



Economic Development and Finance
Standing Committee Meeting Agenda
Monday, February 10, 2020
Immediately upon adjournment of earlier committee

Location:

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

Name

Absent

Commissioner Tom Burroughs, Chair

☐

Commissioner Brian McKiernan

☐

Commissioner Gayle E. Townsend

☐

Commissioner Harold Johnson

☐

Commissioner James Walters

☐

Jeff Bryant, BPU Member

☐

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

II. **Revisions to February 10, 2020 Agenda**

III. **Approval of standing committee minutes from December 2, 2019.**

IV. **Committee Agenda**

Item No. 1 - REPORT: FOURTH QUARTER 2019 CASH AND INVESTMENT

Synopsis: Fourth Quarter 2019 Cash and Investment Report, submitted by Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, County Treasurer; and Andrea Parra, Deputy Treasurer.

For information only.

Tracking #: 201116

Item No. 2 - TWO RESOLUTIONS: DOWNTOWN CAMPUS REDEVELOPMENT DISTRICT

Synopsis: Request adoption of the following resolutions regarding the Downtown Campus

Redevelopment District, located at 510 Minnesota Avenue (current Reardon Center site), submitted by Katherine Carttar, Director of Economic Development.

- Set a public hearing date of March 26, 2020, to consider advisability of the TIF
- Approve development agreement

Request resolution setting the public hearing date be fast tracked to the February 13, 2020 full commission meeting.

Tracking #: 2012

Item No. 3 - TWO RESOLUTIONS: VILLAGE WEST APARTMENTS PHASE III IRBS

Synopsis: Request adoption of the following resolutions regarding Village West Apartments Phase III, located south of Parallel Parkway and North 114th Street, submitted by Katherine Carttar, Director of Economic Development.

- Intent to issue approximately \$45.7M of industrial revenue bonds
- Approve development agreement

A public hearing is scheduled for February 27, 2020.

Tracking #: 2010

V. Public Agenda

Item No. 1 - APPEARANCE: TSCHER MANCK

Synopsis: Appearance of Tscher Manck regarding development in the Northeast and Downtown areas.

Tracking #: 2013

VI. Adjourn

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, December 2, 2019**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, December 2, 2019, at 5:50 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners, Townsend, Walters, McKiernan (via phone), and BPU Board Member Jeff Bryant. Commissioner Murguia was absent. The following officials were also in attendance: Melissa Sieben, Gordon Criswell and Alan Howze, Assistant County Administrators; Patrick Waters, Senior Attorney; Richard Mikesic, Director of Revenue/County Treasurer; Reginald Lindsey, Budget Director; Andrea Parra, Deputy County Treasurer/Director of Revenue; Debbie Jonscher, Deputy Chief Financial Officer; Kathleen VonAchen, Chief Financial Officer; Katherine Carttar, Director of Economic Development; and Jay Doleshal, Sergeant-At-Arms.

Chairman Burroughs called the meeting to order.

Roll call was taken and members were present as shown above.

Chairman Burroughs said there are no revisions to tonight's agenda.

Chairman Burroughs said there are no minutes to approve since our September 30th meeting was canceled. So, with that we have eight items on the agenda this evening.

Committee Agenda:

Item No. 1 – 191063... RESOLUTION: FIRST AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the First Amendment to KC Foodie Park Development Agreement, submitted by Katherine Carttar, Director of Economic Development.

Katherine Carttar, Director of Economic Development, said I will just give a very brief summary of what this is, and then hand it over to Richard Scavuzzo, who you all are very familiar with at this point. This is the first amendment. The goal of this would be to postpone the closing date for project area one by three months so, from December 31st of 2019 to March 31st of 2020. The final plat for project area one has been approved by the Planning Commission and the Full Commission, and so by all intents and purposes we're kind of full steam ahead on this project. I will let Richard go into a bit more details about the need for this or the request for this postponement.

Richard Scavuzzo, Scavuzzo Food Service, said just a brief update on the project. We are full steam ahead. We have our GC and our Automation firm. We had a kickoff meeting about five weeks ago. They are going as fast as humanly possible. We've hired a brokerage and owners rep, Eskew & Associates. We have done quite a bit of work on phase two, three, and four as far as finding tenants including a possible additional office building in phase four. Really the need for the extension—kind of coincides with the delay on the development agreement from the first vote to the last vote and we're basically asking for that time to be extended is the gist of the reasoning.

Chairman Burroughs said any questions from the committee.

Jeff Bryant, BPU Board Member, asked, so how this would affect phase two, three and four?

Mr. Scavuzzo said the timeline, the way I understand the development agreement is close of phase one indicates or starts the clock on all the separate phase two, three and four. **Patrick Waters, Senior Attorney**, said if I could just add to that, it would not affect the dates for phase two. The development agreement has a closing date of December 31, 2021 for phase two and this amendment does not touch phase two.

BPU Board Member Bryant said so those three months would basically be caught up during that second phase. **Mr. Waters** said correct.

Chairman Burroughs asked are there any anyone from the public wish to address this item. If you'll please come to the microphone and state your name. You have three minutes to make your comments.

Janice Witt, Kansas City Kansas, said so I have a question. I guess it's first off going to go to Jeff. What is the BPU obligation with the Foodie Park? **BPU Board Member Bryant** said as far as I'm concerned, or knowledgeable, there is none. **Ms. Witt** said okay, but they are required to pay their bill, their full BPU bill. **BPU Board Member Bryant** said yes. **Ms. Witt** said you said yes. **BPU Board Member Bryant** said yes.

Ms. Witt said is there any obligations or desire of the Foodie Park, or maybe I've missed it, to find out if there are people in the community who can work hiring jobs that may be available in this project?

Ms. Carttar said if she could finish all her questions and we can answer all at once, that'd be great. **Chairman Burroughs** said well, if you would ask your questions or your comments and then we'll there'll be— **Ms. Witt** said I don't know enough to do that, but if they can answer it, then I can move forward with the next question because I've only got three minutes.

Commissioner Walters said this is not a question and answer session is it. It's a public comment. **Chairman Burroughs** said yes, this is really public comment. If you have concerns about the hiring practices of the company, that's one thing, but ask how many they're going to hire a day, that's not what this is about.

Ms. Witt said okay, so I guess my comment is, is there going to be or is there a plan to establish some employment opportunities for the people of this community. It's not supposed to be a tough question, but apparently it is. What is the intent towards the Wyandotte County residents to—okay, skip it.

I have another concern that's very much specific to this so we won't even involve the Foodie Group. We in Wyandotte County have a problem being heard. We have three minutes, four minutes, however many, to stand up and in that amount of time. We are required to know exactly what we want to ask when it's the possibility that we haven't been given information. If we ask for information through the proper channels, there are times when we are charged for that information and most people are trying to pay their BPU so, therefore, they don't have extra money to give.

So these questions that I'm asking that are not going to be answered at this point, which is fine, I understand, goes back to the point that the people in Wyandotte County have no say, no one to hear us, not one to stand up at a meeting and say, let's just hear these folks. Let's not see an entire group of people who have a concern walk away.

If you call the Mayor's Office to request an appointment, you are then told no. I was, so that leads me back to my concern. I have a presentation. (Ms. Witt played her personal recorded voice mail message.) That goes to the fact that we have no ability to be heard. I called Mayor Alvey's office and requested a meeting. I have never had a private meeting with Mayor Alvey.

At the last Chamber meeting you all were there, Mayor Alvey made a statement that I was standing before the Commission lying; that he had his assistant called me or that he had sent a message to me to call him back; that he was afraid to meet me in private because of some past issue. I have never met Mayor Alvey in private, ever, but he stood in that meeting and accused me of lying because I reached out in order to get information to help make decisions for those of us that live in Wyandotte County to understand the things that are being offered by our Commission. We deserve access.

The elected officials in this community are elected to speak our words, to understand our desires. We are to be heard, and that is failing. This recording that I just gave you is your Mayor who stood at the last meeting, called me a liar.

Chairman Burroughs said, Ms. Witt. **Ms. Witt** said saying point blank that he did not plan to meet with me ever. **Chairman Burroughs** said I would ask that you stay—this is for the Scavuzzo Food Park. I would hope that your comments would be in relation to that subject matter tonight. **Ms. Witt** said they were, Mr. Burroughs, because I was not allowed to ask the questions that I needed to ask in order to move forward. **Chairman Burroughs** said well, in response to not having an opportunity to be heard, you've had an opportunity this evening. We hold public hearings just for this purpose and so, it's not that we deny and we're not listening, we are listening. That's how this project was able to move forward and become a development in Wyandotte County, because the public had a chance through their neighborhood groups and through other organizations that come forward and forces support for the project.

