,099	$111,118	$10,489	$29,981
10	$50,672	$0	$876	$51,548	$40,269	$248	$38,004	$38,252	$29,882	$13,296	$124,413	$10,387	$29,689
Total	$476,113	$0	$7,511	$483,624	$422,120	$2,126	$357,085	$359,210	$313,555	$124,413	$124,413	$108,565	$311,716



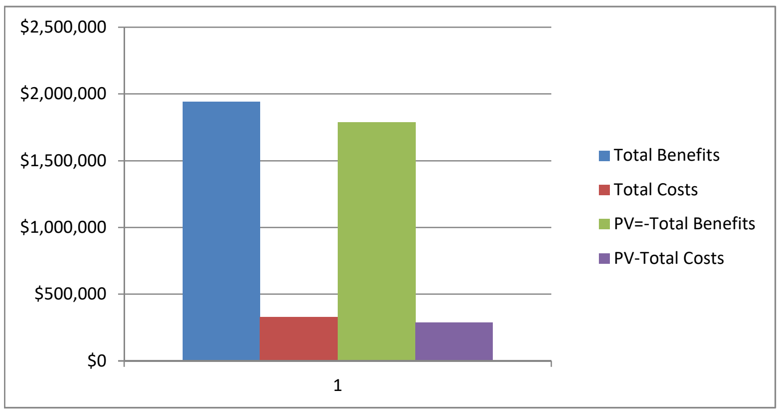


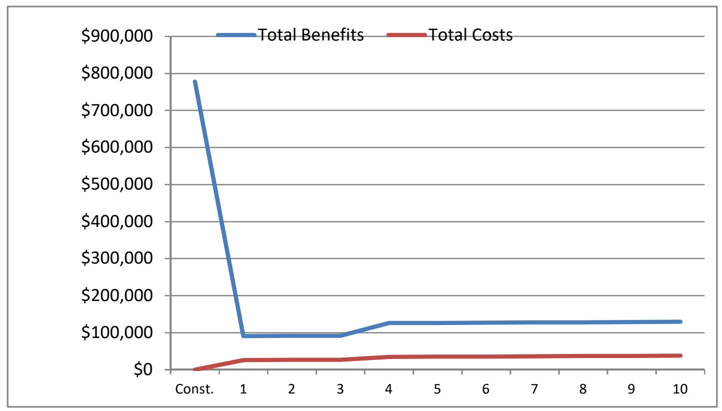
SUMMARY OF COSTS AND BENEFITS FOR: **State of Kansas**
PROJECT: **PQ Corporation (Zeolyst)**
DATE: 10/14/2019

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: **5.87**
Ratio of Present Value of Total Benefits to Present Value of Total Costs: **6.24**
(Typical desired ratio would be 1.3 to 1) **Average ROI** **48.75%**

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	$477,750	$0	$300,000	$0	$0	$777,750	$777,750	$0	$0	$0	$0	$0	$0	$777,750	$777,750	$777,750	$0
1	$43,834	$11,400	$18,900	$0	$16,655	$90,789	$88,575	$8,487	$8,714	$8,550	$0	$25,751	$25,123	$65,038	$842,788	$63,452	$8,341
2	$43,834	$11,571	$18,900	$0	$16,905	$91,210	$86,815	$8,615	$8,845	$8,678	$0	$26,138	$24,878	$65,073	$907,860	$61,937	$8,260
3	$43,834	$11,745	$18,900	$0	$17,159	$91,637	$85,094	$8,744	$8,977	$8,808	$0	$26,530	$24,635	$65,108	$972,968	$60,459	$8,179
4	$62,098	$11,921	$26,775	$0	$24,673	$125,467	$113,666	$12,573	$12,909	$8,941	$0	$34,422	$31,185	$91,044	$1,064,012	$82,482	$8,100
5	$62,098	$12,100	$26,775	$0	$25,043	$126,015	$111,379	$12,762	$13,102	$9,075	$0	$34,938	$30,880	$91,077	$1,155,089	$80,499	$8,021
6	$62,098	$12,281	$26,775	$0	$25,418	$126,573	$109,143	$12,953	$13,299	$9,211	$0	$35,462	$30,579	$91,110	$1,246,200	$78,564	$7,942
7	$62,098	$12,465	$26,775	$0	$25,800	$127,138	$106,957	$13,147	$13,498	$9,349	$0	$35,994	$30,281	$91,144	$1,337,343	$76,676	$7,865
8	$62,098	$12,652	$26,775	$0	$26,187	$127,712	$104,819	$13,344	$13,701	$9,489	$0	$36,534	$29,985	$91,178	$1,428,521	$74,834	$7,788
9	$62,098	$12,842	$26,775	$0	$26,580	$128,295	$102,729	$13,545	$13,906	$9,632	$0	$37,082	$29,693	$91,212	$1,519,733	$73,036	$7,712
10	$62,098	$13,035	$26,775	$0	$26,978	$128,886	$100,685	$13,748	$14,115	$9,776	$0	$37,639	$29,403	$91,247	$1,610,980	$71,282	$7,637
Total	$1,043,938	$122,011	$544,125	$0	$231,397	$1,941,471	$1,787,614	$117,917	$121,066	$91,508	$0	$330,491	$286,643	$1,610,980	$1,610,980	$1,500,970	$79,846





