

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES**

Monday, November 9, 2015

The meeting of the Economic Development and Finance Standing Committee was held on Monday, November 9, 2015, at 5:56 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Walker, Townsend, Murguia (via phone) and Walters. BPU Board Member David Alvey was absent. The following officials were also in attendance: Doug Bach, County Administrator; Joe Connor, Assistant County Administrator; Melissa Mundt, Assistant County Administrator; Ken Moore, Interim Chief Counsel; Lew Levin, Chief Financial Officer; Reginald Lindsey, Budget Manager; Ron Green, Payroll Manager; Debbie Pack, Treasury Manager; Rick Mikesic, Accounting Manager; Debbie Jonscher, Assistant Finance Director; Mike Grimm, Research Manager; Maureen Mahoney, Assistant to the Mayor/Chief of Staff; George Brajkovic, Director of Economic Development; Marlon Goff, Economic Development; and Mike Tobin, Interim Director of Public Works.

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

Approval of standing committee minutes from August 10 and September 14, 2015. **On motion of Commissioner Townsend, seconded by Commissioner Walker, the minutes were approved.** Motion carried unanimously.

Measurable Goals:

Item No. 1 – 15191...MEASURABLE GOALS: FINANCE DEPARTMENT

Synopsis: Presentation and discussion of the 2015 Measurable Goals for the Finance Department, presented by Lew Levin, Chief Financial Officer.

Melissa Mundt, Assistant County Administrator, said alright commissioners, we're back again on the conversation of measurable goals. Tonight, for the standing committee for Economic Development and Finance, we're going to have Finance start first. Lew has got some slides that go with most of his questions. We're going to lead off with the first question where he's talking about reviewing all of their policies and procedures. Lew, I'm going to turn that one over to you. We've talked in advance so, hopefully, we'll make this as smooth as possible but same concept here again, get Joe and I the feedback that we can work with the Finance team to make sure we're targeting toward our aspirations. Lew, the first one we have up here is the policy review. I know we're not going to be in order. Do you have a slide for that? **Lew Levin, Chief Financial Officer**; said yes. I'm not certain what you're referring to. **Ms. Mundt** said Joe is probably in the way. I've got these in the order they were submitted to me. So, I don't know. **Mr. Levin** said we organized the slides consistent with the RFA that was submitted. **Ms. Mundt** said I didn't have the RFA when I was working on this today. This should be the first one. **Mr. Levin** said essentially the way I organized it is that each of the divisions, and I have staff of each from our divisions within Finance. Our directive when we establish goals was to come up with sort of I want to say one to three goals for each division and they were related to objectives or special areas that we had an emphasis on this current year. When I say we only had, when I'm showing one or two goals, and I'll use Treasury for an example; we focused on customer service within Treasury. Treasury may do—we could have established 20 different goals within Treasury, but for this I'll say initial exercise we focused on just one particular goal related to customer service.

The way these slides are organized, we have a series of goals for each division within Finance. I think you may or not know each of the staff members but Debbie Jonscher, Assistant Finance Director; is going to start with Finance Administration. **Ms. Mundt** said I just want to remind you that we want to be able to have the commissioners provide feedback. The idea is not to read through everything—we did this last time too. It's not to really read through every single detail and we're not updating on measures. They can see it but we don't spend a lot of focus on that. We want to make sure that we're measuring what they want measured.

Finance Department Measurable Goals
Finance Administration Division

Credit Rating	Goal	February 14	February 2015
Moody's	AA	Aa3 – Negative Outlook	A1 - Stable
Standard & Poor's	AA	AA - Stable	AA - Stable

General Fund Balance	Goal	2013 CAFR	2014 CAFR
Budget Basis	10%	3.2%	3.9%
GAAP Basis-Generally accepted accounting	10%	8.0%	8.8%

Special Financings	Status as of November 2015
U.S Soccer STAR Bonds	Completed September 2015
Schlitterbahn STAR Bonds	Completed October 2015
Wyandotte Plaza Refunding	Projected January 2016 - Finalizing structure
PBC Cricket Wireless	Projected December 2015 - Finalizing terms
U.G. Medical Clinic	Projected January 2016 - After building sale completed

Debbie Jonscher, Assistant Finance Director; said I'll just be really brief. The Finance/Administration Division set three goals. The first one being the credit rating goal, to maintain with our credit rating agencies a AA rating. We put the ratings that we had for last year and then what occurred earlier this year. As you can see, if you recall, Moody's downgraded us from AA to A1. Our goal is to get that, hopefully, over the next several years we can work on getting that rating back up to the AA level. The next one was the General Fund Balance. We're targeting a goal of 10%. **Commissioner Walker** said excuse me. Can you for both my benefit and anyone else, what steps as a Commission are we going to need to take to raise A1 to AA from a finance person's standpoint? **Ms. Jonscher** said probably two of the areas that the credit rating agency identified in our report was our low Fund Balance as well as our high debt amount. Although they viewed the debt level to be high, however, it was acceptable. I think our primary goal would probably be to increase the Fund Balance to a 10% level. **Commissioner Walker** said I mean obviously from a commissioner's standpoint, if we're going to do these goals and we're going to accept them as they are, then we are buying in with the idea that we want to improve our credit rating and in order to do that we need to save money. So if we happen to come into any money, at least from a finance standpoint and this goal, we should be saving a significant amount of that money, correct. **Ms. Jonscher** said correct, or we would at least want to—in order to raise our Fund Balance, our revenues have to be higher than our expenses, so yes. **Commissioner Walker** said I guess that is how it works. **Commissioner Walker** said obviously, if we're going to accept these as goals, then we have to be partners in how we achieve

success in that arena in saving a significant amount of money from perhaps the sales tax revenue that will be coming. It could be a means to make a demonstration to Moody's at least, perhaps to the other credit agencies that we are serious about maintaining or improving our credit because lower credit costs us more money in the long run correct. **Mr. Levin** said the only thing I'd add to Debbie's comment is the credit agency sort of—tend to look at a multi-year performance of how we manage our budget. We may improve Fund Balance one year but if it declines the next years, then that becomes an issue and we've had somewhat of a history where we've made strides, improve and then it's fallen so there's a multi-year aspect to it.

Ms. Jonscher said our next goal was the General Fund Balance which we just discussed, was setting a 10% Fund Balance percentage, as a goal to work on. As you can see, we showed the percentage of where we were on Budget Basis and GAAP Basis which we show both in our Annual CAFR Report. Our goal would be to work toward that 10%. The final goal that we had set was to complete several special financings.

We have completed the US Soccer & Schlitterbahn STAR Bond financings. We've got three more that we're working on, the Wyandotte Plaza and then two PBC issues, Cricket Wireless and the Medical Clinic. **Commissioner Walker** asked have we approved the purchase of a Medical Clinic. Have I not been aware of that or missed that. Are you talking about a building? **Chairman McKiernan** said yes, we did, three weeks ago. **Commissioner Walker** said we did. **Chairman McKiernan** said yes. **Commissioner Walker** said I apologize. I'm not registering where we agreed to buy that. **Ms. Jonscher** said the purchase of the clinic was included and we had presented a cost. **Commissioner Walker** said I knew we were going to do it. I didn't know we had actually taken any steps yet to accomplish that. I must not be registering tonight. Go ahead. **Ms. Jonscher** said that's all I have for the Finance Administration Division. **Commissioner Walters** asked are you ready for comments? **Ms. Mundt** said also, just as a reminder, these are all broken out in your packet but each one of these are on a separate sheet. If we could get the feedback separately, that's going to help staff update these as best as possible. The first one that we're showing up here is the maintain a credit rating of AA.

Commissioner Walters said I'd like to echo Commissioner Walker's comments on that. That would have more meaning if we knew what the implications were for us as we look at budgetary issues. If we could have something that is somewhat measureable, like reduced debt by X percent per year or increase Fund Balance by X percent per year or something that we can actually evaluate and track I think would be far more helpful for me. **Chairman McKiernan** said I would agree with that, I think we want to look at—we certainly could have and I gave everybody, I've been thinking about these, and I pulled a part some of the original and just kind of reorganized them. If the broad goal is to maximize our fiscal position, health, whatever you want to call it; then these fall under that. Under that broad aspirational goal of being the strongest financially that we can be, having a good credit rating, having adequate fund balance, having low debt or debt service contribute to that ultimate goal of aspiring to the best financial health we can have but then I think we need a third level and that would be what are we going to do this year about that? We won't get to 10% Fund Balance this year so what's our strategy or our sub objective that we're going to accomplish this year. The 2014 CAFR says that our Budget Basis Fund Balance was 3.9% by the end of fiscal 2015 we're going to achieve 4.3%, whatever it might be because as Commissioners Walker and Walters have pointed out, that then drives what we can approve in the budget. It drives how we organize revenue. It drives so many other things that ultimately depend on us, so I would suggest that we have a broad goal, financial health, objective our 10% Fund Balance and then a subdivision of that, what are we going to do this year and measure it and ask did we get there or not. If we did, great. Can we do it again next year, if we didn't why didn't we get there and what do we need to do day-to-day differently. That's where I'd like to get on these is to break them down into a measurable for this year on the road to that broad aspiration.

Commissioner Walters said the 10% goal for the Fund Balance, both of the Budget Basis and the GAAP Basis, is it appropriate that they be the same. It seems like the GAAP Basis, we're getting numbers that are quite a bit bigger, higher than the Budget Basis. If we achieve a 10% Budget Basis, would our GAAP Basis be 20% or 15% or something? Which one do you think we should really be focused on? **Mr. Levin** said I think if we achieve it first on a GAAP Basis that would be a significant step. I think the number on a budget basis doesn't have to be at that level, but it certainly will give us a position of greater financial stability will allow us to build in

additional numbers in the budget for reserves and just greater flexibility in our budget. When we have a lean budget with a small level, of Fund Balance, we have to—the budget that the Commission adopts is on a budget basis and so we’re limited on what we’re able to do. Just a good example that you may have heard of what occurred this weekend with the fire station; we have a fairly significant repair that we’re going to undertake and we’re going to have to use budgeted Reserves. Our level of Reserves really aren’t at where—I’ll say at the most, desirable levels so we’re going to cut into that level of Reserves. If we improve our Fund Balance on a budget basis you know when we have situations like what occurred this weekend, they’re just easier to address. **Commissioner Walters** said I understand the value of having a Fund Balance. I’m just really questioning which one we should focus on. **Mr. Levin** said yes, the credit agencies actually look at the GAAP Basis. **Commissioner Walters** said well good because we’re closer on that one.

Chairman McKiernan asked is 10% on a GAAP Basis still a desirable target. **Mr. Levin** said yes, 10% on a GAAP. I would say that’s really a minimal target on a GAAP Basis. Well then I would concur with Commissioner Walters that we consider picking the one metric that will be our measure, establish that and stick with that because there is such a disparity between the two different basis on which these are calculated. **Mr. Levin** said I think your suggestion though, commissioner, about making incremental improvements on the budget basis still would be one. **Chairman McKiernan** said I think it’s great.

Commissioner Walters asked do you happen to know what we’re projected to end 2015 with or is it too early to tell. **Mr. Levin** said because of the one-time payment and we’re not fully spending that payment this year, we’re going to be above 10% on the GAAP Basis. I’m hopeful that we’ll have somewhere, I’m going to say a 1-3% on the Budget Basis. **Commissioner Walters** said if that’s the case, I think our audited financial statement last year pointed—termed our debt to be excessive. Do you think that they would remove that wording this year if we got to those levels? **Mr. Levin** said I think the debts a separate thing from Fund Balance. They look at our overall debt, outstanding debt. That’s not going to change significantly. **Commissioner Walters** said we have to decide which to attack, our debt level or our Fund Balance. **Mr. Levin** said I think both are appropriate to consider when we make decisions. **Chairman McKiernan**

said then I would suggest that under this broad heading of Fiscal Health that in addition to credit rating and fund balance that we add some measure of debt, low debt service payments that we aspire to. For example, you showed me the other day that within our policy it says that we can be anywhere from 10-12% of the total budget authority for tax levied funds. Well, I'd say let's pick a percent and say that's our target and we choose to aspire to that. So let's say that we say our debt service payments will be at or below 10% of our total budget authority. Establish a debt goal—**Commissioner Walters** said a measureable goal. **Chairman McKiernan** said and a goal for that. We can measure our debt in a number of ways, total dollars, dollars as expressed as a percent of expenses, all sorts of ways, let's establish a level of debt that we aspire to get down to and maintain would be my suggestion.

Commissioner Townsend said I want for my clarity to understand with the goals that we're setting, who are we holding accountable for these because I looked at as we look at the credit rating and the General Fund balance, it goes directly to what Commissioner Walker said, that the Finance Department is responsible totally for that. It's a matter of what we as the commissioners decide and the budget we want to spend money on. This is the only confusion that I have about what the goal is. I like that, I don't know if that's the Finance Department's burden to have set as a goal if we were using these to evaluate them. You follow what I'm saying? **Ms. Mundt** said actually, these are supposed to be the goals you're wanting staff to work towards. Staff is bringing these to you to discuss what it is that you're looking for as a Commission. We'll remind you of what you said by providing reports to you on some sort of increment as we go forward. If you're not wanting to aspirationally set, trying to not ever issue debt again or something like that, then that's not a goal that you want to set because staff will be looking to find ways to do that for you. Clearly, through the budget process you have an opportunity to make a lot of different decisions that impact a lot of what Lew and his staff do throughout the year. These are your goals, ultimately staff's collecting the data and making the tweaks to how we do our work.

Chairman McKiernan said and that's where I go back to, I think for these to be truly effective, we have to have not only the overall goal and the objective like 10% Fund Balance, we have to have that incremental. We have to have what we want to accomplish in this year because that

then comes back down to our budget decisions. That may approve or disapprove, include or not include a CMIP project if we have a goal of limiting the amount of debt that we issue in any given year and we as a Commission decide well, that's our incremental goal for this year to stay at that dollar figure or that percent, then that may mean we change how many projects we can approve. That's why I really do think we need to get down to the level of what do we want to accomplish this year, even if we have that broad measurable. That's what we haven't come to any conclusions yet about is what are we going to do this—I mean these are great to say yeah, we want 10%. What's it going to mean in terms of dollars in fiscal year 2016, that becomes then important to us. **Commissioner Townsend** said I think that clarified my real question about who we're holding accountable for this. That was it. **Commissioner Walker** said the way it works here, Commissioner Townsend, in this building is that on a lighter note, if we have success next year in achieving these goals, it will be to the credit of the new finance director and if we have failure it will be Lew's fault. **Commissioner Townsend** said I'm sure that's not the parting gift he was looking for. **Commissioner Walker** said he left it in such a mess that the new person couldn't straighten it out. That's how it worked for Chief Legal Counsel I'm told.

Chairman McKiernan said, Commissioner Murguia, I want to make sure—

I know sometimes when you're not sitting at the table it's easy to forget we have people on the phone. I want to make sure that we don't skip over you if you have anything that you want to add to this discussion. **Commissioner Murguia** said thanks for considering me Brian, no it's good conversation. I think you're doing a good job. I really don't have anything else to contribute at this point. **Chairman McKiernan** said thank you. Be sure to holler out if you do. **Commissioner Murguia** said okay.

Ms. Mundt said I think the question on this next one that Lew has provided is about completing several big project financings. The question is, is this the type of thing that you're looking for from a staff level for goals or is this too specific? **Chairman McKiernan** said from my perspective, again, I ask these are a means to what end. Okay, we're going to complete these bond issuances. Why? What is it we hope to accomplish by doing this? While I don't disagree with any of these, I think these are great goals to have. Why are we doing it? It's to grow our assessed valuation. It's to grow sales tax. It's to do something that allows us then to balance our

budget and include those projects in our budget, those services that we want to be able to pay for. While I don't disagree with any of them, my bigger question would be why, a means to what end.

Ms. Mundt asked did you have a slide on that Lew. **Mr. Levin** said it's what you see right on the bottom. My only comment to that, commissioner is the Finance Administration, we're involved in a number of financing through the course of the year and I think our goal that we can measure is we want to complete those tasks. These are major projects and they consume a lot of our time. At least if we put it down on paper we're saying did we accomplish our objective—**Chairman McKiernan** said okay, so to get back to that then I would suggest that we could write another large overall goal. That might be the one that I suggested that as number one, demonstrate excellence in managing and reporting on the fiscal resources of the Unified Government. If that was your overall goal then these could be objectives, you could measure those and you could say doing this demonstrates that we demonstrated excellence in managing and reporting on our resources. I think a lot of the things we're going to see coming up could also be folded under that as it relates to completing tasks on time, getting reports out that have sufficient data in them to be useful. **Mr. Levin** said I think the way you organize it makes a lot of sense. It really takes different activities within each of the divisions and puts them into a more; I'll say a broader subject area. I think what we did initially is we looked at each division and said what could be a goal for each division.

The next area is Research Division and it's within Finance Administration. Mike Grimm is responsible in that area. I'll let him just review what's on this page.

Finance Department Measurable Goals
Research Division

1) Timely and accurate updating of financial official statement socio-economic section

- General information about our community/government (e.g. population, major employers, labor force, employment by industry, development trends and building permit activity)
- Investors are target audience
- BPU Official Statement, November 2015
- Schlitterbahn Official Statement, October 2015
- U.S. Soccer Official Statement, September 2015
- Unified Government Official Statement, January 2015

2) On time payment to developers/trustees of special taxing districts

- Currently eight payments processed quarterly
- Current special district payments, listed below:

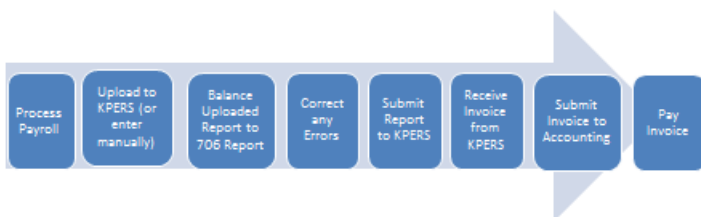
- Plaza Speedway	- Schlitterbahn CID
- 39 th & Rainbow Redevelopment	- Northwood CID
- Shawnee Plaza	- Metropolitan Redevelopment TIF
- Wyandotte Plaza	- Honda Dealership

Mike Grimm, Research Manager, said I'll just review, relatively quickly the two goals, number one timely and accurate updating of the financial official statements, mainly the social economic section. The investors that potentially are going to purchase bonds or temp notes, they look at this document to make a decision. I mainly help with that first bullet, the general information regarding our government and community population, major employers development trends etc. You can see the last four bullets are the official statements we've completed this year; one for BPU, Schlitterbahn, US Soccer and then in January and one for the Unified Government. The second goal regarding the special taxing districts we have the Community Improvement Districts, Transportation Development Districts, the TIFs, of the roughly approximately 17 that we have, eight of them we have to do quarterly payments to the developers and trustees. I've listed those in the second bullet. **Chairman McKiernan** said again, from my perspective, I think these are wonderful. I think we could fold them under that broad umbrella of demonstrating excellence in managing and reporting by making reports that are on time, containing all the appropriate data, go to all the appropriate people. It looks good to me. **Mr. Levin** asked are there any comments in this area, we'll move forward.

Ron Green, our Payroll Manager, is going to discuss this goal. Again, this is sort of just one aspect of what Payroll does but it would say new requirement the state put upon us this year.

Finance Department Measurable Goals
Payroll Division – Goal: Timely Payment of KPERS Invoices

**KPERS Invoices Must be Paid
Within Three Days of Pay Date
(Effective 1/1/15)**



Performance YTD – Payments filed timely; no penalties incurred.

Ron Green, Payroll Manager, said obviously the main goal in Payroll is to get every employee paid on time and accurately. We've gotten pretty good at that. This one was thrown at us this year with the admin of yet a third tier of KPERS membership. Historically, we transmitted funds to KPERS every week but we didn't reconcile until the end of the year for each individual. Starting this year we have to transmit and reconcile weekly, which was a challenge. What you see there is basically the process. We try to process payroll by Tuesday of the Friday payday. After we do that we create a file and upload it to KPERS. We create another file called the 706 report which is basically a generic deduction report showing the total amount of employee and employer contributions. We have to reconcile those, correct any errors.

Finance Department Measurable Goals
Payroll Division

Employer Payperiod Payroll Hdr Maintenance

www.kpers.org Select Agency | Change Password | Return

Payroll Report Information

Department : 98
Pay Begin Date : 10/15/2015 Pay End Date : 10/26/2015 Pay Date : 11/06/2015
Receive Date : 11/03/2015 Off Cycle Pay : N
Total KPERS Wages : \$996,001.60
Total Employee Contributions : \$95,960.04 Payroll Status : Valid
Total Employer Contributions : \$206,337.99
Total Employer Insurance : \$0.00
Total Buyback : \$0.00
Grand Total : \$275,407.07

Payroll Detail Records

Payroll Detail Records | Errors | Detail Error Summary | Payroll Detail Status Summary | Invoices

12235278930...

SSN	Employee Name	Member Type	Payroll Detail Status	Gross Wages	Adjustment to Gross Wages	KPERS Wages	Member Reported Contributions	Employee Contributions	Employer Contributions	Insurance	Buyback
12235278930...	Green, Ron G	Police - Regular	Valid	\$4,176.64	\$0.00	\$176.64	\$298.63	\$298.63	\$892.13	\$0.00	\$0.00
12235278930...	Green, Ron G	Police - Regular	Valid	\$2,965.12	\$0.00	\$295.12	\$212.01	\$212.01	\$633.35	\$0.00	\$0.00
12235278930...	Green, Ron G	Police - Regular	Valid	\$2,965.44	\$0.00	\$295.44	\$214.17	\$214.17	\$639.83	\$0.00	\$0.00
12235278930...	Green, Ron G	Police - Regular	Valid	\$3,057.78	\$0.00	\$307.78	\$218.63	\$218.63	\$653.14	\$0.00	\$0.00
12235278930...	Green, Ron G	Police - Regular	Valid	\$2,818.96	\$0.00	\$218.96	\$201.56	\$201.56	\$602.13	\$0.00	\$0.00
12235278930...	Green, Ron G	Police - Regular	Valid	\$1,754.40	\$0.00	\$154.40	\$111.14	\$111.14	\$332.02	\$0.00	\$0.00

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That report is then, as you can see here submitted to KPERS. It's in detail, every employee, what department they're in, valid, invalid gross wages, adjustment to gross wages. We have reconciled that on our end. This is what we then send to KPERS.

Finance Department Measurable Goals
Payroll Division

KPERS Employer Payperiod Remittance Request Maintenance
www.kpers.org Select Agency | Change

Message ID	Message	Severity
5034	Amount can not be 0 or negative for bank	Error
5064	Atleast one invoice must be paid	Error

Remittance Information

EFT Type : KPRF
Remittance Date : 11/05/2015
Total Distributed : \$0.00
Override Calculated Amount : ☐
Status : Review

Employer : 9238 Unified Government of Wyandotte County
Request ID : 1300258
Total Remittance : \$0.00
Override Difference : \$0.00

Bank Information

Bank	Amount
☐ UMO Natl Bk of America XXXXXX2561	0

Invoices to be paid
Open Apply Remove

To be applied

Invoice ID	Type	Due Date	Invoice Amount
☐ 24005	Employer Reporting Invoice	11/12/2015	\$275,407.07
☐ 24007	Employer Reporting Invoice	11/12/2015	\$349,849.57

Applied
Invoice ID Type Due Date Invoice Amount
No records to display

Sample of KPERS Remittance Screen

This is what KPERS then does which is a new format. They then bill us. Based on the information we sent them, they will bill us. You'll see there two invoices for the same pay period. We have police payroll, fire payroll, wyco, hourly and salary. Each one of those will generate a separate bill. Once we get those bills, the amounts are right, we send them to Accounting. Accounting then approves the payment. That has to be done within three days of the pay date. The reason we chose this it can have a significant negative monetary impact, as they now have imposed fines for the late filing and late paying of these amounts. When you're talking penalties of two to five percent on a quarter a million to a half of million dollars, it could be significant. This year we have not had any fines. **Chairman McKiernan** said I think it's very appropriate, again, I would lump it under demonstrating excellence in managing and reporting but has to be done and it has to be done well and on time.

Mr. Levin said Debbie Pack, Treasury Manager is going to cover these slides.

Implemented July 20, 2015

Where is the survey advertised?

Treasury and Motor Vehicle's webpages
Signature lines of all Treasury employees
Motor Vehicle Awesome-Q Text

Response Rate:

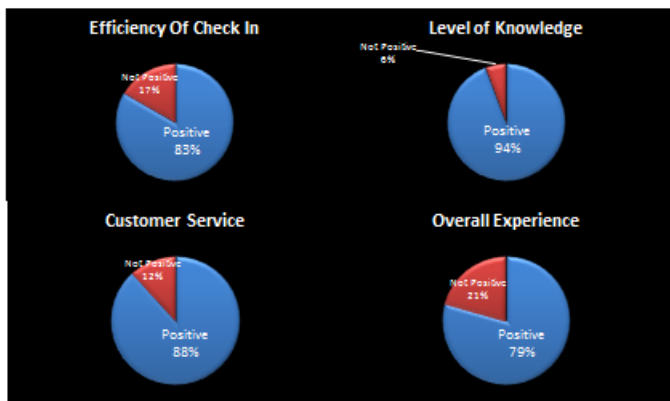
Total responses to date: 838
Webpage: 55 responses
Motor Vehicle Awesome-Q Text: 783 responses

Debbie Pack, Treasury Manager, said so our main goal falls under the customer service. It's one of the major goals for the commission this year. Our first goal was to actually get some feedback from customers, so in July, 2015 we implemented a customer service survey. We reach out to our customers in three ways, it's advertising on our webpage, it's a signature line of every Treasury employee so when a Treasury employee sends out an email, there a link at the bottom so that customers can give us feedback. The biggest one that we use is the Motor Vehicle Awesome-Q Text system. When customers use the Q system with their text messages, once their transaction is complete, the system is signaled to send them another text message which just basically asks them to answer survey questions for us. We've had a really good response for them. Since July we've had over 800 responses. Almost 780 of those have come through this Awesome-Q System. Basically, information we're asking for them is how is our system? How does our check out system work? What is the level of knowledge that you believe we have? How was your customer service and also their overall experience? That feeds into our second goal which is to achieve a 75% positive response by the end of the year.

November 9, 2015

Finance Department Measurable Goals
Treasury Division- Achieve a 75% positive response by year end

Responses



As you can see from this slide, our level of the check-in process, people love it, some of them don't, they don't understand how it works. The level of knowledge is tremendous for us, 94%. The customer service level is 88% and the overall experience is 79%. We feel this this is some pretty positive feedback that we've received through this customer survey.

November 9, 2015

Suggestion for Revised Format – Finance Department

Goal #1

Demonstrate excellence in managing and reporting on the fiscal resources of the Unified Government.

Objectives for Goal #1

- 1A - Process monthly updates (Annual, Budget Milestones, and Balance Sheet) by the 15th of each month. (3b)
- 1B - Implement OPEN GOV reports, including Budget to Actuals, Current Year, and transactional data in 2015. (3a)
- 1C - Complete annual audit of CAFR with no "material weaknesses" and three or fewer "significant deficiencies" noted. (bjm)
- 1D - Transmit KPERS reconciliation and payment within 3 days of pay-period. (4a)

Goal #2

Maximize the fiscal (position? strength? health?) of the Unified Government.

Objectives for Goal #2

- 2A - Maintain a credit rating of AA level (Moody's and S&P) (2a)
- 2B - Maintain a General Fund Balance equal to 10% of General Fund expenses (GAAP/Budget basis) (2b)
- 2C - Maintain debt service payments at a level that is at or below 10% of total budget authority for tax levied funds. (bjm)

Goal #3

Maintain policies and procedures that give clear direction to staff on managing and reporting UG financial information. (could also be included as objectives under other goals)

Objectives for Goal #3

- 3A - Review complete list of policies and procedures, including accounting standards, internal controls, cash management, assets, liabilities, revenue, expenditures, procurement, grants, and financial reporting. Revise policies as necessary and draft others that are required after assessment. Work with other Unified Government departments to ensure implementation were coordination is required. Complete 65% of the policies by the end of 2015. (1a)

Goal #4

Demonstrate excellence in service to external customers.

Objectives for Goal #4

- 4A - Achieve a positive customer service and overall experience rating of 75% on survey completed by customers... (5b)
- 4B - Implement a customer survey in 2015. (5a)

Goal #5

Demonstrate excellence in service to internal customers.

Existing Format - Finance Department

Here are the measurable goals for the Finance Department as included in the document "2015 Measurable Goals". I have assigned a code to each (1a, 2a, etc.) to make it easy to track the original goals as they are incorporated into the suggested new format.

Accounting

- Review complete list of policies and procedures, including accounting standards, internal controls, cash management, assets, liabilities, revenue, expenditures, procurement, grants, and financial reporting. Revise policies as necessary and draft others that are required after assessment. Work with other Unified Government departments to ensure implementation where coordination is required. Complete 65% of the policies by the end of 2015. (1a) *

Administration/Research

- Maintain a credit rating of AA level (Moody's and S&P) (2a) *
- Strive toward a General Fund Balance of 10% target (GAAP/Budget basis) (2b) *
- Complete U.S. Soccer, Schlitterbahn, Wyandotte Plaza, and PBC financings in 2015. (2c) ??
- Provide timely and accurate updating of financial official statement socio-economic section. (2d) ??
- Provide on time payment to developers/trustees of special taxing districts. (2e)

Budget

- Implement OPEN GOV reports, including Budget to Actuals, Current Year, and transactional data in 2015. (3a) *
- Process monthly updates (Annual, Budget Milestones, and Balance Sheet) by the 15th of each month. (3b) *
- Determine transactional data view options for government and public by. Train users. (The timeline for implementation is still be finalized.) (3c) ??

Payroll

- Transmit KPERS reconciliation and payment within 3 days of pay-period. (4a) *

Treasurer

- Implement a customer survey in 2015. (5a) *
- Achieve a positive customer service and overall experience rating of 75%. (5b) *

Chairman McKiernan said Commissioner Walker goes well you're going to say something so you might as well get it over with. I love this but I think this could be one example of, and as

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you see I put on my document, we can set an overall goal, demonstrate excellence in serving external customers and then the question is what qualifies as excellence. What do we say would be excellent? Excellent might be greater than what you have, a 75% positive experience. If we were to do that with that demonstrating excellence in customer service, then not only do you have data for your specific division within a department, but the other divisions could have similar metrics that they could create to not only demonstrate excellence in serving external customers but internal customers as well.

I love it. I would just suggest that there's a bigger framework that this fits in and what we're really after here is customer service and a way of saying we are darn good at it and here's the data that we believe demonstrates darn good. That would be my suggestion.

Is there any other discussion? Are there any other comments, anything else that we want to bring forward? I certainly have unfortunately for your benefit beat the same drum over and over but I'd like us always to think to what end. Why are we doing this? I think we'll get to some really powerful global goals that we will be able to demonstrate progress toward.

Commissioner Townsend said from the presentations thus far, I agree with Commissioner McKiernan and the overall goals for customer service and I like that you have identified things that you can quantify and have some control over. I applaud you for what you've brought forward and I think to put them under the overall goals that Commissioner McKiernan has identified would be appropriate. **Mr. Levin** said I will just note what I distributed what a little more comprehensive summary of the initiative Treasury's taken to date. **Chairman McKiernan** said that would be another thing that I would make sure that we want to capture. Sometimes we're doing things within our various departments and divisions. We are serving customers, we're accomplishing tasks and I want to make sure those things we are doing well we actually capture because there may be other metrics we could use to demonstrate excellence or demonstrate progress and I want to make sure we give credit where credit is due for things that we are actually accomplishing.

Finance Department Measurable Goals
Accounting Division

Goal: Develop a complete list of Policies and Procedures in the following areas:

Accounting Principles and Standards

Internal Controls

Cash Management

Assets

Liabilities

Revenues

Expenditures

Procurement Process

Grants

Employee Associated

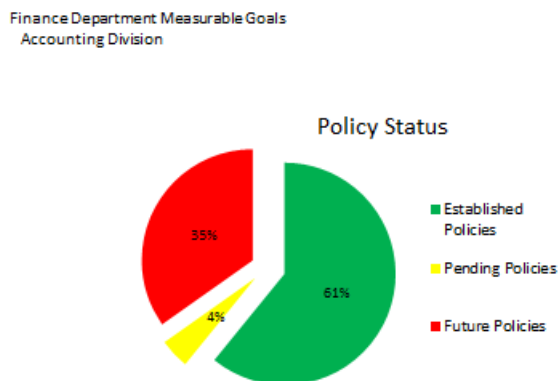
Financial Reporting

Mr. Levin said the next area is in our Accounting Division. Rick Mikesic is going to discuss this. **Rick Mikesic, Accounting Manager**, said this section kind of goes back a couple of years because when I first came into the Accounting Division of Finance, I had noted that in many occasions the items and the processes that we followed either weren't documented at all so it was hard to go back and explain what we should be doing if we don't even have it documented out. There were many cases where policies were established but they were so dated that they really were irrelevant.

In some cases those occasional once in a while things would come up where you're okay, well how do we deal with this item today. It could result in us providing inconsistent services with the department levels when they needed to try to accomplish something. It was put on my priority to try to set out a complete and comprehensive list of policies. I added procedures as well in order to try to have one go to place for the staff that they could go to if they had questions about what they need to do and why they need to do it and also because, frankly, sometimes we have departments that don't necessarily want to follow what we're trying to accomplish. We had to give them something to say, well we're doing it this way because this is what the policy says we have to do.

With that background what I had set out to do originally a couple years ago was to develop this comprehensive list which first identified all the policies and any related procedures and then once I've identified them to go back and try to develop them to the extent that we could knowing this would take a long process. This year we made some significant progress towards

it. We had produced a few new policies over the years but nothing to where we needed to be so this year we took the opportunity to try to ramp that up. The list that you see in front of you are general groupings of the policies and procedures that were identified. Inside each one of those groups can be any number of individual policies specifically related that kind of flows into the overall revenue group, for example, would include interest allocations, revenue recognition, things like that.



We developed 46 different policies and procedures that we need to establish. Once we develop those lists in those groupings we started working on creating the policies. To date we've created 28. In the green is what we've established. We're at 61%. 28 of the policies that have been identified have been drafted and are implemented today. We have pending policies in the yellow. There are two policies that are fairly detailed and comprehensive of a lot of different aspects. We will have those by the end of 2015 implemented and so since they weren't done yet, I didn't want to put them in the green, but since I know they will be done by 2015 I didn't want to put them in the red either. The red is future policies. Policies that we've established but haven't gotten to yet, my goal is to continue to work on those in the next year. I don't know that I'm going to get through all of them next year but that is where I intend to try to be next year. I would be happy to entertain any questions that you might have. **Chairman McKiernan** said I think they are all very appropriate. You could easily sort all of these policies and procedures under the various functions that they support but I think collecting them is fine. My one suggestion would be that in addition to creating them that there be a goal to periodically review

and or revise them just so that they stay current with—**Mr. Mikesic** said that is very accurate. In fact, I did review a few of the ones that I wrote three years ago when I first came in when I went through this process just to make sure that they still were that way. The idea is that this will be adaptable as we go along. **Chairman McKiernan** said sounds good. **Mr. Mikesic** said there will be more added as we realize oops we missed something. We're going to get that one in there.

Finance Department Measurable Goals
Budget Division

Update OpenGov reports on a recurring monthly or annual basis based on functionality

OpenGov Reports that will be updated monthly:

- Annual Budget to Actuals (*Updated by the 12th working day of each month*)
- Current Year (*Updated by the 12th working day of each month*)
- Transactions (*Currently available for use internally*)

OpenGov Reports that will be updated annually:

- Budget Annual (*Updated during budget process*)
- Budget Milestones (*Updated during budget process*)
- Balance Sheet (*In development*)

Mr. Levin said our last theory is Budget and Reginald is going to discuss the goal we established in the Budget area. **Reginald Lindsey, Budget Manager**, said the Budget office has two main goals related to OpenGov. One of them is to update reports on a recurring basis. The second is to finish the implementation of OpenGov. The OpenGov reports that we're going to update on a recurring and monthly basis are the Annual Budget and Actual Report and also the Current to Year report.

One of the reports that we're going to update on a monthly basis that we haven't finished yet is our Transaction Report. Right now we have the Transaction Report internally and we're working on turning it where outside users can use it and that will be our citizens within the Unified Government. Other reports that we'll update annually are the Budget to Annual and the Budget Milestones. The Budget Milestones report is a report that we will update during the budget process and that's what we'll look at what departments submit then we'll look at what the

administrator submits. Then there's also the capability to look at what the Commission approves and what the Commission is working on during our budget workshops.

Finance Department Measurable Goals
Budget Division

Complete OpenGov Software Implementation

Transactional data (*Currently available for use internally, evaluation of external use is ongoing*)

1. Finalize internal and external user reporting.
2. Complete OpenGov training on uploading transactional data.
3. Train users on validating data.

Balance Sheet (*Currently validating and balancing data with internal systems*)

1. Validate Balance Sheet numbers presented on OpenGov report.
2. Establish an ongoing process for Balance Sheet validation.

Another report that we're working on that is still in developing is our Balance Sheet. We're working on trying to pull all the numbers to get it loaded into OpenGov. What we're working on with the Balance Sheet is basically validating the numbers with the county. That's the information I have. Any questions related to OpenGov and the implementation of it or update or recurring questions? **Chairman McKiernan** said, again, in my mind I lump this under excellence in managing and reporting but I think everything you've outlined here to me looks and sounds good. **Mr. Levin** said I think that concludes our presentation.

Chairman McKiernan said we appreciate the effort that you put into this in identifying a number of measureable—my only parting shot would be at each point to ask yourself is this a end of itself or a means to an end and that may help us to identify those bigger picture goals that we all want to aspire to.

Commissioner Walker said I'd offer my thanks too. I know a lot of work went into what you guys presented. I would tell you your data about people that were happy when they came to your shop, it was interesting to me that the overall number, there were more of them unhappy than any of the separate items. I have to say I'm never very happy when I go to the tax office and pay car taxes. I would have expected that to be much, much higher. I'm glad to see that those numbers

were—the unhappy were as low as they were. **Ms. Mundt** said I think some of the stuff that we talked about with Parks is also relevant for Finance. We do ask questions, typically it's part of your ETC Survey, there should be something in there about people's perception of how it's the Unified Government manages its financials in some fashion. We'll want to look at those as an incorporation and depending on what other types of questions if we ask anything about Treasury, Motor Vehicles, I'm not sure exactly how it was set up this last time but I think that would be good to look at adding those in to help you understand if you're achieving those goals.

Action: For information only.

Item No. 2 – 15158... MEASURABLE GOALS: ECONOMIC DEVELOPMENT

Synopsis: Presentation and discussion of the 2015 Measureable Goals for the Economic Development Department, presented, by George Brajkovic, Economic Development Director.

George Brajkovic, Economic Development Director, said I'll ask Marlon Goff to come up with me. In terms of measurable goals, we submitted something and in the past I think Economic Development—we have certain data points that we can track or matrix that we can develop. It's how much capital investment occurred within a year. How many jobs were created? We have a very close partnership with quite a few agencies that help in the pursuit of that whether it's the Department of Commerce, Wyandotte Economic Development Council or various internal other departments internally that help us in the pursuit of that.

In general what we've tried to do is match up with what the Commission goals have been for the entire community and make sure that as we structure development deals that there are some components of those overall community goals present in, hopefully, each and every one of those deals. In the broadest of sense of what we do in Economic Development, at least the way I define it and what my staff and I work at, we want to foster this environment that welcomes new development, maintains and helps to grow any existing development that we have, improve the vitality of the city/county and ultimately, since we all are a part of this, we want to improve the quality of life for the citizens of the community. That's our general approach. I would say that's our overriding goal of what we're trying to accomplish, but as we get there we still need to come to you guys with regards to policy implementation. One of the things we do from a staff

perspective is we track whether it's regional, state, national trends across different elements of residential development, manufacturing and entertainment to see where Kansas City, as a metropolitan area stacks in the pursuit of those kinds of projects. Is it stabilized? Is it in a growth pattern? Is it in a decline? And then we evaluate our own community, are we tracking with what the metropolitan area is doing? Are we tracking with what the region is doing? Then we would come to you with policy recommendations to adjust any existing incentive policy if we're lagging or if we're not keeping pace or if we're just kind of not keeping pace with other I guess jurisdictions in the metropolitan area. From a policy guide point that's when we come to you. In the middle of all that we try to manage projects as they come through and manage the various level of incentives that are either awarded to or even governed on each one of those projects.

I think over the years this is a pretty active meeting. In fact, I know we have a couple of developers here tonight that are anxious to talk about their projects as well. We didn't come to this meeting tonight to say we think you should measure goals in this regard, but rather to tee up a conversation of are we tracking what your community goals are. Before I just stop talking I will throw one item out. In the past it seems like some of the elements that we've missed are on urban development or small business, helping the small businesses. We've done these grand scale projects, which has been great for the community but have we lost sight or lost track of some of these others.

We've advanced a new incentive policy where we're using some of our IRBs issuance fees to award grants and that is as competitive as we thought and by the end—hopefully in your December standing committee we'll come and give you a report on how quickly that money seems to be evaporating.

At the beginning of next year I hope to have another staff person hired that is going to deal directly with the urban redevelopment because it does tend to be a slightly different game. We can look at our existing incentive policies and know there is a higher cost of business in doing urban redevelopment. In addition to having a new staff person, we're also working on policy for that new GAAP Fund that was identified through the budget process. Hopefully, at the beginning of the year we will be able to address those in a little more rigorous fashion than what we had been doing in the past year or two. That's the extent of my comments. I'm sure

Joe and Melissa have flipchart stuff ready to go to really spur discussion and we're anxious to participate in that with you.

Ms. Mundt said and we're hoping this is an adaptive process as we move forward. Ideally, when we come back next round with the next set of standing committee ones, hopefully, we can have some of these more aspirational statements. My notes in my head are high at this point but it was going to take something like this for staff to understand sort of where the Commission wanted us to be. I really appreciate what you're giving us tonight, the feedback you're providing us. We'll walk through George's here. The first one that he has is the overall header is pursuit creation of a business park. He's got two areas, Turner Commerce Center, which is 130 acres and Turner Diagonal I-70 Corridor which is kind of that northeast/northwest part, but mostly northeast of that diagonal correct. Is there any specific feedback on that or is it too specific? I think that's what we've been hearing tonight. There's a broader statement. **Chairman McKiernan** said guys, let's have a broken record. It's me. Again, to what end. Those could be other names and other sizes. Why are we doing that? Is our goal to double the square footage of some usage? Is our goal to increase our total valuation of commercial property? To me those seem like they are strategies to an end but we haven't articulated what the end is. **Commissioner Walker** said well, to me, Commissioner, the end on Economic Development is to create jobs and opportunities. **Chairman McKiernan** said there we go. **Commissioner Walker** said hopefully for Wyandotte County people because we have many Wyandotte County people that need jobs according to the state document but also to create revenue. Those are the business opportunities to relocate. If we had a Business Park built and ready to go, which we don't, we would have the ability to go out and solicit businesses to come to Wyandotte County because we have a building for them to look at and to consider. Typically, we already have the tenant in mind in a lot of instances or the developer has a tenant all ready to go in a particular location. The greater goal he's speaking of is you know the opportunities for employment, opportunities to increase revenue, opportunities for relocations of businesses from other communities to Wyandotte County and these are just two of the ways that you achieve that. That's what I'm reading you to say. Maybe you can speak for yourself. **Chairman McKiernan** said I think that's exactly what I'm saying is that we need to get to get to those things that these help us accomplish.

Ms. Mundt asked is there anything on diversity of tax base you're looking at in this area. **Chairman McKiernan** said growing the tax base. I mean certainly if these projects increase the total valuation of commercial properties, then I think that could be a goal that we set. If property tax is 27% of our budget, as the valuation of all properties goes up then with the mill rate staying the same, we're going to get more revenue from property tax; which can help to accomplish many of the other things we've already talked about tonight. I've always thought that setting some sort of increasing valuation goal would be interesting. I don't know if it's appropriate but...**Ms. Mundt** asked are there any other comments on this one in particular before we move. He's got a few other flip chart pages, sorry. **Commissioner Walters** said let me make a suggestion. I'd like you to consider a goal relating to communication and engagement with the Commission. I understand there's a lot of complications in development and a need for some things to be held fairly closely, but I think all the commissioners are interested at various levels in Economic Development either in their own district or in the county at large. I think there's a missed opportunity if there isn't more engagement with your group and the individual commissioners; likewise, commissioners I think need to know about what you're doing before the general public knows about what you're doing so that they can have input at a timely place in the process. I would like you to just give some thought to that as sort of a goal topic. **Ms. Mundt** asked is everyone good with that.

Commissioner Walker said it's hard to dispute. I think the more engagement and buy in that we have before we get to a meeting, the more likely we can either modify a proposal that's headed for trouble. Bringing it to us and putting it in the book and most of the people in the commission are not even aware until the last minute about what the proposal is, is not a good way to do business. So yes, I think some more aggressive engagement on projects is a good idea Jim.

Ms. Mundt said we're going to move on to the next one unless there's other comments on this particular one that's up here so that George can talk to us about his small business to develop an impact, a new policy city-wide, a small business grant awards funded by bond issuance fees from larger projects. I believe this is our IRB, one that you may have already kind of spoken to. Is there anything on this one that you want to call out any differently than what we're already

talking about? I know you're getting tired but this is the only way we can get this started. **Chairman McKiernan** said it's just going to be same song, another verse for me, that's a strategy, to what end are we going to develop that new policy. Do we want to grow the number of small businesses that expand? Do we want to grow the number of small businesses that start? What does that help us accomplish in terms of small businesses city-wide or in a particular geography? It's a great time limited goal but again my questions is always to what end. **Mr. Brajkovic** said yes, and I think we'll have a good opportunity in short order to talk about that because you know we wanted to launch the program so we knew what the parameters of the program would look like and after our feedback here, we basically launched it on a first come first served basis, so I think we'll have an opportunity to look at who was first served because they were first in line versus the level of interest that we had and I think it'll provide, again, before the end of the year an opportunity to go back and say do we need to layer in some additional components to that so that we're actually tracking or that this program is accomplishing what specifically what we want it to do. **Chairman McKiernan** said and that's the key. There was something that drove you to say we need an incentive program. Drill down to that and that can be the ultimate measurement of improvement.

Commissioner Walker said I support the incentive and I support how we started it. I personally think that it's underfunded by the Commission at this point. What I want to see in this is—it's great to have incentives to help small businesses get started. What the real problem becomes is how to keep them in business. You know, within a rocks throw of this building is a business, a restaurant that just recently went out of business that had great food, the people were wonderful. I think it was mostly a family enterprise. I think they had part of the business down, that is how to deliver a product that you wanted to eat again, that you wanted to come back for. I think they didn't succeed because they didn't know how to market. I want to see an element of the incentive—I mean it's easy for me to say this in some grandiose way about incentives to succeed but giving someone money to start a business is easy. Keeping them in business is really what the hard part is. What is it that this particular small business is either strong in or either lax in. This particular example I'm using, they didn't lack in customer service, they didn't lack in quality of food, it was not your typical type of fair that you would get at 25 other restaurants

within a mile. I just think from what little I know about it, they weren't able to market it correctly, advertising may be you know come see us and get a 10% discount.

For me, this is not necessarily about helping businesses start up, although that'll be a part of it. It's about designing and working with them to make sure that they've got at least a 50/50 chance of succeeding. Maybe that's too low but I think the problem with this restaurant was, it was doomed to failure because they lacked the key component. I know Commissioner McKiernan and I ate there and had discussions. I ate there several other times, but clearly there was an element of the marketing strategy that they lacked and I don't know that anybody was helping them with it; so giving them \$5,000 or \$10,000 might have kept them in business a couple of months more or another month, alright, thank you.

Ms. Mundt asked are there any other comments or do we want to go ahead and move to the next one because George has quite a few of these. He's very adventurous of—**Chairman McKiernan** said I'll tell you what, I'll streamline my comments. My last comment will be to what end, okay I'm done.

Ms. Mundt said the next one is on Land Bank and there are three of these different components. George, do you want to kind of address those in some kind of fashion.

Mr. Brajkovic said sure and again most of these are going to be related to the new pilot programs that we try to launch. I think my comments are going to be very similar to what I just said about the small business component. We took ideas and concepts and we try to implement something to get it started. I don't think we know enough about any of these to make good comment on how we should track it, what components are working, what components aren't other than to say, they seem to be some of the early tries and attempts we had at this are looking like they are going to be successful. It's almost from a staff perspective we're kind of what are the lessons learned. Are there some key elements or common elements among the projects that are successful that we can then implement and say this is what we're in the pursuit of.

In the short-term what does it do? Well it you know takes the tax delinquent property off and we get an opportunity to directly negotiate a redevelopment proposal but again it's to what end. Is it new square footage? Is it something that creates jobs? Those components just aren't

defined in the policy as in—**Chairman McKiernan** said or in this case and I know I told you I wasn't going to talk again, but I lied. In this case is it a decrease in the number of how many structures do we have out there that are tax sale eligible that are abandoned that don't have utilities. Find out whatever that number is and do we have a goal to decrease that number because those properties are creating blight in all of our neighborhoods. We would benefit from having those properties either gone or fixed up and inhabited. Well, this is a means to that end because now if we develop this program we can decrease the number of properties that exist in our neighborhoods, so to me that would be the marker. We have decreased blight with blight being defined in this case as tax sale eligible, abandoned and no utilities on, but it's a means to an end not the end itself. **Mr. Brajkovic** said okay.

Ms. Mundt asked does anyone want to go in specifically to any of the other Land Bank ones. The first one that was up was a pilot program for parcels with structures. The next one is kind of a similar concept, this is moving all of our non-exempt properties into the Land Bank that we've been seeing come through for the last while, UG owned, anything else on that one specifically? I think the last one that Chris had for us was the project for redevelopment of the Whittier School to market rate housing units for consideration to come to the Board of Commissioners this year. **Mr. Brajkovic** said yes, we brought it forward. **Ms. Mundt** said this one may be time limited, done. **Mr. Brajkovic** said I think part of the strategy issue here is, does it look like an attractive property to become the new owners of, yes or no, and is there a development opportunity that we can within a 12 month period advance on that property. I think the early projects that we've tried to tackle, that was part of our risk mitigation was to feel as confident as possible that we had a partner that was ready to take that project on and that we weren't simply acquiring a property and then we're going to hold it until we could identify a potential partner. It might go back to what Commissioner McKiernan just said of there could be lost opportunities because it could be an attractive site or property for acquisition, but we don't have an identified partner yet. Do you miss that opportunity to go pursue that? I don't know if that may not be a measureable goal and that might be more of a policy type discussion. I think a lot of the items that we placed are going to, again, fall into that area. **Commissioner McKiernan** said again, I've made my comments.

Ms. Mundt said these are related to tourism opportunities. I think this would probably be pretty quick on George's end. **Mr. Brajkovic** said yes, again, I mean it's pursuit of quality of life type issues. I mean tourism helps to diversify our revenue stream but it also; hopefully that end product gives our citizens a chance to experience something new. **Ms. Mundt** said so these are more strategic or task-oriented ones that we had presented to us.

The next one, if there are no comments here is—this one I think is related to Turner Commerce Center, again, for the Riverview Avenue Bridge. **Mr. Brajkovic** said but really the next couple of things we submitted, again, as we prepare a development deal to consider, we try to include as much public infrastructure improvements that the project helps to pay for that. Again, whether it's something that relates to community health like sidewalks or Complete Streets or it's the replacement of an existing infrastructure component that we know needs to be modified or improved and again if we can have the project paid for, or pay for a significant portion of it; again, it's the strategy component that we're working from. I don't know if we can tell you at the beginning of the year that we're going to have X amounts of projects and those projects would equate to X amount of new sidewalks or X amount of new streets being put in place. I wouldn't feel comfortable even suggesting those as measurable goals because we just don't know when those opportunities might arise. **Commissioner McKiernan** said so then could you say 50% of the projects brought forward will include a component of Complete Streets installation or that 100% will provide for upgrades of surrounding infrastructure. I mean there's certainly a way to measure that because in this case, the Riverview Bridge is just representative of a larger goal and that is we want the infrastructure to be improved. We set Complete Streets as a policy a few years ago but what steps are we taking to achieve that. Could a step be that every development agreement, that's our goal, will have Complete Streets funding included in it. I don't know what that might be but I think that would be the way to get to that. **Mr. Brajkovic** said you know, again, some of those elements do get introduced as we complete a development agreement or do the deal points. The developers have kind of a target. They have an idea of their project costs. We have an idea of the value of the incentives. What we've learned over time is that oftentimes it seems like other departments were put in a precarious position where they were going to try to enforce certain policies and because maybe there was a claim that the way the deal was structured through incentives, it didn't account for that and so we've tried to eliminate that by working very closely with Planning or Public Works in advance of these deals

getting finalized. Yes, I certainly think stating a goal that requires some sort of compliance or large percentage of the projects as they come to completion should reflect other policies that have already been established. **Commissioner McKiernan** said and again, if we set a goal that 100% of new Economic Development projects will include funding for Complete Streets and if at the end of the year we find out that only 72% did and if we don't like that, then we can ask, okay; what stood in the way of including that in the other 28% and that shapes next year's strategies. **Mr. Brajkovic** said okay.

Ms. Mundt asked are there any other comments on these grouping here that is more specific to projects. I think this one was on Healthy Communities, which the Complete Streets conversation and the next one was related to our support for our urban areas. There were two areas under there, obviously marketing of the Indian Springs area and then the Coalition Grants for the Brownfield sites, good enough. There's one last one. George, any comments there or are you good. **Mr. Brajkovic** asked what was the last one. **Ms. Mundt** said this was your urban areas one. **Mr. Brajkovic** said oh, yes, I think we made some comment about putting in some new resources that will help us in the pursuit of that. I will comment though on the Brownfield's component, you know I think it's one that doesn't get highlighted often enough but it is an opportunity where we get to leverage federal funds as and long as we can find willing participants of current property owners, let's say it's more of an urban setting; trying to get an urban property into the same playing field as maybe like a Greenfield site, we have to use programs like the Brownfields where we can leverage EPA funds to actually go and access those sites and know what potential environmental hazards their might be and I'll tell you from my own personal experience in using that program, oftentimes there's a perception of a huge issue or a huge problem and you spend a little bit of time and a little bit of the EPA's money and you find there's really no issue, but you've cleared that hurdle so a perspective developer, you know that's one less thing that they need to worry about is their evaluating potential sites. We'll continue to pursue those whether it's in a UG staff loan or a coalition with Kansas City, Missouri and MARC; they have been some partners we've worked with in the past.

Ms. Mundt said we did talk about this distressed area loan fund briefly earlier. Commissioner Townsend I believe you had something. **Commissioner Townsend**, said that was just the clarification I was asking for because we talked about the small business, the development implementation and that it's already in progress, right so this is done. I'm sure there may be

some tweaking depending upon what you tell us later about who came, how fast the money went, where it went and that type of thing. Again, I would just have to applaud the administration for coming up with some efforts, some programs to address that. Something Commissioner Walker said, I want to make sure that when we talk about the funding because I think it is important that there be a funding source or resource for the distressed areas of the small businesses that he's right. I see retention, which is really I think the issue Commissioner Walker was talking about is important. I don't know if we can—we probably just need to address that separately. Sometimes the retention may be a deficiency of funding, sometimes small businesses don't ask for enough to compensate if that first customer doesn't come through the door for the first year. Maybe it could be a problem with programs, Commissioner Walker; maybe they need help on how to market their business or something like that. I just see that as a separate thing to be addressed, the funding, which you've already begun to attack and then what other services would help prop up that business is an ongoing concern.

Commissioner Walters said I didn't see anything about housing. Was that on your radar at all? **Mr. Brajkovic** said it is and we certainly pursue those. We've in the past talked about having a goal, especially for kind of the downtown environment of introducing X number of housing units and what would it take to get a project like that done. I think right now we're looking at a multi-family project that isn't LIHTC. It would be a market rate project. It's just hard to hit the developer's hurdle with the policies the way they're written now. I could see in the early part of next year us, from a staff perspective, advancing some discussions of using incentives like IRBs but using them in a slightly different fashion than what we have been in the western corridor to, again, still utilize why those incentive tools work so well but put it in more of a context that would help urban redevelopment spur.

We didn't list it today or when we submitted these goals as part of the overall package of what we're pursuing but. **Commissioner Walters** said well, kind of echoing what Brian's position has been, I think it would be really helpful if we could figure out what our goal is for housing in the various parts of the city and if we have that kind of a goal then maybe we could be more pragmatic about pursuing it. I think once we decide or establish a goal then we can have all sorts of brainstorming about how to get there. I think that would be very helpful for us as we think about longer term issues. **Mr. Brajkovic** said I agree and I know over the years including this year we've advanced the LIHTC discussion and really talked about how that sets up more as

workforce housing and just trying to get a consensus on how we could use that particular tool. You're right, if we could get some clarity or understanding on it, I think it would make the pursuit of it, not easier, but I think actually accomplishing something would be a higher probability for sure.

Ms. Mundt asked if there were any other comments or questions before we leave George. This was the last item on the goals section for Economic Development. I want to thank you guys for sticking with us. I know it's not easy and like I said we'll be relooking at how we're bring these to you based on the feedback we've received in this first round and hopefully working more on aspirational statements but it's been very helpful to staff. Thank you very much.

Action: For information only.

Chairman McKiernan said again, as we said to the Finance Department, thank you for thinking about these things and putting down some of your thoughts because they are great building blocks toward what will ultimately be a very powerful overall plan.

The fourth section of our agenda tonight is the Committee Agenda and that has five items. I want to make sure that everyone received Item No. 5, which was blue sheeted to us. It was an addition. Commissioner Murguia did you get Item No. 5, the blue sheet, Consideration of Creation of TIF District? I'll take that as a yes.

Committee Agenda:

Item No. 1 – 15176...RESOLUTION: KAW POINT INDUSTRIAL PARK

Synopsis: A resolution approving the First Amendment to Amended and Restated Redevelopment Agreement to allow for a second mortgage regarding NorthPoint Development's project known as Kaw Point Industrial Park (located along Fairfax Road next to Kaw Park), submitted by George Brajkovic, Economic Development Director.

George Brajkovic, Economic Development Director, said I'm going to ask Brent Miles with NorthPoint and Anna Krustlic with UG Legal to come up. You probably remember back in I guess summer of 2014, we did a development agreement with NorthPoint for the redevelopment of the Public Levee property into the Kaw Park Industrial Park. We replaced a lot of antiquated

buildings with a \$21M, 400,000 sq. ft. building that NorthPoint has basically completed construction of and is—I don't want to steal any of Brent's thunder but I think they're well on their way of leasing out that facility.

From our perspective, again it was a \$21M+ project, we had layered in a TIF incentive. The TIF had a cap of \$9.8M on—it's on pay-as-you-go. There weren't any bonds issued that had UG backing on the project. Under some, I'll call it boiler play type language within the development agreement, we just prohibit certain mortgaging of the project itself and limit it basically to anything associated with that project itself. Recently we've had some discussions with NorthPoint and as they do developments in the metropolitan area, they've had a request come to us to allow a \$750,000 second mortgage to be, I guess, structured on to this project as well. That's really the request before you tonight, is to then amend the development agreement to allow for this one time use. Brent is probably much more positioned to give you the details of why that request is coming through. There are some benefits back to our community through that, primarily in the form of a LISC loan or monies that are going to LISC through this transaction and LISC setting aside \$50,000 of those funds to be used specifically in Wyandotte County, but again, for some of the details about why we should consider that, maybe we'll hand that over to Brent.

Brent Miles, NorthPoint, said as George said and these will be words, not an attorney's words or for George's words. To take you back a little bit, if you remember, the Unified Government entered into a development agreement with IRG out of California and they developed a Public Levee and you had a land lease. We actually took over that land lease and there was an amended development agreement. One of the main factors of that is, if you remember, we had agreed early on to do prevailing wage, whereas the law changed between the IRG development agreement and our development agreement. We agreed to an assignment assumption of the development agreement.

Kaw Point, this is kind of very internal workings of North Point. Kaw Point is one of many assets that we have in a fund. That fund owns buildings, it builds buildings and some of them are in Saint Louis, some of them are over in the Kansas City area. We have about \$130M in that fund. We started doing our closing, just for a record, we chose County Club Bank as our financier on Kaw Point. Craig, being a local Wyandotte Countian, we did it through the Wyandotte County office. A lot of people do local minority women provisions which is a

requirement, a lot of them don't do their financing through what I would call a local institution. We did that with Country Club's Wyandotte branch.

As a company we did a mortgage. I agreed to it in the development agreement, as George said boiler plate language. When I was on that side of the table, one thing that was important is if the UG was going to back bonds or something, the UG needed to know what pecking order they would be in case something went wrong. You want to make sure that if you had your money in it, that you understood the mortgages. Probably oversight on my behalf to maybe agree to that boiler plate language, not ever thinking that I would have to apply a second mortgage. I did another transaction inside that fund recently in Kansas City, Missouri. The bank on that transaction is Enterprise Bank, not Country Club and as part of that transaction they require a second mortgage and that mortgage has to come from the same building and the same fund. That was new to us. We had never seen that and we have done 150 bank loans as a company. We had never seen that. It popped up at closing.

I called Country Club and I said we need to have a second mortgage. They're represented by McAnany, VanCleave & Phillips and they said okay, sounds great and then as we got to closing McAnany reminded us that we have to inform the Unified Government of any mortgages so I informed Doug. I said Doug, I have a second mortgage. Legal Counsel, Todd LaSala, said that requires Commission approval. I said okay. I am here tonight, not thinking that we would have a second mortgage and not thinking that it would be a Commission approval item. When I met with Doug, it got brought up in George's comments earlier. Doug, I walked him through the transaction as I walked just kind of briefly walked you through. I spent about an hour with Doug going through the transaction. I let him know that part of that transaction was a donation. As a requirement in Kansas City, Missouri, there's a donation requirement when you use a certain incentive type. That donation went to LISC. I think Doug specifically kind of perked up and said LISC plays a big part in our community.

I talked to the director at LISC and I said since we're giving you this donation Wyandotte County obviously is part of this, because I have to have this second mortgage, I would respectfully ask that you set-aside some of those funds directly to Wyandotte County that you're getting. The director of LISC had no problem, which I know is a big—I know they have kind of three big neighborhood plans in your community. I think that was a big factor for Doug, George and Todd as they looked at this as we presented to you tonight.

I brought Mr. Dafney with me from Country Club Bank. County Club Bank has signed off on this, obviously they have a \$13M+ loan with us on a \$21M project. In my words, if they're comfortable with it without your GO backing in those bonds, it would appear to me, not to be presumptuous; but that's something you could be comfortable with so long as our lender was comfortable with it as well. Not a typical request in my nine to ten years associate with you. I'm not sure—I have seen this, but again, probably related to the amendment assignment of that boiler plate language and this new requirement banks are going to on a second mortgage. We have not seen that. That is very technical. I also brought a flashdrive if you have not seen Kaw Point. I have to say I just think it's the most beautiful industrial building we've done and I'm just so happy with it. Nathaniel calls it my baby, but it is my baby and as George mentioned, we've landed our third tenant GM Supplier. All twelve of the corporate executives were at Kaw Point today and they were just astonished that they could actually have that close of delivery at GM. GM's tires and batteries will now be coming out of Kaw Point. We've got another KCK business, Plastic Packaging; they expanded. They're doing their distribution out of our facility so they can expand internally for manufacturing. We've got a fourth prospect that is a KCK business that could round us out for growth. We couldn't be more pleased with the way it's turned out. Everybody that sees it can't believe those nine old buildings turned into something like that.

I don't think I've seen you, Commissioner Townsend but relocation as you know went really smooth. We're working with Friends of Kaw. We almost have a final Lewis & Clark design. It was going to be a mural, which turned into a stamp, which now turned into a 47-piece metal sign on the side. We're just super happy and I appreciate you hearing me out tonight on this.

Commissioner Townsend said I have been keeping up on what's going on. I just want to know where do I deliver the first set of pampers for your baby. I'm just happy as Commissioner. **Mr. Miles** said a \$21M baby. **Commissioner Townsend** said well, I'll have to do it on increments. I'm really happy with the way things have gone on because I know this committee took under consideration about a year or so ago, the relocation of some of the businesses and I was involved with one directly that was of interest to a lot of people and I appreciate the way that you, Mr. Brajkovic, Mr. Goff and the parties involved worked together for that.

Now having said that, I just do have some basic questions about the request tonight, out of all of this will this request for a mortgage place any more liability, any more cost increase in any way on the UG related to the project. I guess that's the basic question I had about what we're talking about or affect our position relative to anything financially speaking. **Mr. Miles** said I will answer that question. No, it will not. You don't have the pay-as-you-go TIF Bonds, TIF proceeds. You didn't issue bonds on it. Specifically what it says in the development agreement is that we have to inform you. We inform you of a mortgage and permitted mortgage is defined. A permitted mortgage says a first mortgage, so it's by definition. It is simply that we needed to inform you, again, my words, not yours; we could have placed the second mortgage without informing you. It probably wouldn't have hit anybody's radar but, again, following the development agreement we needed to inform you. That was the right thing to do and that isn't a good excuse, it's just part of the rules so we're informing you and permitted mortgage was a two sentence definition which is a mortgage on the property so doing a second mortgage means we need to inform you. **Commissioner Townsend** said and is the reason again that this request is even being made because the funding for the Kaw Point project happened to be tied in, somewhere in the same portfolio with another totally unrelated project. **Mr. Miles** said yes. **Commissioner Townsend** said and so will the other project go forward if this second mortgage is not approved. **Mr. Miles** said the bank, when they looked through the—when we did the financing for the other building, the non Kaw Point building they looked at all the assets that were in that portfolio. I think this is somewhat of a compliment. I think it's a good question. They felt that Kaw Point was one of the most secure because it's new, it has tenants who just signed leases and so they felt that was a good stable property that they wanted a second mortgage on as opposed to we own a 120,000 sq. ft. older building in North Kansas City that has four year leases. They looked through and said we feel that we're most secure by having a second mortgage because of the economic health of Kaw Point.

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

Item No. 2 – 15199...REPORT: THIRD QUARTER BUDGET TO ACTUAL

Synopsis: Quarterly Investment and Budget Revision Report, September 2015, submitted by Lew Levin, Chief Financial Officer.

Lew Levin, Chief Financial Officer, said the next two items are our standard quarterly reports. No formal action is required. Just to sort of expedite, I can answer any questions. Our investment report is pretty similar to previous quarters. At the end of the third quarter we had \$140M in investments. Our average rate of return was under 1%, approximately 0.8% and year-to-date we have \$379,000 in interest earnings. Part of the report we show budget revisions in the third quarter. I'll let Reginald speak to those.

Reginald Lindsey, Budget Manager, said we had seven budget revisions in the third quarter. Two of those were from contingencies and the rest were from within the departments. All of them were either in the City General Fund or the County Fund General. Any questions about any of those.

Commissioner Townsend said I don't have any particular questions regarding the specific transactions but earlier when we were talking about the goals and one of the articulated goals for the Budget Division was the OpenGov. Did relate to any of these documents and making them more accessible to the public? **Mr. Lindsey** said no, it doesn't. OpenGov reports on actual budget while this pulls out more detail that's not available in the system or so. **Commissioner Townsend** said so these transactions are not anticipated in the reporting we talked about earlier, the goals. **Mr. Lindsey** said I guess this could be a kind of report that comes in a timely manner. I know that's one of the things we said we wanted was for our reports to come in a timely manner, but this is not a report that could be put into OpenGov.

Commissioner Walker asked does this transfer on Item No. 4, the budget revisions, represent the total cost to repair the sewer backup at Station 4. **Mr. Lindsey** said yes it does. **Commissioner Walker** said we didn't have money in the fund and this is just an additional amount to cover. **Mr. Lindsey** said that's how much it was to cover the sewer backup and also we did this budget revision before we finished the budget process so we needed to move the

money before the budget process but during the budget process we put the money into the amended budget.

Action: For information only.

Item No. 3 – 15190...REPORT: THIRD QUARTER BUDGET TO ACTUAL

Synopsis: Third Quarter Budget to Actual Report, submitted by Lew Levin, Chief Financial Officer.

Lew Levin, Chief Financial Officer, said again, this report is similar to what you've received previously. Just a general summary, through the third quarter we're performing well to budget, meaning our revenues are above our projections through the third quarter and our expenditures are slightly below. The report has detailed information for the General Fund. I guess the one thing I will remind you on revenues on property tax revenues, we've received our major tax distributions as of June of this year or so. Where you see property tax revenues, they are near 100% for the year. I think that's my only comments. Reggie might have some additional comments as they relate to expenditures.

Reginal Lindsey, Budget Manager, said on the expenditure side, we should be below or around 75% spending. You can see there a few of the line items that were over 75% and there are a few that are under 75%. Fuel is trending under because the price has been down. Also, we have worker's comp that is up and also our KPERS penalty what we had to pay out was up so we're at 98% on that for the year and then 84% for our worker's comp. Those are the two that were kind of a little bit above the 75% but other than that everything else was mainly below 75% or around 75%.

Chairman McKiernan said if we look at all funds of the consolidated, the blue and the pink shading, revenue looks good, expenses, we're at 60% of budget at this point are there any large expenses that have not yet occurred that you anticipate before the end of year in the fourth quarter. **Mr. Lindsey** said there probably will be some retirement payouts, also some departments will have projects that they have not started on yet so we may see some project

spending go on. **Chairman McKiernan** said so we may not end the fiscal year proportionally under our budget 100% as much as we are now. **Mr. Levin** said we have a current list of expected retirees in the fourth quarter and there will occur really the last half of December. I think about 20 individuals and they'll be a cost associated with those retirements that will result in an increase in personnel cost for the year, but I think still we're trending that will be within our overall personnel budget.

Action: For information only.

Item No. 4 – 15195...RESOLUTIONS AND ORDINANCE: AUTHORIZE/FINANCE VARIOUS IMPROVEMENTS FOR 2016 CMIP PROJECTS (22 RESOLUTIONS)

Synopsis: Request approval of various resolutions and an ordinance authorizing improvements and the manner for paying for such projects approved in the CMIP budget for the 2016 Temporary Note and Bond Financing, submitted by Debbie Jonscher, Assistant Finance Director.

Schedule A: A list of all CMIP projects approved to be funded per the 2016 CMIP

Schedule B: A list of all on-going projects requiring an amendment to the project description or an increase in authority and additional financing for the 2016 issue, approved to be funded per the 2016 CMIP Budget. (9 Resolutions/1 Ordinance)

Debbie Jonscher, Assistant Finance Director, said the project authorizations before you are for the 2016 Debt Financing. We've divided the projects into two schedules. Schedule A list all projects that are receiving funding for the first time. There are 22 resolutions included in there. Four of those resolutions are 2015 reimbursement resolutions. We came before you last year and got reimbursed for resolutions because they weren't ready to identify the scope of the work. This year we're bringing those back for funding. There's also one reimbursement resolution included that's not receiving funding. That's listed at the bottom of the schedule. If that project moves forward, it will come back for funding next year.

There is one change to the schedule. On here we have the Riverview Avenue Bridge Project. It was listed for \$7M. Bill Heatherman is here to explain some changes to that project.

I guess I will say as he's distributing that, in the schedule it does list the 2016 CMIP Budget amount as well as the authority and you can see that those are the same for each of the projects that we have included and those were all projects that were approved in the CMIP Budget this past summer.

Bill Heatherman, County Engineer, said the one change that I just distributed was to reflect the Riverview Avenue Bridge Replacement, correcting that to reflect an actual bridge replacement as opposed to the at-grade intersection and amending the amount to be reflective of the cost estimate for the bridge replacement. Final reconciliation of any of those cost differences will be reflected next year in the budget but for financing purposes to move forward with the authorization on the project, we present this tonight with the resolutions.

Commissioner Walters said the Riverview Bridge Replacement has been discussed and an at-grade replacement was also promoted, I believe, at a previous Commission meeting or committee meeting. I actually favored the at-grade crossing as opposed to the even more expensive bridge replacement so can you explain why we are hearing this tonight. **Doug Bach, County Administrator**, said commissioner, we did quite a bit of vetting on this project as we went back to it, took a look at different traffic engineerings that would be in place to come through this site, how the site would move along this area. I did sit down and met with some of the commissioners in the area. Now, I didn't bring it back and go through all the commissioners; and that's probably one thing I could have done tonight where we could go through and try to explain all the different dimensions of how this bridge would work versus the at-grade intersection. As we got into it a little bit more a lot of concerns started to come up from the at-grade perspective as to traffic coming off of I-70 and having to maneuver to the left-hand turn lane, how that would work or how well it would not work as opposed to a bridge, and the free flow of that traffic that currently allows itself by being the bridge.

I will agree as we moved through the development I thought the at-grade intersection was potentially a better solution than it would be to replace the bridge but after evaluating it and seeing how much better the bridge did work with it, ultimately I've come to the conclusion and that with the district commissioners in that area that it was going to serve the area better if we stayed with a bridge solution across there. I can probably turn this over to Bill and let him speak

a little bit to the functionality of the bridge as you went through and studied it with your traffic engineer, Bill, so I think it probably affords itself to have a little more explanation on that tonight. **Mr. Heatherman** said and, Doug, I think you summarized it quite well. It's just there's a lot of considerations with the change that was proposed, a number of pros and cons, but if we look at the driver behavior and driver expectancy along this corridor, it currently operates as a high speed, non-stop facility. The traffic engineering concern was the amount of mitigation you would have to do to change behavior and change responsiveness. That combined with the short distance between Riverview Avenue and I-70 and the way the different traffic movements would work, I can tell you that I personally had our traffic engineers consider this with me long and hard as to what all was involved and I feel most comfortable recommending we keep the type of facility that's out there now but with adjustments to the alignment and to bring it up to current standards, given the way it serves the industrial district in Santa Fe. **Commissioner Walker** asked what is the price differential? **Chairman McKiernan** said 1.8. **Mr. Heatherman** said we estimate it's about \$1.8M difference, \$7M for the at-grade option and \$8.8M for the bridge option. **Chairman McKiernan** said this is when—I'll get back to something Commissioner Walters had said earlier this evening. I remember this all got presented to us and we had diagrams of the two options as a part of a prelude to a development agreement for that particular area. Has the development agreement been finalized on that? **Mike Tobin, Interim Director of Public Works** said yes. **Chairman McKiernan** said okay, so we finalized that development agreement, interesting because I thought that was an open question that related to the developer and the agreement. I misremembered that. **Mr. Bach** said the development agreement is where we brought it forth, contemplated the difference between doing an at-grade or doing a bridge solution. Both could be done on the site. What the development agreement demonstrated to us was how much money we would receive back off of the—because we did an abatement period on the projects. There are three different phases to it, so we looked at the first two phases of that project, placed a CID back in place so they would pay back to us and we would use that similar function to what we did down at the levee project when we put that one forward but this was ones so we could pay for the bridge. The first two phases are one that paid for and covered the \$7M that would come back in over the ten years. It does put us a little bit more at risk to go to the \$8.8M solution. We have to get the third phase of the project in place that NorthPoint is building in that area in order to offset the total cost.

It is public infrastructure when it comes to it. Well, it's was not one we were planning to do in the next few years which was always an issue with this. We looked at it from the standpoint if we we're going to spend either \$7M or \$8.8M, you know what is the best long-term solution for the community in valuing it. That's where as we sat back down and went back through and reevaluated this to determine that the bridge was the better long-term solution for us. If you would like we can bring it. I know that's typically the Public Works Committee, but we can bring that presentation to this committee and give you a little bit more detail or schedule on ones to go through it.

Chairman McKiernan said I guess one question that I have is, this is on Schedule A right, because Schedule A in the committee packet that we got still shows it as a \$7M project, so this paper we got tonight is to indicate that should be \$8.8M then for the 2016 total project authority. **Ms. Jonscher** said that's correct. **Chairman McKiernan** said these are all projects that were approved as a part of 2016 CMIP because I've got the CMIP sheet up here and I don't see this so where am I missing it. **Ms. Jonscher** said the Riverview Bridge is under the Economic Development section. **Mr. Bach** said when you approve the budget, the directive behind that was that and we put that under Economic Development, so that we need to have an accompanying development project move before we would advance this. **Chairman McKiernan** said we have that. **Mr. Heatherman** said yes.

Commissioner Townsend said because we addressed this sometimes ago, it wasn't until Commissioner Walters mentioned at-grade, could you just refresh my recollection please about the development agreement, what the project was? I remember the discussion about a bridge or at-grade and that was to be I guess finalized. Could you just refresh my recollection tonight? **Commissioner Walker** said Turner Woods. **Commissioner Townsend** said okay, and NorthPoint is doing that one also. **Commissioner Walker** said the thing that I think Brian is referring to is the state and I can't remember the context. They were not going to be able to proceed as fast with the actual construction component because of another project. Is that true? That if they took on—what am I thinking about where they said it wouldn't develop as fast because of another project if they undertook it. I know there was something about a delay of the actual construction. Did George leave? **Mr. Bach** said he's in back. I think you may be

thinking of there were some other sites that we were contemplated in the Kansas City, KS area that we had looked at for potential—if those became flex space and if they went to them they could become—and they were to receive those, they could higher priority. We’ve also looked at some along the interstate, I mean none of those have come into fruition yet but they said those could be projects they could move on quicker because of their proximity, they don’t have all the dirt fills. At this point we don’t have any of those advancing. **Commissioner Walker** said so they should then begin developing soon. **Mr. Bach** said, George, I think you’ve had more recent conversation with Brent regarding this but I think he’s given you a pretty aggressive indication. They haven’t officially served us the letter yet and we won’t start construction. We’d start doing design work but we wouldn’t start any construction until we’ve been served the letter per the development agreement that says they are moving forward with it, which them obligates them to get the first one done. **George Brajkovic, Economic Development Director**, said yes, in talking with the NorthPoint team, there is constant interest in that site. The way we scaled it was one to three buildings but ultimately our target was a million new square feet of industrial business park type space. What I was going to comment on was is what Doug just touched on too. Really the nature of the agreement allowed, there was a timing provision. From the time NorthPoint commits to starting the grading work for the site grading they have to do, that gave us and Bill, correct me if I’m wrong. My recollection is we had a year to design and another full construction season to put that in place, but the trigger for us to actually have to do any work was that NorthPoint also had the commitment to move in and start that site work that they needed to do.

Commissioner Walker said have to say in driving that recently I guess there is—I would have—I mean I prefer the at-grade. If I were building the world but I have to agree with Bill that it’s a pretty short space for an 18 wheeler to make a lane shift from the I-70 exit to this exit, if I understand the layout. I guess from a lawyer’s standpoint it’s the idea that if it’s designed in a way that causes or brings about harm to individuals, causes accidents, deaths and so forth you know the responsibility for that, not only legally, but morally is on us for having done it. I can’t wrap my hands around whether that’s really true but it doesn’t seem like a long distance for an 18 wheeler to make it and I assume you’re talking some 18 wheelers continuing to use this as a route, not only for Turner Woods but moving on down to the Turner Industrial District off of I-

70. Unless someone can demonstrate differently I don't have anything to rebut the recommendation of staff, I guess is what I'm saying.

Chairman McKiernan said I'm going to make just one other comment. It appears that I need to do my homework better because when I look at our CMIP Budget worksheet from June 1st, this is not on there but when I look at the CMIP that was included with our final budget this is on there. At some point between June 1st and August 1st I missed it. I'll just say out loud I guess I need to do my process better because it's on one but it's not on the other. At some point I did miss it. I guess I need to be more diligent in keeping track of changes from the worksheets we discuss in special session to the ones that we finally approve.

What we have before us is a request for action and that is to approve the resolutions and the ordinance to fund CMIP projects. **Ms. Jonscher** said I will just say there is a second schedule. That includes all the current projects that were previously authorized at a certain amount and now they have either asked for increases to that amount or amendments to the descriptions. That's on Schedule B.