The reference to the Mayor, that's not an issue related to this Scavuzzo Food Park, so I do appreciate and understand you're wanting to bring it forward. If you don't have any other comments in reference to the Food Park, I'm going to ask that we move on to the next conferee.

I think we have another. **Ms. Witt** said I have no problem with your statement; however, we do deserve to be heard, even in regard to Scavuzzo's. Most of this community does not feel that they were heard. So, with all due respect, thank you.

Chairman Burroughs said is there anyone else that would care to speak from the public.

Let the record show no one else has stepped forward.

Ms. Carttar said at this time, we are able to respond to the question that was...**Chairman Burroughs** said please do. **Mr. Scavuzzo** said as far as jobs, there's a whole plan for jobs, job creation. This whole project, as far as the Commission is concerned, was based around jobs and bringing a lot of jobs to Wyandotte County. Scavuzzo actually has an after-school program with Wyandotte High, which I believe we have nine students from Wyandotte High in that program now where they come and work at an after-school program with us. We started that program, I believe, three years ago. I think the only people that are—the only kids that are not involved in the program are the kids that ended up going to college. It's a very successful program and we want to engage even more with the Wyandotte community. The jobs we're creating are not jobs that have been trained to yet. Scavuzzo will be doing their own training, and we fully intend to hire from the community.

We've also engaged with the Commission on the transit center and being able to use the transit center to hire people on specific routes so that they will have transportation to our facilities.

Chairman Burroughs said thank you, Katherine Carttar. Anything else you'd like to—**Ms. Carttar** said that's it if there are no questions.

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

Item No. 2 – 191065...ORDINANCE: OMNIBUS AMENDMENT OF BOND DOCUMENTS (PHVIF KANSAS CITY)

Synopsis: An ordinance approving an omnibus amendment of bond documents relating to its Taxable Industrial Revenue Bonds (PHVIF Kansas City Hilton Garden Inn Project), Series 2019, submitted by Katherine Carttar, Director of Economic Development. The UG is not responsible for payment of the bonds.

Katherine Carttar, Director of Economic Development, said on this one, I will go through a brief presentation and then we have two representatives from the Hilton Garden Inn able to answer any questions that you might have at the end.



This is more of a kind of a reminder as the last time we saw this was about a year ago. I want to make sure all the facts are fresh in your mind before a vote.

Hilton Garden Inn



The Hilton Garden Inn, obviously, right downtown.

December 2, 2019

Hilton Garden Inn

- Hotel is currently being renovated
- Original bonds of \$4 million approved in December 2018 for renovation to the entire property
- Additional work was added to the scope of work
- Project costs have increased to a total of \$5.5 million
- Requesting an additional \$1.5 Million in bonds

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About a year ago, this was approved for \$4M in bonds. This is industrial revenue bonds, sales tax exemption only, not property tax; just sales tax exemption for the renovation which is all internal. The work has been started and then as time has gone on over this past year, the scope has increased a bit as well as general cost increase. So, they are requesting an additional \$1.5M in bonds as the project cost has increased to a total of \$5.5M.

Hilton Garden Inn

- The overall structure remains the same on the IRB for sales tax exemption
- The UG is not responsible for payment of the bonds

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So, once again, overall structure remains the same on IRB sales tax exemption. UG is not responsible for any of the payment of the bonds as with all IRBs.

Hilton Garden Inn

Industrial Revenue Bonds of \$4 Million were issued for sales tax exemption for construction materials and furniture, fixtures and equipment for renovations to the entire Hilton Garden Inn property.

- IRB Omnibus amendment in an amount not to exceed \$5.5 Million for the benefit of PHVIF Kansas City, LLC (Peachtree Hotel Group)
- Requested Action: proceed to Full Commission 12/12

This is kind of an overview of the ordinance. This is just an omnibus amendment that would change the number from \$4M to \$5.5M. I have Julie Nelson, who's the Director of Sales, and Patrice Chisholm, who's the General Manager of the Hilton Garden Inn, to answer any questions that you might have.

BPU Board Member Bryant asked what's changed in the scope that requires the additional \$1.5M? **Patrice Chisholm, General Manager of the Hilton Garden Inn**, said I think that change in the scope was that all of the renovation just got bigger and bigger, so now it's a complete renovation. They're taking out walls. They're putting in new drywall. They're changing out any of the structure that had any of the mold or anything else in it. The bathrooms are 100% redone. The rooms are 100% redone along with the entire first floor.

Board Member Bryant asked will there be any improvements made to the parking garage. **Ms. Chisholm** said I don't believe that the parking garage is part of our package. **Ms. Carttar** said the UG actually owns the parking garage.

Chairman Burroughs asked any other questions.

Commissioner Townsend said what I'm trying to understand, was it the scope that changed or once the renovations began, there was more that needed to be done as part of the renovations. **Ms. Chisholm** said I think it was both. **Commissioner Townsend** said okay. **Ms. Chisholm** said I think that the prices increased a little bit, and the overall scope increased. You know walls were taken out. They were literally redoing every inch of that hotel. **Commissioner Townsend**

asked the walls were taken out from where. What are we talking about here? **Ms. Chisholm** said they redid the drywall, anything that was mold or old that needed—all of the wallpaper came down and anything that was exposed behind the wallpaper. They ended up actually taking out all of that drywall, any of the two-by-fours or the wood structures that needed to be changed. Any of the plumbing that needed to be changed, that was all completely redone. **Commissioner Townsend** asked so, are all of the rooms, the guest rooms, being redone. **Ms. Chisholm** said yes, 100%. **Ms. Chisholm** said yes. **Commissioner Townsend** asked and how many guest rooms does that include. **Ms. Chisholm** said there's 147. We had 148, but we converted one to a boardroom. **Commissioner Townsend** said yes, thank you.

Board Member Bryant asked what was the date of the last renovation, do you know? **Ms. Chisholm** said was it 2012; yeah, 2012.

Chairman Burroughs asked any other questions. Seeing none, does anyone from the public wish to address this item? You will, again, state your name and residency and you will be given up to three minutes.

Janice Witt, Kansas City Kansas, said I'd like to know if Hilton Garden Inn pays BPU. Do they pay their own BPU bill? **Chairman Burroughs** said if you will pose all your questions. **Ms. Witt** said that's my question. **Chairman Burroughs** said that's it. **Ms. Witt** said when will we know the answer, do we know? **Chairman Burroughs** said no. **Ms. Carttar** said yes, they pay their bill. **Ms. Witt** said okay, they pay their own BPU. **Ms. Witt** said thank you.

Chairman Burroughs said thank you. Any other questions or comments from the audience? Let the record show no one stepped forward. Ladies, thank you.

Chairman Burroughs said Committee, this is the additional \$1.5M on the \$4M that's already been structured under the IRBs. The UG, again, is not responsible for payment of the bonds; that falls back on the Hilton Garden Inn.

Action: Commissioner Walters made a motion, seconded by BPU Board Member Bryant, to approve. Roll call was taken and there were five “Ayes,” Bryant, Walters, Townsend, McKiernan, Burroughs.

Item No. 3 – 191066...RESOLUTION: SALE OF MUNICIPAL TEMPORARY NOTES, GOBs, AND PBC REVENUE BONDS

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



**2020 BONDS & TEMPORARY NOTES
SALE RESOLUTION**

Unified Government of Wyandotte County & Kansas City, Kansas

*ED/F Standing Committee
December 2, 2019*

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Debbie Jonscher, Deputy Chief Financial Officer, said we have a small presentation. This item is for the sale resolution, which authorizes the sale of the 2020 General Obligation Bonds and Temporary Notes, and it also requests the Public Building Commission to issue revenue bonds. Just wanted to note that all projects that have been included have been approved by the Commission; were included in the CMIP. They could be both new projects that are receiving funding for the first time, or they could be ongoing projects that are receiving additional funding or the funding that they currently have is being rolled to a temporary note or a permanent bond financing.

2020 PROJECT SALE RESOLUTION

Resolution: Sale of Municipal Temporary Notes & General Obligation Bonds

Resolution: Authorizing the offering for sale of General Obligation Temporary Notes and General Obligation Bonds of the Unified Government of Wyandotte County/Kansas City, Kansas; requesting the Public Building Commission (PBC) of the Unified Government of Wyandotte County/Kansas City, Kansas to issue it's leasehold revenue bonds.

Project Amounts by Revenue Source	
Governmental Tax Levy Projects (City Projects)	\$ 49,083,000
Enterprise Fund Projects	\$ 88,550,000
Public Building Commission Projects (County projects)	\$ 10,225,000

Each project can only have debt up to the amount approved.

Restricts total debt of each project for the life of the project. Takes into account:
previous bonding
+ current financing
+ potential future bonding

Here's just a breakdown of the amounts that we have in the 2020 sale resolution. We have the governmental projects, totaling about \$49M. These are projects that would be paid back with property tax revenues. The Enterprise Fund Projects total \$88.5M. These projects are issued as general obligation bonds, but their primary repayment source is through sewer and sanitary sewer revenues. Public Building Commission projects, which are the county building projects, at \$10.2M.

2020-2024 APPROVED CMIP BUDGET

Project amendments for 2019 total an increase = \$7,350,000
Authority for new projects in 2020 total = \$86,600,000

UNIFIED GOVERNMENT 2020 - 2024 Proposed Capital Maintenance Improvement Program (CMIP) DEBT FINANCED PROJECTS 6/27/19

Project Type	CMIP	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	City Debt Projects	11,535,000	15,381,000	14,900,000	21,478,000	26,350,000	24,700,000	10,400,000	107,213,000
	Enterprise Debt Total	59,782,000	75,282,000	64,800,000	20,100,000	7,100,000	8,100,000	9,250,000	184,632,000
	Public Building Commission Total	7,075,000	7,075,000	3,150,000	-	-	-	-	10,225,000
	All Debt Projects Total	86,392,000	97,742,000	82,850,000	41,578,000	23,450,000	32,800,000	19,650,000	302,070,000
	Special Revenue Projects Total	11,000,000	1,000,000	3,750,000	3,750,000	2,300,000	-	-	11,000,000
	TOTAL	91,392,000	98,742,000	86,600,000	45,328,000	25,750,000	32,800,000	19,650,000	313,070,000

This is just a breakdown of the CMIP budget that was approved by the Commission. We're showing project amendments in 2019 showing that increase of \$7.3M. We've just noted here the original budget for all of the debt projects was \$91.3M. In the 2019 Amended, that went to \$98.7M. For 2020, the total for all projects, was \$86.6M. We have these broken out by the City Debt, Enterprise Funds, Public Building Commission, and Special Revenue projects.

Chairman Burroughs said, Debbie, may I ask what was the additional \$7M for? **Ms. Jonscher** said there were, I think, I might have that and let's see, I don't have the specific projects This was a net change. There was \$15M in additional Enterprise, so that would be sewer projects. I think

on the City Debt there was only \$1.8M, but then the net brought it down to \$7.3M. If you'll notice on the Special Revenue projects, the original was \$11M and in the 2019 Amended, it's now \$1M. That project was the I-70 Interchange Project, which we took out of 2019 and then moved to 2020 and 2021.

Chairman Burroughs said please continue. **Ms. Jonscher** said we did have it. I think there was a project in here that was approved after the budget last year. That was the elementary school that was about \$2M. That was probably a portion of this money. It was a road project related to the elementary school. **Chairman Burroughs** said \$7M; the increase of the 7M. **Ms. Jonscher** said 2019 Original to 2019 Amended, yes. **Chairman Burroughs** said thank you.

2019 TEMPORARY NOTE RECONCILIATION GOVERNMENTAL TAX LEVY PROJECTS	
2019 Sale Resolution	57,913,226
2019 - GO Temporary Notes	22,980,661
2019 - GO Bonds	14,539,971
Total	95,433,858
Projects Authorized but not issued	20,392,593
2019 - Temporary Notes	22,980,661
Add: 2019 Projects not issued funding	20,392,593
Add: 2019 Reimb Resolutions	1,000,000
Add: 2019 Amended CMIP	(8,150,000)
Add: 2020 Approved CMIP	21,800,000
Add: Project funds approved prior to 2019	-
Subtract: 2020 Reimb Resolutions	(900,000)
Subtract: 2020 PBC Projects	(3,150,000)
Subtract: Funds not included in sale resolution	(4,534,000)
Subtract: Net financing costs from 2019 issue	(356,255)
Total 2020 Sale Resolution	49,083,000

The next two slides, what I have done is a reconciliation on the temporary notes that we issued. This one is the Governmental Funds and then I have another slide on the Enterprise Funds. What I did here was I started with last year at the same time we issued a sale resolution for the 2019 bonds and notes that we were going to issue. For the governmental projects, we authorized a total of \$57M. We issued \$22.9M in temporary notes, \$14.5M in general obligation bonds, for a total of \$37.5M. There were \$20.3M in projects that were authorized for debt issuance, but we did not issue the funding, and I did just want to note that these are not projects that are not moving forward.

When we need a project to have budget authority and also debt authorization issued in order to be able to award projects that are eventually going to have debt funding, so we need the authorizations done. If a project is going to take two to three years, we don't want to issue all the funding at the beginning of the project and then just sit on the funds. We issue the projects that we think are going to be spent within the next 12 months. That's what happened here. We didn't issue all of the funding that we were approved for because we knew it wasn't all going to get spent

in 2019. Then what I've done here is just taken the temporary note issuance, I've added back in the funding that was not issued, we added in the 2019—I have a little bit more detail on the reimbursement resolutions on a future slide.

Reimbursement resolutions are projects—most of these are annual projects that are in the budget and approved, but they haven't identified the scope of work, so we don't issue the funding until they identify the scope of work, any amendments to the CMIP for 2019 and 2020.

The reason for this credit here is due to that large interchange project since we moved it out of 2019. I've subtracted out the 2020 reimbursement resolutions, subtracted out the PVC projects, and any other funding of projects that were approved that did not have funding included in the sale resolution as well as the finance costs. Which brings me to the 2020 sale resolution for the governmental projects. This is broken out in the resolution that list all the projects totaling this amount. **Chairman Burroughs** said that's actually a reduction. Comments and questions?

2019 TEMPORARY NOTE RECONCILIATION ENTERPRISE FUND PROJECTS	
2019 Sale Resolution	97,165,490
2019 - GO Temporary Notes	28,452,317
2019 - GO Bonds	6,658,067
Total	35,110,384
Projects Authorized but not issued	62,055,106
2019 - Temporary Notes	28,452,317
Add: 2019 Projects not issued funding	62,055,106
Add: 2019 Reimb Resolutions	-
Add: 2019 Amended CMIP	15,500,000
Add: 2020 Approved CMIP	64,800,000
Add: Project funds approved prior to 2019	1,000,000
Subtract: 2020 Reimb Resolutions	(1,600,000)
Subtract: 2020 PBC Projects	-
Subtract: Funds not included in sale resolution	(81,222,000)
Subtract: Net financing costs from 2019 issue	(435,423)
Total 2020 Sale Resolution	88,550,000



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This is the same reconciliation done for the Enterprise Funds, same information provided here. We had \$97M in last year's sale resolution. We issued a total of \$35M for notes and bonds, meaning that we had \$62M in projects that were authorized that we did not issue the funding for. Then the same reconciliation, bringing us to the 2020 sale resolution of \$88.5M for the Enterprise Fund which is sanitary sewer and stormwater projects.

REIMBURSEMENT RESOLUTIONS													
- Reimbursement resolutions are issued for projects where locations are unable to be determined ahead of time. No money is financed. Usually for emergency type projects. - Once work is identified, the description is amended and the debt financing reimburses for costs incurred.	2019 Reimbursement Resolutions Authorized – included in Financing												
	<table> <tr><td>ADA Modifications, 2019</td><td>\$100,000</td></tr> <tr><td>Elevator Upgrades, 2019</td><td>\$200,000</td></tr> <tr><td>Emergency Bridge Repair, 2019</td><td>\$300,000</td></tr> <tr><td>Fairfax Industrial Area Improvements, 2019</td><td>\$100,000</td></tr> <tr><td>Industrial District Rehab, 2019</td><td>\$300,000</td></tr> </table>	ADA Modifications, 2019	\$100,000	Elevator Upgrades, 2019	\$200,000	Emergency Bridge Repair, 2019	\$300,000	Fairfax Industrial Area Improvements, 2019	\$100,000	Industrial District Rehab, 2019	\$300,000		
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Fairfax Industrial Area Improvements, 2019	\$100,000												
Industrial District Rehab, 2019	\$300,000												
	2020 Reimbursement Resolutions Authorized – not Financed												
	<table> <tr><td>ADA Modifications- UG Facilities, 2020</td><td>\$100,000</td></tr> <tr><td>ADA Pedestrian Handicap Ramps, 2020</td><td>\$400,000</td></tr> <tr><td>Elevator Upgrades, 2020</td><td>\$250,000</td></tr> <tr><td>Railroad Crossing Improvement, 2020</td><td>\$150,000</td></tr> <tr><td>Sewer Main Extension, 2020</td><td>\$1,500,000</td></tr> <tr><td>Stream Bank Stabilization Improvements, 2020</td><td>\$100,000</td></tr> </table>	ADA Modifications- UG Facilities, 2020	\$100,000	ADA Pedestrian Handicap Ramps, 2020	\$400,000	Elevator Upgrades, 2020	\$250,000	Railroad Crossing Improvement, 2020	\$150,000	Sewer Main Extension, 2020	\$1,500,000	Stream Bank Stabilization Improvements, 2020	\$100,000
ADA Modifications- UG Facilities, 2020	\$100,000												
ADA Pedestrian Handicap Ramps, 2020	\$400,000												
Elevator Upgrades, 2020	\$250,000												
Railroad Crossing Improvement, 2020	\$150,000												
Sewer Main Extension, 2020	\$1,500,000												
Stream Bank Stabilization Improvements, 2020	\$100,000												