PQ Corporation (Zeolyst)

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	12	17
Construction jobs created	259	259
Number of New Residents in the Community	16	24
Number of Additional Students in the Local School District	12	17
Increase in Local Personal Incomes	$900,000	$11,625,000
Increase in Local Retail Sales	$7,366,918	$15,619,554
Increase in the Community's Property Tax Base	$30,400,000	$30,400,000

		Property Taxes
Estimated new annual tax revenues after 10 years:	City	$323,282
	County	$330,681
	School	$516,224
	Comm. Coll.	$232,903
	Library	$51,432
	State	$13,230
	Totals	**$1,467,752**

RESOLUTION NO. R- ____-19

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT NOT TO EXCEED $100,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING AN INDUSTRIAL FACILITY FOR THE BENEFIT OF PQ CORPORATION AND ITS SUCCESSORS OR ASSIGNS

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), desires to promote, stimulate and develop the general welfare and economic prosperity of the Unified Government and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Unified Government is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

WHEREAS, PQ Corporation, a Pennsylvania corporation (the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing, improving and equipping an industrial facility expansion located at 1700 Kansas Avenue in Kansas City, Kansas, as more fully described in the Application (the "Project") through the issuance of its revenue bonds in one or more series in the principal amount not to exceed $100,000,000 (the "Bonds"), and to lease the Project to the Company or its successors and assigns in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of one or more series of the Bonds under the Act in a principal amount not to exceed $100,000,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Approval of Project. The Governing Body of the Unified Government hereby finds and determines that the acquiring, constructing, improving and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

Section 2. Intent to Issue Bonds. The Governing Body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct, improve and equip the Project out of the proceeds of the Bonds in a principal amount not to exceed $100,000,000 to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Unified Government; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policies relating to the issuance of industrial revenue bonds and ad valorem tax abatement; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 5. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be acceptable to the Unified Government.

Section 6. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under the Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the bond trustee for the Bonds and in favor of the owners of the Bonds, as provided in the Indenture. The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Required Disclosure. Any disclosure document prepared in connection with the offering of the Bonds shall contain substantially the following disclaimer:

> NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED GOVERNMENT" AND "LITIGATION -- THE UNIFIED GOVERNMENT" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Unified Government under Kansas law) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the

Company will agree to make payments in lieu of tax as follows:

Year[1]	Approximate Percentage of Payments in Lieu
1	25%
2	25%
3	25%
4	25%
5	25%
6	25%
7	25%
8	25%
9	25%
10	25%

[1]Year refers to the first full calendar year following the issuance of a series of Bonds.

provided, however, any agreed upon valuation for determining the amount of such payment in lieu of tax and any property for which the Unified Government shall determine the payment in lieu of tax shall be in excess of that shown above, shall be set forth in the performance-based tax agreement executed by the Unified Government and the Company for each series of Bonds. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year a series of Bonds are issued. The foregoing percentages are subject to adjustment in accordance with the performance based tax abatement agreement for the Project.

Section 9. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by adoption of an Ordinance and compliance with other state law requirements. The Unified Government has not yet adopted an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be issued or that the Project will be approved.

Section 10. Termination of Resolution. This Resolution shall terminate on December 31, 2027. The Unified Government, upon the written request of the Company, may extend this time period.

Section 11. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company, assign all or a portion of the Company’s interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 12. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 13. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the Unified Government.

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVENMENTOF WYANDOTTE COUNTY/KANSAS CITY, KANSAS THIS 14TH DAY OF NOVEMBER, 2019.

By: ______________________________________
Mayor/CEO of the Unified
Government of Wyandotte County/
Kansas City, Kansas

(Seal)

Attest:

By: _________________________________
Unified Government Clerk

Resolution of Intent
PQ Corporation 2019

Staff Request for Commission Action

Tracking No. 191017

Full Commission Meeting Date: n/a

Committee: Economic Development & Finance

Date of Standing Committee Action: 10/28/19 (If none, please explain): For information only

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
10/16/2019	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

Informational update to the Standing Committee on the progress being made by Legacy Development on the Legends parking garage and apartment project, submitted by Katherine Carttar, Director of Economic Development.

Action Requested:

For Information Only

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List: