STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

REGULAR SESSION
THURSDAY, NOVEMBER 21, 2019

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in regular session Thursday, November 21, 2019, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO, presiding. Murguia, Commissioner Third District; and Johnson, Commissioner Fourth District, were absent. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Melissa Sieben, Alan Howze, and Emerick Cross, Assistant County Administrators; Ken Moore, Chief Legal Counsel; Patrick Waters, Senior Attorney; James Bain and Susan Alig, Assistant Counsel; Katherine Carttar, Director of Economic Development; Kathleen VonAchen, Chief Financial Officer; Bridgette Cobbins, Unified Government Clerk; Lynn Melton, Assistant to the Mayor; Maureen Mahoney, Chief of Staff in Mayor's Office; and Captain James Bauer, Sergeant-at-Arms.

Mayor Alvey called the meeting to order.

ROLL CALL: Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Alvey.

INVOCATION was given by Reverend Cedric Rowan, First Baptist Church.

Mayor Alvey asked the Clerk if there were any revisions to tonight's agenda. **Bridgette Cobbins, UG Clerk,** said there are no revisions.

CONSENT AGENDA

Mayor Alvey asked does any member of the Commission, staff or citizen in attendance tonight wish to set-aside any item on tonight's Consent Agenda. You would need to step forward at this time, state your name and city of residency for the record, and ask that that item be set-aside. If an item is not set-aside, all items on the Consent Agenda will be voted on by one vote.

Action: **Commissioner Kane made a motion, seconded by Commissioner McKiernan, to approve the Consent Agenda.** Roll call was taken on the motion and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

Item No. 1 – MINUTES

Synopsis: Minutes from special session of October 31, 2019.

Action: **Commissioner Kane made a motion, seconded by Commissioner McKiernan, to approve.** Roll call was taken and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

Item No. 2 – WEEKLY BUSINESS MATERIAL

Synopsis: Weekly business material dated November 14, 2019.

Action: **Commissioner Kane made a motion, seconded by Commissioner McKiernan, to receive and file.** Roll call was taken and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

PUBLIC HEARING AGENDA

Item No. 1 191060…PUBLIC HEARING/RESOLUTION: ISSUANCE OF IRBS FOR PQ CORPORATION

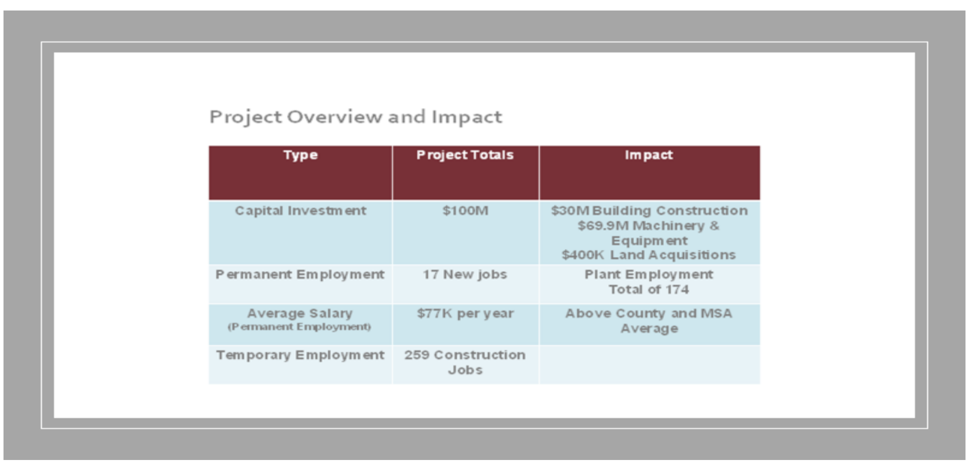
Synopsis: Continue public hearing to approve the resolution of intent to issue IRBs in the amount not to exceed $100,000,000 for the benefit of PQ Corporation, submitted by Katherine Carttar, Director of Economic Development. An IRB application was submitted by PQ Corporation for property tax abatement and sales tax exemption for acquisition, construction, improvements and equipment for the industrial facility expansions located at 1700 Kansas Avenue. On October 28, 2019, the Economic Development and Finance Standing Committee, chaired by Commissioner

Burroughs, voted unanimously to approve and forward to full commission. This item was held over at the November 14, 2019, full commission meeting.

Mayor Alvey said next we have the continuation of a public hearing from November 7th to consider a resolution of intent to issue IRBs for PQ Corporation. Before we take public comments, I'll turn it over to Administrator Bach to introduce staff.

Doug Bach, County Administrator, said as noted, last week we gave a staff presentation on a proposed development expansion of a development in our community that's been here for over 100 years. We opened the public hearing at that time and had a few comments come from the public as well. Tonight, we would like to have staff come forward to give an abbreviated public hearing, or statement about what's going on with the project, and a little bit of information regarding the IRBs, then we'd suggest we continue the public hearing. With that, I'm going to recognize Stephanie Moore with our Economic Development Department for comments.

Stephanie Moore, Economic Development Department, said as was previously stated, this was held over from last week so you might remember this one. Here's a quick reminder of the project, it's an IRB.



Project Overview and Impact

Type	Project Totals	Impact
Capital Investment	$100M	$30M Building Construction $69.9M Machinery & Equipment $400K Land Acquisitions
Permanent Employment	17 New jobs	Plant Employment Total of 174
Average Salary (Permanent Employment)	$77K per year	Above County and MSA Average
Temporary Employment	259 Construction Jobs	

Here's just a quick slide on the overall project, number of employees, average salary, and construction jobs for temporary employment.

Tax Impact of Expansion Project

Overview	Tax Impact
Average New Taxes Per Year During Years 1-10	$323,337
Projected Annual Tax after Abatement (Year 11)	$1,467,752

This slide talks about after year 10, what those taxes will look like. That first one is the average new taxes. That's just for the city of Kansas City, Kansas. The lower number is the overall number for all taxing jurisdictions, and I'll get to that slide.

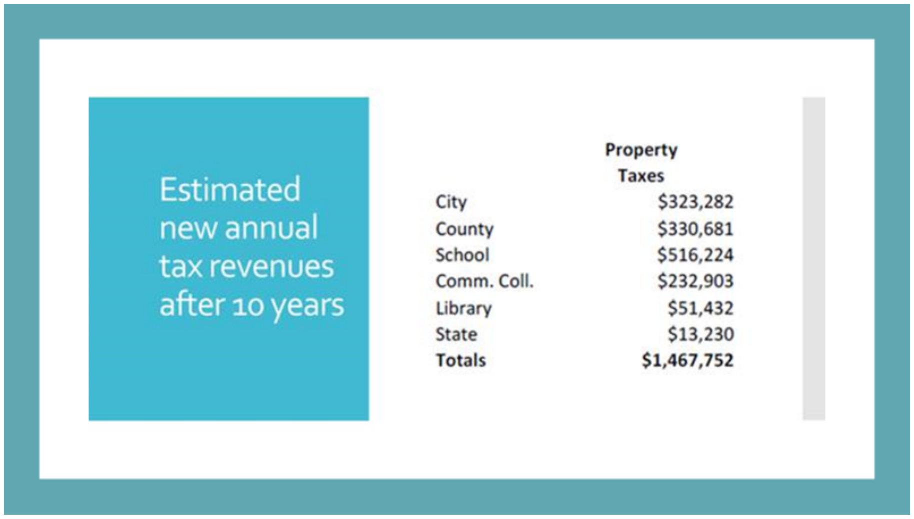
COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