This is a breakdown of the reimbursement resolutions. As I said, these are annual projects where we have the projects have been approved but they haven't identified the scope of work, so we don't issue them. For 2019, last year we did reimbursement resolutions for these five projects totaling \$1M. This year we are adding them into the sale resolution because they've now identified the work that's to be done.

These are the 2020 projects that are authorized but we're not financing because they haven't identified the work at this time. They total \$2.5M. State law—for the debt authorization in order to be able to issue the temporary notes or bonds, we need to be able to identify the descriptions for the work that is being done. Since the work on these projects has not been identified yet—they're authorized, we could issue once they identify. If we needed to issue funds in the future, we can issue that once they identify what the scope of the work is.

Chairman Burroughs said the sewer main extension for 2020, where is that? Do we know? Is that the new fire station? **Ms. Jonscher** said I'm not sure. I don't think we have that detail here and I don't think anybody from Public Works is here. **Chairman Burroughs** said that's fine. I was just—**Ms. Jonscher** said we can get that information provided to you. It could be included in the packet, the information that we've got. I'll check that out. **Chairman Burroughs** said that's okay. I'm just aware of some things dealing with that.

Project Funding not included in Sale Resolution (\$85.7M)	
Governmental Projects	\$ 4.5M
Police Tow Lot	\$ 2.4M
Other Projects	\$ 2.1M
Sanitary Sewer Projects	\$81.2M
Kaw Point BioSolids Digestion	\$ 51.2M
Wolcott Expansion	\$ 8.4M
Relocation of Sewer Maintenance Facility	\$ 6.5M
Plant 20 Biosolids and Rehab	\$ 4.0M
Pump Stations Upgrades	\$ 7.7M
Other Sewer Projects	\$ 3.4M

This next slide is project funding that's been approved that we have not included in the sale resolution. This \$85.7M are projects that have been approved but we're not including in the sale resolution because we don't expect the money to be spent within the next 12 months. We've broken this out between the governmental and the sanitary sewer projects. On the governmental side, there's about \$4.5M in projects that we're not issuing. The projects are ongoing but they have some funding issued, but we're not issuing all the funding. We're holding off until they need the funding for the project.

BPU Board Member Bryant said so those numbers are just a portion of the total. **Ms. Jonscher** said that's correct—**BPU Board Member Bryant** said on those projects. **Ms. Jonscher** said right. Some of these, for instance, the Police tow lot does have some money issued already on it, but the \$2.4M—I think the total authorization on that project is around \$5M. We've only issued a portion of it so the other portion, as the project moves forward and we get to the point where we need the additional funding, we will issue it at that point.

Then, on the sanitary sewer, they have \$81.2M that we have not included. The largest is the Kaw Point Biosolids project and the Wolcott Expansion. Those are the two largest projects and they do have funding already issued on them, but this is additional funding that was approved in the budget, but we're not issuing the funding at this time. **BPU Board Member Bryant** said the Kaw Point Biosolids, is that contingent upon—I know that there was discussion with Kansas City, Missouri, so the spend will kind of be push and pull between the two cities on when the timing will be.