Commissioner Walters said could you explain the impact of what we're trying to do tonight. We've already approved the 2016 budget and how do the changes to the CMIP numbers affect that? **Ms. Jonscher** said all of the increases and authority are included in that five year CMIP Plan. The increases you see here, not all of these are in 2016. They could be anywhere from 2015 to 2020. **Commissioner Walker** asked does it affect 2016. **Ms. Jonscher** said some of them do. You can see the increase in authority, if you look at the middle column shows the amount that we are increasing for each project. That totals \$15M for '20, only about \$8M, a little over, between \$8M and \$9M of that amount is actually being funded in 2016. The rest of it occurs in the outer years. **Commissioner Walters** said so what if we didn't want to increase the 2016 budget. **Ms. Jonscher** said these numbers are in the approved budget. We've already increased the budget. **Commissioner Walters** said but I just heard that we were voting to increase. **Ms. Jonscher** said we're increasing what's been authorized to debt finance on the projects. **Commissioner Walters** said we're not affecting the 2016 budget in any way. **Ms. Jonscher** said by doing this project authorization we're not changing the CMIP that's been approved. All of these amounts are already in the CMIP. **Commissioner Walters** asked are

we affecting the 2016 budget in any way, the budget that we approved as the Commission. **Ms. Jonscher** said no.

Commissioner Walker said but we are affecting the 2017 budget, assuming this project moves forward in Turner Woods. This increase has to hit somewhere. **Ms. Jonscher** said yes, I'm sorry on the Riverview Project that is an amendment to the CMIP, yes. The projects that are on Schedule B, those are amendments to the project authorizations but they are not amendments to the CMIP. The Riverview Bridge was approved in the budget at \$7M so the \$1.8M increase would be an amendment to the CMIP that was approved. That's the only project that would change. **Mr. Bach** said the reality of how that—I'm sorry. **Commissioner Walker** said I was going to ask the question of a—can we just approve Schedule A as is and not the bridge resolution until we vet this more thoroughly as the entire Commission. I guess it would be on, somebody could pull it off. I have less trouble with what we had. This bridge issue is not resolved in my mind yet. **Ken Moore, Interim Chief Counsel**, said commissioner, you can remove that one particular resolution entirely or you can approve for the \$7M so they can go ahead and issue the TIF notes and the bonds to start whatever design or whatever the project and then you can revisit whether to approve the amount or you can approve for \$8.8M. **Commissioner Walker** said well, I guess after listening to Commissioner Walters apparently nobody convinced him that this was a better option. While we represent certain areas, we don't rule them. I mean I drive that area all the time. I've work unfortunately or fortunately to represent the entire community but I would like to see and hear the comments of the other commissioners on weighing in on bridge versus at-grade. I know Commissioner Walters had voiced that before and it seems to me that it's somewhat being ignored and he's close to that district as a commissioner. I don't mind approving the \$7M tonight and we can come back and revisit it or we could just simply delete it completely until we have a meeting of the majority of minds as to whether they want to accept at-grade or the bridge. **Mr. Moore** said by doing the \$7M, if you went that route tonight then that would be included in the financing that they do in February. We would have another opportunity I guess in the December meeting to bring that up and still make the deadlines for that financing. If not, then it really compromises I guess the timeline for the project. If it was approved for \$7M and the commission decided to go for the bridge alternative, we can amend that authorization just like the Schedule B is. It's amending

previous authorizations and increases the amount and that could be done to finalize that. There would be funding to start the project in 2016 if necessary. **Mr. Bach** said I would agree. I think clearly there are enough questions behind that. I don't want to push this through that we get something done. We can come back in the next few weeks and spend some time talking to the other commissioners, go through this, show the pros and cons of two designs and get additional input. We can come forward in the December standing committee and see whether or not we want to move this. **Commissioner Walker** asked is that acceptable to you, Commissioner Walters? **Commissioner Walters** said yes. **Commissioner Walker** said I think that's what we should—I would go along with approving the \$7M. It's going to cost us \$7M either way.

Commissioner Townsend said I think its been so long since we reviewed the project. I remember when Commissioner Walters said at-grade and that was a separate issue at-grade versus a replacement, but it's just been so long since we've heard that presentation. I would like an opportunity to see it done again and let the other commissioners also see about it also have input. Now, Mr. Heatherman, I'm recalling an issue we had with the Kaw Point at Fairfax and the rates, speed and why we need to relocate or do away with one of the businesses that was at the ramp. Is this the same kind of situation we're talking about from an engineering standpoint. As you were coming off I-70 to go into Fairfax, down Fairfax Trafficway, there was a little restaurant that was there, but the engineering review said that at the rate of speed that the trucks traffic was coming, we needed to have that restaurant or that business moved or taken out to allow the traffic to have enough room to turn into the Fairfax or Kaw Point area. Is this a similar kind of consideration that we're talking about when we're talking about at-grade versus new bridge and allowing enough latitude for 18 wheelers in the traffic? **Mr. Heatherman** said it is a different scenario but there are some similarities of theme. The issue on that particular project was it was an entrance that was close to where that restaurant was that we felt would be safer if that entrance were closed. In that particular case it had more to do with the fact that you were coming down off of a ramp and so there is a deceleration time period. We didn't ever propose that the business itself needed to be relocated, it had more to do with the entrance but I think if we back up and kind of think at a higher altitude, yes they are similar in the sense that as we're looking how these complicated systems work and we have a lot of truck traffic and a lot of car traffic, these issues of how close things are together and exactly how they mesh together are

something that myself and our traffic engineers take very seriously. **Commissioner Townsend** said thank you.

Action: **Commissioner Walker made a motion, seconded by Commissioner Walters, to approve Schedule A as is.**

Chairman McKiernan said, Mr. Moore, do we need to do Schedule A and B separately since we have made that revisions. Should they be considered separately? **Mr. Moore** said if each Commissioner's vote's the same on all projects then you can vote them both together. **Commissioner Walker** made a motion to approve Schedule A and Schedule B if the second will agree to that. **Commissioner Walters** said I got kicked off the network so I can't see schedule B right now.

Action: **Commissioner Walker made a motion, seconded by Commissioner Walters, to approve Schedule A with the \$7M as is plus Schedule B as presented.** Roll call was taken and there were five "Ayes," Walters, Murguia, Townsend, Walker, McKiernan.

Commissioner Townsend said one more question. Where do we go from here with the presentation? Is it going to come back to standing committee for a full presentation? **Chairman McKiernan** said, Mr. Moore, you said that could come back in December and if we should at that time elect to go with the increased amount we would still have enough time before next year to still include the \$8.8M. **Ms. Jonscher and Mr. Moore** said yes. **Chairman McKiernan** said there will be so that would then come to us at our December meeting for consideration. **Ms. Jonscher** said that's correct. We would also bring back—we'll have the sale resolution for the temp notes and bonds at that time too.

Item No. 5 – 15235...CONSIDERATION OF CREATION OF TIF DISTRICT

Synopsis: Discussion of an urban redevelopment proposal at Rainbow Village which includes the creation of a TIF Redevelopment District, submitted by Marlon Goff, Economic Development. If this development is advanced, it is requested that a notice for a public hearing

be fast tracked to the November 12, 2015 commission meeting to set a public hearing on December 17th, for consideration of the TIF District.

Marlon Goff, Economic Development, said I think we should start with a brief introductions, Hunter Harris, Lane4 Property Group, partner in charge with this project, Korb Maxwell, Polsinelli Law Firm, working on behalf of Lane4. **Mr. Goff** said tonight we want to talk to you about the Rainbow Village Project, particularly this proposal we've been working with Korb and Hunter over the better part of a month or so around a proposal. To start I think it makes sense to orient everyone to the site we'd like to talk about.



In the foreground you see 7th St. Trafficway, as you travel east towards the intersection of Southwest Blvd and as you go south it converts to Rainbow. The center here is roughly a 2 acre parcel. Lane4 is currently under contract to purchase that piece of ground. It's an existing center with a mix of current retail and office use of which includes the Applebee's Restaurant. A quick snapshot of the project overview, I know Hunter and Korb also have a presentation but this essentially represents the framework of what's currently being proposed.

Project Overview

Developer: Lane 4 Property Group
Location: 34th & Rainbow Blvd (Existing retail center)

Project Scope:

- 82 - Room Extended Stay Hotel
 - Site demolition and clearance of existing center.
 - Applebee's restaurant would remain and be adjacent to new hotel.
- \$14M total project costs

It's an 82 room, 4-story hotel extended stay. That project represents \$14M of investment. It would entail some site demolition from the existing footprint of the center. The Applebee's Restaurant currently is slated to stay and remain part of that project. A summary of the public incentives and as customary with a lot of the urban redevelopment projects, there are current common occurrences where the use of public incentives will be requested as part of the financing model.

Public Incentives

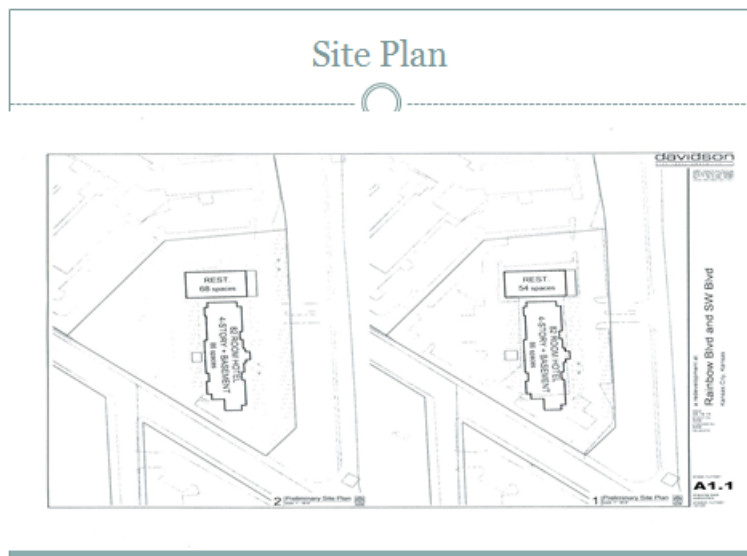
Economic Development Incentives Requested:

Incentive Tool	Term
Tax Increment Financing (TIF)	20 years
Sales Tax	20 years
Community Improvement District (CID)	20 years
Transient Guest Tax (TGT)	20 years

*NPV of incentives requested equal \$3.8M

(This project total package currently represented is roughly \$3.8M and you can see it includes a mix of Tax Increment Financing, the sharing of existing sales tax, a Community Improvement District and the use of Transient Guest Tax.) One of the action items we'll talk about as we have

an opportunity to kind of walk through the proposal and you hear from the development group is the creation of a TIF District.



This outline essentially is from one of the exhibits that has been advanced and it represents the footprint of that district. You can see it kind of captures in addition to the parcel outline some of the public right-of-way to the west of Rainbow Blvd. Again, this is some of the earlier rough sketches again. I'm sure you guys will have some more slides that may be updated from this, but again on here you can see where the site essentially the difference between the different parking count ratios for the hotel and the restaurant. With that I think I will pass this on to the development team.

Action items for consideration tonight

- A resolution setting a public hearing to amend the University-Rosedale Urban Renewal Plan (1965)
- A resolution setting a public hearing to consider creation of the Rainbow Village Redevelopment TIF district.
- Fast track to the November 12th Full Commission
 - × Necessary to meet guidelines for public notice requirements.
 - × Public hearings proposed for December 17, 2015.

Proposed Calendar		
Date	Committee	Action
11/9/15	ED&F Standing Committee	Advance resolutions to Full Commission
11/12/15	Full Commission	Adopt resolutions setting public hearings on 12/17/15
12/17/15	Full commission	Conduct public hearings on urban renewal plan amendment and creation of redevelopment TIF district.

One other note, in addition to the creation of the TIF District, this property is currently situated within the boundaries of an urban renewal plan and currently that document prohibits the construction of any new hotel and motel developments. In addition, a corresponding action would be to amend that urban renewal plan to allow for this proposed use.

Hunter Harris, Lane4, said as you may or may not know Lane4 has been very charged about the redevelopment and the rebirth of the Rainbow Corridor along with some other urban areas in Wyandotte County. I personally spent about ten years putting together the two Rainbow mixed used projects at 39th & Rainbow and as such spent the last several years scouring the area for additional development possibilities. One of those was the thought that we'd like to do a complimentary hospitality use to what's been a success at the Holiday Inn Express at 39th & Rainbow.

EXISTING



LANE4
PROPERTY GROUP

We came across this opportunity—this is an existing retail center that's been there several decades and in our opinion has gone into a fairly significant state of decline. It's two story in nature.

EXISTING



LANE4
PROPERTY GROUP

November 9, 2015

EXISTING



LANE4
PROPERTY GROUP

EXISTING



LANE4
PROPERTY GROUP

There's one story that faces Rainbow Blvd. and then there's a back level with a basement that goes back to the Rainbow Extension and the Sonic Restaurant. From a retail perspective that's very obsolete from our opinion.

November 9, 2015

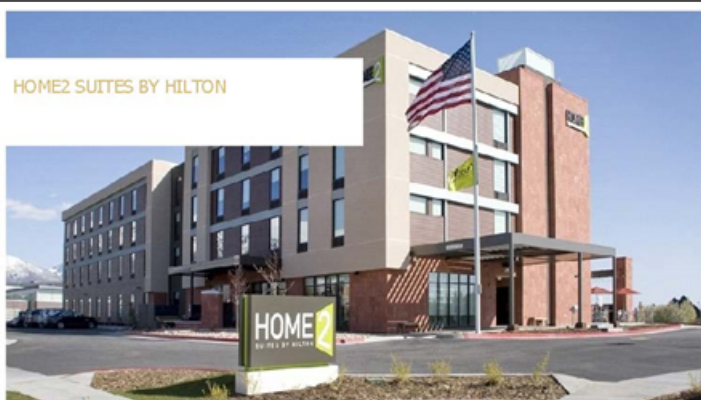
SITE PLAN



LANE4
PROPERTY GROUP

We do really like the Applebee's Restaurant. We've met with the new owners who acquired all of the Applebee's here in town from Dine Equity, very, very positive interactions thus far. I believe they are interested in renewing their commitment to this site perhaps if there is a redevelopment to come into play. That could or could not entail some renovations to the interior of that restaurant. The exterior was recently updated not too terribly long ago. They do well there. They're a fixture. I know they generate a good amount of business and for us it's mirroring that with a new companion project.