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

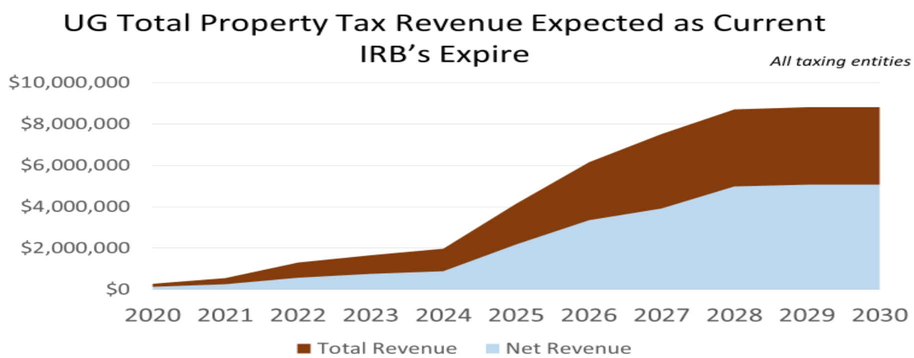
All of the governing entities have a benefit to cost ratio in excess of the desired 1.3. This report is based on the assumption that the Unified Government will approve a 75% property tax abatement on the new construction. The firm indicates that it will pay an average salary for the new jobs that is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

This is from the cost benefit analysis. The person who conducted this told us our numbers and our average return of investments are really good and you don't see these types of ratios. That's a positive project on the return on investment portion of that.



This is the slide that breaks down all those taxes over 10 years. We're still getting that amount of property taxes. That's a slide we did not include last time, but it's a part of our cost benefit analysis.

Now I'll turn it over to Kathleen VonAchen for the brief overview of what an IRB is.



Kathleen VonAchen, Chief Financial Officer, said about six months ago, we did a presentation to the Economic Development and Finance Committee on looking at all our IRBs and how would the revenue look into the future once the IRB aggrievance starts to expire. As you know, most of the IRBs, if not all, the agreements are for 10 years. This is a graphic demonstration of our revenues. As those IRBs expire, that graph line grows.

IRB PROJECTS – REAL PROPERTY TAX IMPACT

Larger IRB PILOT Payments and When Come on Tax Roll

Project	Last Scheduled IRB Payment / End Year	Amount of Abated Taxes Added to Tax Roll
Amazon	2027	$879,583
General Motors	2024	$576,307
Associated Wholesale Grocers	2024	$405,208
NPIF2 Kansas Ave (commercial bldg., 51st & Kansas Ave.)	2026	$263,009
Premier Investments (Industrial bldg. in Armourdale)	2025	$247,466

*** Based on last scheduled IRB payment**

Some of the commissioners asked what were some of the businesses where the agreements were expiring in the future, five or so years. These are the major ones. Amazon, their agreement would be expiring in 2027 and at that time, then the amount of tax, the amount of abated taxes that would be added to the tax roll is $880,000. General Motors, in 2024, be $576,000. Associated Wholesale Grocers would be $405,000 in 2024. Then there's a couple of others that are fairly large, 2026 and 2025.

Mr. Bach said we'd recommend we continue the public hearing.

Mayor Alvey opened the public hearing asked is there anyone present that would like to speak in favor of this proposal. No one appeared in favor.

Mayor Alvey asked is there anyone that would like to speak in opposition.

Janice Witt, Kansas City, KS, said my only issue with the PQ Corporation is that there are no built-in benefits for the people of this community. I have a question regarding the last time those companies that were listed, it's not this slide it's the slide before. When was the last time they had IRBs? **Mr. Bach** said I'm not sure when the start date was. **Ms. Witt** asked how many IRBs have they had leading up to this one. **Mr. Bach** said the start date would be probably 10 years prior to the date you see them coming off the tax role. Like one of them was listed as 2025, so that would have been 2015.

Ms. Witt said I looked on EMMA. I went and looked to find out when these start and when they end, the sunrise, sunset. Some of these are repeat IRBs. I know we talked about that last time. You said that if they are bigger, if they grow, then they could get another IRB. So my question is, how do we ensure that we get this money that Ms. VonAchen was just talking about, which feels great? If we get that, that's wonderful; but if they get another IRB, then that's 20, 30, 40 years that we don't have taxes coming from that business.

Mayor Alvey said no, that's incorrect. What we're saying is, when they come and they build, they get an IRB to do that specific build, that specific project. That's what's happened with Zeolyst here. They did a project; they got an IRB on that. That project is now paid off and has started to generate taxes, bring the taxes in. This is an additional expansion so more jobs, more income to the city so it's an additional specific project. They just don't keep rotating through the same IRBs.

Ms. Witt said so it's a different project that they get an abatement on. **Mayor Alvey** said correct. **Ms. Witt** said once again, we end up with back to back abatements. Even if it's not on the same project with the same company. **Mayor Alvey** said it's possible, yes.

Ms. Witt said having said that, this is our charter ordinance, this is our consolidation report, the plan. I believe with everything in me, as do many of the community that Doug Bach has done an absolute irreverent job of managing our funds. **Mayor Alvey** said this is not…**Ms. Witt** said I, as a citizen, have one minute. **Mayor Alvey** said you are out of line. **Ms. Witt** said I would request that Doug Bach be removed, that he be terminated during the, what do we call, the evaluation. Mr. Alvey, if you are unwilling to ensure that that happens, according to our consolidation, we have a right to demand that that happen.

So, God bless you and by the way and, Mr. Alvey, this conversation was requested to be had in your office, but you refused to meet with me. **Mayor Alvey** said no, no, no. **Ms. Witt** said so, nope, that's what it was.

Mayor Alvey said to be clear, you called and asked for an appointment. We called you back. You did not respond to the call. As I said before, I will not meet with you in private because when I had a private conversation with you on the phone, you lied about me in public and imputed my character, and that's why we will not meet.

Mayor Alvey asked would anybody else like to speak in opposition.

Tscher Manck, Kansas City, KS, said I just have a question. Last time we were here, it wasn't these two ladies, but it was the other committee lady who said that for the first 10 years, the property would go in the name of the UG. Per BPU's Board, they said that whatever is in the name of the UG, does not pay a BPU bill. I'm asking that on this project, if this project is going in the UG's name for 10 years, will they also be exempt from BPU, because we're not? **Mr. Bach** said no, they're not exempt from utilities, paying those expenses.

Mayor Alvey asked anyone else like to speak in opposition. Seeing none, I'll close the public hearing. Any comments or questions from the Commission?

Commissioner McKiernan said I'd like to thank the folks from PQ Corporation for investing in our community for the last 105 years. The concerns that have been expressed about economic incentives, to promote growth and development in a community, those are not unique to Kansas City, Kansas. Those same concerns are being voiced in communities across this country. In a perfect world, every company that does an expansion, every company that does a new build would get no incentives to do that, but that's not the world we live in.

I am happy that PQ Corporation has been in our community for 105 years. I am happy that PQ Corporation employs, now going to close in on 200 people, at excellent salaries to do their work. I am glad that PQ Corporation represents Kansas City, Kansas, and Armourdale by shipping their marvelous product worldwide.

Even though they are still getting an incentive, that is, they're getting an abatement of the tax on the incremental value, so they're only getting a rebate of the value they add. What their current value is is still taxed as it always has been. If you want to go out on landsweb and look up their parcels, it's impressive how much taxes they have paid overtime. They are going to get a bit of a rebate on the value they add, but from day one of that addition, they will pay more cash into our general fund that we can use to improve the provision of city and county services to the people of Wyandotte County and Kansas City, Kansas. For all of those reasons, my appreciation for what they've done, the fact that they are expanding and have been great partners for us, I move to approve as submitted.

Action: **RESOLUTION NO. R-68-19, "**A resolution determining the intent of the Unified Government of Wyandotte County/Kansas City, Kansas, to issue it's industrial revenue bonds in the amount not to exceed $100,000,000 to finance the costs of acquiring, constructing and equipping an industrial facility for the benefit of PQ Corporation and its successors or assigns." **Commissioner McKiernan made a motion, seconded by Commissioner Burroughs, to adopt the resolution.** Roll call was taken and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

ADMINISTRATOR'S AGENDA

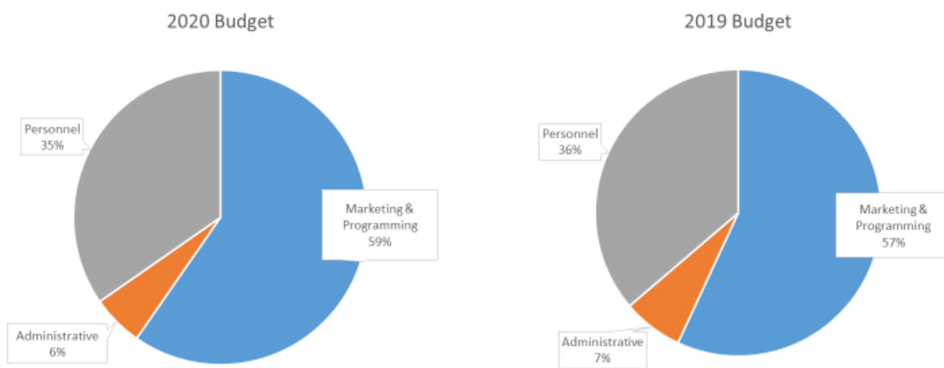
Item No. 1 – 191059…PRESENTATION/RESOLUTION: CONVENTION AND VISITORS BUREAU'S 2020 BUDGET AND MARKETING PLAN

Synopsis: Presentation of the 2020 Convention and Visitors Bureau's (CVB) Budget and Marketing Plan, and request adoption of a resolution approving the budget and marketing plan.

Doug Bach, County Administrator, said per our agreement with the Convention and Visitors Bureau, they are required to come forward annually and submit their budget. They do have a board to which we have four members that are members of that. That board does go through and evaluate and approve that budget. They have that to bring forward this evening. I will recognize our new Director of Convention and Visitors Bureau Alan Carr to come forward and make presentation.

Alan Carr, KCK Convention & Visitors Bureau, said I want to thank you for continuing to invest in tourism as a form as economic development for Kansas City, Kansas. The budget that we've put together for 2020 reflects the new strategic plan that the board of directors developed in 2018, as well as some of the priorities that I was able to present during the hiring process when I was brought on just seven weeks ago.

Budget Breakdown



Increased percentage of budget for marketing & programs

I believe you have that full budget in front of you, but to just give you a few of the highlights. One of the things that we want to continue to do in our budget is keep our administrative cost low and 2020 would represent about 6% of our total spending, while adding to our programing to market and sell Kansas City, Kansas, as a tourism destination, that would represent 59% of our total budget. We also would have 35% of our budget in personnel, those people that are out working to market and sell the community.

Changes in 2020 Expenditures

Marketing and Program Expense Increase	123,420
Operational Expense Increase	4,540
Personnel Expense Increase	92,211
Total Expense Increase	**220,171**
Event Opportunity Fund	100,000
Total Potential Expense Increase	**320,171**

A few of the things that I would like to highlight, some of the areas where we are looking to add some new initiatives for 2020. Under marketing and programs, we're going to be launching a new program to promote neighborhoods. We know that it's really important for visitors to have experiences and we know that our neighborhoods here are one of the great ways that we can have visitors experience Kansas City, Kansas. We're looking to create some theme trails and tours that will highlight the food, the culture, the history and the architecture in some of our neighborhoods. This will be a new initiative we'll be launching early next year. We're looking to develop probably two of these trails or tours each year, with continuing those in subsequent years.