RENDERINGS



LANE4
PROPERTY GROUP

November 9, 2015

RENDERINGS



LANE4
PROPERTY GROUP

That would be in the 80 count for a new extended stay hotel. We are speaking with several flags presently and weighing those options as part of this project in looking for the best fit. When redeveloped, this is one of the concepts under consideration would be a new modern update to the corridor. We view this Rainbow Village Project is a great step in moving our progress north along Rainbow toward the Southwest Blvd. Corridor. Ultimately, our designs would be that this project is a step towards additional transformations and as I'm sure you might imagine we're spending time at our offices looking for additional properties for how this can be the first domino for additional great developments to fall.

Korb Maxwell, Polsinelli Law Firm, said we are at the stage of just requesting to be able to move forward on the TIF District, creating the TIF District, setting the base. We'll then come forward to this Commission, with your staff with a full redevelopment project plan to discuss details of the economics of it but what I can tell you is part of the reason we're here before you, as Marlon laid out earlier; we are in the urban corridor and part of that is we're having to buy an existing productive asset. It is not a sightly asset but we're having to buy that existing productive asset at a value that is substantially greater than what we think is fair market value and then we're going to have to take that asset and tear it down to be able to bring this companion use forward.

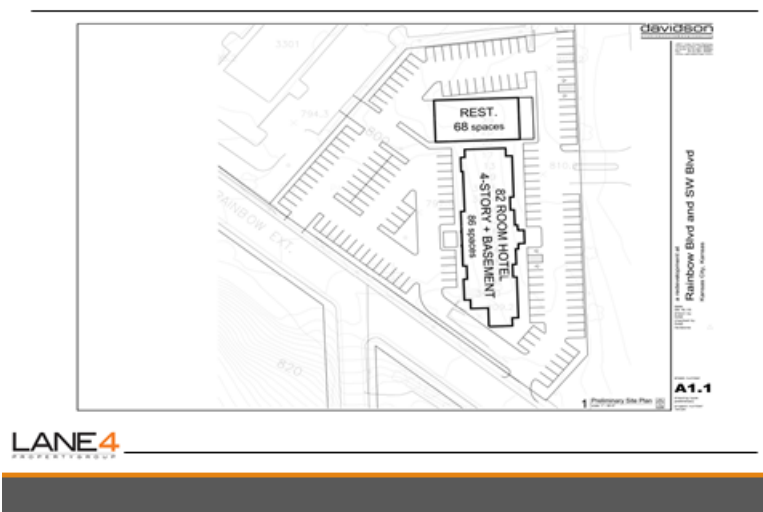
As Hunter and Lane4 said and I've worked with them on a lot of this, they spent the better part of ten years working on 39Rainbow and we have spent years and years working to

find a site that we could continue to complete the redevelopment of the Rainbow Corridor. We have literally called on every single piece of dirt on the Rainbow Corridor and going all the way to a project we brought before you, the 47th & Mission Shopping Center that we did, we consider even that part of the Rainbow Corridor.

We have been extending and trying to find pieces of property to be able to supplement and support what we did at 39Rainbow and importantly make sure that development happens in Wyandotte County. I will say it has not gone unnoticed, the success of 39Rainbow to others that are just across the state line or just across the county line in looking at competing projects out there. We think it is incredibly important and Lane4 has made a very large leap of faith of putting this under a contract, putting it under a quick close because we've done so much work with the Unified Government and hope to be able to bring this forward to a successful project and a successful redevelopment on this corridor. With that, unless Hunter has anything else, we'd probably turn it back to Marlon to complete any staff report and then would stand for any questions of the Commission or staff. **Mr. Goff** said thanks Korb and Hunter. I think this is a good point to maybe open it up for questions or comments before we revisit ultimately what the ask is for tonight.

Commissioner Walters said I have a question, so we're trying to—we're talking mostly about the TIF District. If you'll go back to the map, what is the property on the east side of Rainbow and why is that included in the district.

SITE PLAN



Mr. Maxwell said the district looks extremely large, really all it'd doing is capturing the right-of-way of Rainbow Blvd. Rainbow Blvd. being an old state highway has an extreme amount of right-of-way on both sides of it. All that is doing is capturing just the right-of-way of Rainbow Blvd. I'm not sure if that's exactly accurate but it's just the right-of-way involved. **Mr. Goff** said that's accurate. If we were standing at grade in the street you'd be looking at cliff elevations of 40 or 50 ft. it's literally a cliff or a bluff. Typically, when we establish a TIF District, as Korb pointed out, it's customary to include as much public right-of-way as possible to account for any expansion or improvements of that existing infrastructure but I don't understand that to be part of any additional development outside of the site plan that they showed in the previous slides. **Mr. Maxwell** said that's correct.

Commissioner Walker said can somebody address the issue of the 20 year tax abatement and our policy. I guess Mr. Bach. **Mr. Bach** said sure. The TIF allows for it to go over a 20 year time period. This would not be a tax abatement but it would allow for funding per a development agreement that we would get to that could paid that could go toward the project for a 20 year time period. Those are concerns and these are some concerns that I've expressed with the developer that I think 20 years on these different terms are a bit excessive. I know we allow a 20 year term on a property tax for Wyandotte Plaza in the redevelopment of that grocery development, which did bring a new service to the residents of our community and other soft good retailers and such like that. I think this kind of development is right for that kind of

discussion because I believe it's one where when you look at a hotel and you look at the projections of what a hotel is to produce over a 20 year time period, it certainly requires significant reinvestment a couple of times in order to just maintain a flag if you're going to bring in sales and Transient Guest Tax at a level that you would be projecting at new, something once it's 10 years old, 15 and 20. **Commissioner Walker** said I'm normally for economic development in the urban core and new opportunities. I like the idea of the hotel for reasons that relate with the extended stay. I assume a target audience would be the KU persons from out of town that needs a place to stay while their love ones are in the hospital. I guess the question I have, by approving the TIF District, the creation of the TIF District; are we agreeing to 20 years on all these factors or is that a matter still for negotiation. **Mr. Bach** said that's a matter for negotiation. Basically, all you're approving tonight would be to advance it to set a public hearing for the consideration of the approval of the TIF District, so we would move this to the full commission on the 12th and then we've considered doing a TIF establishment on December 17th. We would continue to work and negotiate with the developer about this project, which I would agree is a very good project to bring in, but the terms are not there and they're looking to be in a position to know where they're at by yearend because some of the different stipulations and why this coming before you at this point. As we have had a good track record of working with Lane4 and they've done quality projects in our community, we wanted to go ahead and advance it and get it teed up to see if we could reach an agreement to bring back to the standing committee in December and that would have the terms that you would then be reacting to and a little bit more detail than, well that would be a development agreement that we would try to have before you and those terms.

Commissioner Walker said I don't oppose a TIF. I guess I would put you guys on notice that 20 years on each of those with no redevelopment obligation and nothing in it for the city is probably not going to fly for me, at least nothing substantially over what we already have. I would like to see this deal go forward. I would like to see—I don't want this to become the goal standard for urban redevelopment that we give away everything that the project brings to the table and 20 years later we're left with an old hotel. We know what we got with at 20 year old hotel right now and if there are no redevelopment funds committed to this over the 20 year period, it would seem to me that leaving that to the owner and whoever the owner would be in 20

years or over the 20 years leaves us vulnerable to having another one of the kinds of motels that we already have in that location and you know what I'm talking about. I mean they do a pretty good business because they book with the railroad. They always seem to be full but I don't think it's the kind of hotel we want the people coming to KU Med Center, which clearly that's not going to be a tourist attraction, hotel at that location, not unless there is a dynamic change in the southwest corridor. **Mr. Harris** asked do you mind if I address that presently, just the overall concern. **Commissioner Walker** said yes. **Mr. Harris** said I can certainly understand and appreciate what you're saying and I'd like you all to know, hopefully as evidence by our past history in conducting business in this county and bringing projects before you, this is all about whatever the means to the end are for us. We want to do a great quality project and if there's something that allows us to meet the gap that we have in our financing, the public incentive that's less than what you've seen here today, then we're all for that. We want a win-win partnership as part of these projects. We will certainly look forward to continuing those discussions as we move forward. I guess what I would say is in our business we use the term time kills deals and with this project I don't mean that literally. I mean that we're facing pretty stiff competition. There is an extended stay hotel that was announced in Westport on the Kansas City, Missouri side and quickly sopped up that flag from being available from this project so we act with a sense of urgency and that's really what we're trying to do about, and we appreciate your support in moving this project forward tonight, and as we move forward. It's about getting a good quality project done but also being nimble as it relates to the business environment that we're in. As others are sniffing around and as we know as we've turned over a lot of rocks on the Rainbow Corridor, making sure that we get the best project for Wyandotte County as well.

Commissioner Townsend said I would be in favor of moving this along but I think Commissioner Walker clarified a good point, it's just moving it along, the terms aren't set but it called to mind something within the last couple of months when we met and the turnover. I understand the quality of the flag that you want to bring. What if this goes forward would require that particular flag to remain there for X amount of time and address the concern that Commissioner Walker is talking about so that we have that quality hotel that you're talking about of the level that Commissioner Walker had in mind. **Mr. Harris** said when we enter into—ultimately when we select the flag and you've seen a representative example here this

evening, we will enter into a franchise agreement with that flag, and it lasts for a period of years. We're required and as we now have several years of experience with the Holiday Inn Express and meeting what are the brand standards. They hold a pretty high level and as you can imagine a lot of this is not about interstate travel. It's about expanding accompanying uses for the University of Kansas Medical Center and hospital and making sure that we keep those guest nights in this area and in Wyandotte County and that was part of the retail expansion of the 39th & Rainbow Corridor is to compete with 39th St. West in Missouri. With that, we're very dialed in to make sure that we are doing things that not only aid and improve that patient experience and those of a young doctor that might be cored by the hospital who ordinarily would go to the Plaza or to Westport but would be in this project as well. I'm sorry that was kind of a roundabout way of answering your question. There are some legalities there and there are also just business interests we need to maintain to make sure that we're providing a quality product. **Commissioner Townsend** said so there would be a requirement for the flight to remain a certain amount of time. I guess that's what it boils down to. **Mr. Harris** said

Chairman McKiernan said as the two Commissioners have already said, I really have no problem with moving forward the public hearing to create the TIF District, but when we get to a development agreement I really would like a more clear articulation of what's the benefit to the UG for proceeding with this. What's the relative amount or ratio of public investment and private investment in this? What's compelling for us to say we should do this deal? A better articulation of that would be great. I'd also like to see—we have a sales tax exemption or rebate, correct, as well as a CID. I'd like to see a clearer articulation of the terms or what's contained in that CID, what the numbers are in that because I'm assuming that's going to be a pass along on top of sales tax. **Mr. Harris** said that's correct. **Chairman McKiernan** said so what is the amount, what's the percent that it's going to cap sales tax? What does that bring the total sales tax to in that area? Some other things I'd be curious to know about and I'm sure you've considered these. What does the presence of the Oak Tree Inn do, positive or negative; to this project given that it's less than 25 yards away? What does this do, positive or negative; to the Holiday Inn Express which is what four years old, not quite four, so how does it affect? I mean have we articulated or can we put our finger on a need for these rooms in that area.

Another thing that I heard that concerns me, and I definitely would want to know more about, is you said that we would need to alter an urban renewal plan that was previously established for some or all of that area. **Mr. Goff** said that's correct. **Chairman McKiernan** said I would want to get a much clearer understanding of what does that mean for us. What's the size of that? What's the implications for us given that that's, I'm assuming a product of an association with HUD at some point. **Mr. Goff** said the Rosedale Urban Renewal Plan dates back to 1965 and there's this obscured provision in that document that prohibits the construction of any new hotel or motels. I've been working actively with Ken Moore and Anna in our Legal Department, really just to look at, not just urban renewal plan, but all the existing urban renewal plans that are—**Chairman McKiernan** said there you go. That's where I was going with that because if there is a strategy that we can use successfully in this instance, can we adapt that strategy and use it in many more areas to our benefit, because certainly while Rainbow Extension will undoubtedly benefit from the addition of this product, I can think of a lot of other areas that would benefit from similar developments and they may or may not be with urban renewal restrictions pm them as well so I would like for us to think about that. I think that really goes through all of the questions that I had but I really want to have a nice clear articulation of benefit when we come back with the development agreement. **Mr. Harris** said we'll certainly provide that. **Chairman McKiernan** said absolutely.

Action: **Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve.**

Mr. Goff said I'll make a quick comment commissioner, so we actually have two separate resolutions to set public hearings, both on the urban renewal amendment and the creation of this TIF District. We'd like to do them concurrently on the same date. This item, the request is to fast track this item to the November 12th full commission meeting so that we can satisfy those public hearing requirements in advance of the public hearing. **Commissioner Walker** said we didn't get much in the blue sheet. **Chairman McKiernan** said I appreciate you clarifying that because the request for action was not clear on anything other than the creation of a TIF Redevelopment District. So we have two public hearings that will occur concurrently or at least

on the same night. **Mr. Goff** said on the same night, consecutively I guess. **Chairman McKiernan** said consecutively, okay.

Action: **Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve both public hearings and that it be fast tracked to November 12th.** Roll call was taken and there were five “Ayes,” Walters, Murguia, Townsend, Walker, McKiernan.

Adjourn

Chairman McKiernan adjourned the meeting at 8:32 p.m.

tpl