We also want to make sure that we're able to tell the story of who we are as a destination. I think that's something that is really important as we continue to grow as a destination. We'll be investing in some research in creative and brand development to make sure that we can tell the story to make visitors most interested in coming to Kansas City, Kansas.

We also continue to invest in digital tools. We've put a lot of our marketing focus on digital. We'll be looking to redesign our website in 2020. The website is now over four years old.

On the personnel side, we have increased cost there as we are looking to add new personnel to take on some of these new tasks in our organization. This budget includes adding one new staff person, as well as bringing another position that's been filled on some temporary and contract basis back in-house.

Then on the sales side. We really want to continue investing in selling Kansas City, Kansas, for groups and for sports and amateur sports events and meetings. One of the new allocations that we've been able to work out is an event opportunity fund. This would be a fund that would give us the opportunity to bid for large major events and bring them to Kansas City, Kansas. This is something that we've noted that in the past, we've lost out to other communities that have these funds available, and we have events that we were not able to secure that were interested in coming here, simply because they went somewhere else. One, there was a soccer tournament that we should be hosting over Thanksgiving that would've brought about 1,500 hotel rooms to the community and 20 teams over a period where hotels are typically not as full, but we were outbid by a city in Florida; and so they're going to be in Florida for the next two years, but we hope that we will be able to bring those back in the future.

Tourism Event Opportunity Fund

- New allocation from of $100,000 for an Event Opportunity Fund.
- This allocation can be used to bring in new events to Kansas City, Kansas.
- Funds require KCK CVB board approval.
- If the entire amount is not committed in 2020, the funding for the following year will replenish up to the original $100,000.

Evaluate opportunities on Two Key Criteria:

- Economic Impact
- Community Impact

These funds can only be used for events. Any money that is not used to bring events would not be allocated for other purposes. Our board of directors would have to approve any allocation of these funds based on some criteria we've put together to measure the economic impact they would have on the community in terms of hotel nights and spending, as well as the opportunity it brings to the community in terms of adding attractiveness for future events, publicity, opportunities, the time of year it's needed, etcetera.

That's just a few of the highlights of the budget. I would be happy to answer any questions that you have.

Mayor Alvey asked any questions or comments from the Commission. There were none.

Mayor Alvey said I really like the idea of the historical cultural tour. I think that's a great idea to bring people into other parts of the city that are overlooked. I think it'll help spark interest to those who might want to develop as well. It's a good move.

Commissioner Bynum said I just wanted to echo down. I like that idea as well. We can market all of Wyandotte County. I really appreciate the effort in doing that and second, I just wanted to say welcome. We're happy to have you.

Action: **RESOLUTION R-69-19,** "A resolution adopting the 2020 CVB Budget and Marketing Plan whereas, the Unified Government of Wyandotte County, Kansas and the Kansas City, Kansas Convention & Visitors Bureaus, Inc. entered into that certain agreement dated January 1, 2017." **Commissioner McKiernan made a motion, seconded by Commissioner Bynum, to adopt the resolution.** Roll call was taken and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

Executive Session – 7:20 p.m.

Mayor Alvey said I will entertain a motion to go into executive session to discuss personnel matters.

Commissioner McKiernan made a motion, seconded by Commissioner Markley, that the Commission go into executive session until 8:20 p.m. to allow the Commission to discuss the job performance of the County Administrator, which is a private personnel matter related to a specific non-elected employee, as permitted by the Kansas Open Meetings Act; and if there is no business following, that we adjourn at the conclusion of the executive session. Roll call was taken and there were eight "Ayes," Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs.

Present for the executive session: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Mayor Alvey, Mayor/CEO; presiding. Staff present: Doug Bach, County Administrator.

MAYOR ALVEY
ADJOURNED THE MEETING AT 7:55 P.M.
November 21, 2019

Bridgette D. Cobbins
Unified Government Clerk

mbb