Kathleen VonAchen, Chief Financial Officer, said that project is currently—the negotiations with KCMO are underway and they're progressing. We don't expect we're going to be spending

\$51M next year, likely in the subsequent years. The delay in the Police tow lot is largely related to land acquisition and finding the right spot for that. We are in negotiations with a specific site at this time, but it hasn't been finalized yet.

To answer your question before, in the packet under the Project Debt Authorizations it's in the—well, it has page number 509. That's the page number of the proposed budget but you can find it at the bottom of page 509 related to the Sewer Main Extension 2020 for \$1.5M. It lists a number of intersections here, Georgia and Hutton Road, multiple parcels on 10th & Shawnee Drive and Fairfax Drive, 1300 block. **Chairman Burroughs** said thank you for that. I was looking for it but didn't look far enough.

Tentative Calendar	
Action Items	Tentative Dates
Standing Committee review of projects to be financed and Sale resolution	Dec. 2nd
Finalize Debt Structure for Bond and Note sales	Dec. 9th
UG Commission considers obligation resolutions authorizing obligation sales	Dec. 12th
Preparation of Preliminary Official Statement for ratings calls	Dec-Jan 2020
Credit rating conferences	Week of Jan 20th
Sale of Bonds/Notes; Commission considers award of obligations	Feb. 6th
Closing, settlement and receipt of funds	Feb. 27th
Redemption of 2019 Temporary Notes	Mar. 1st

This is a tentative calendar for the 2020 bond issuance. Right now, we're at the standing committee. If this moves forward, we, the UG Commission, would consider it on December 12th. Then we're looking at the sale of bonds and notes tentatively on February 6th with a closing date of the 27th. Then at that point, we would redeem the 2019 temporary notes as of March 1st. The action would be to approve the sale resolution for the 2020 bonds and notes.

Chairman Burroughs asked are there any questions from the Committee. Comments? Anyone from the public wish to speak and address this issue? Again, your name residence, and you have three minutes to make your comments.

Janice Witt, Kansas City Kansas, said I have tons of questions about this UG Commission action and a lot of other things that happen within our Unified Government. I make the statement that none of us in this room were offered a packet so that we could look at and understand any of the issues that we are discussing here today. I understand you don't want me to ask questions and

wait on those questions, but we don't know what the questions to ask are until we get to see the information. You all are blessed. You get the packet from staff so you all know the issues that are being put on the table. You know the issues that are coming up. Those of us who are in this community, paying the taxes, are given no opportunity to know what those are. I can show you right now request for information, Next Request information, that I've requested from the UG so that I can understand and help my community understand the issues that are being brought forth, even in a positive way, and I am sent a bill for that information.

So, once again, I state clearly how are we, as a community, supposed to ask questions and be heard by the representation that we all vote to have when we have no say. You give us three minutes and tell us hurry up. I understand. You all are underpaid and overworked. You don't get paid the pay that you need to be paid in order to do the level of work that is being required of you and for that I'm sorry. Hopefully, at some point, we'll change the charter and that will change. I will say clearly, it is inappropriate for our Commission, our Board, to expect those of us who live in this community, to ask appropriate questions to get answers in the speed in the time that you, Mr. Burroughs, bless your heart, are demanding that we do. **Chairman Burroughs** said thank you, Ms. Witt.

Chairman Burroughs asked anybody else wish to speak to the issue. Let the record show nobody else stepped forward.

Chairman Burroughs said at this time, this is a resolution authorizing certain public building and structure improvements and providing for the manner of paying for the same. So, at this point, I will entertain a motion.

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

Item No. 4 – 191061...PRESENTATION/RESOLUTION: CASH AND INVESTMENT POLICY

Synopsis: A presentation of the Unified Government's Cash and Investments Policy and a resolution adopting said policy, submitted by Rick Mikesic, Director of Revenue/County Treasurer. This annual review and adoption is required by State statute.

Richard Mikesic, Director of Revenue/County Treasurer, said, Commissioner, with me is Andrea Parra. She is the Deputy Treasurer. She is also the Cash Manager and serves in that role for the Unified Government. We are here to present to you for consideration the amendment to the Cash Investment Policy, and I'll let Ms. Parra discuss that.

Andrea Parra, Deputy County Treasurer/Director of Revenue, said we didn't really have much to present in way of view, if you will. If you want to refer to the packet that we submitted, which is the Investment Policy adopted from last year. The edited version on page 2, is the sole change that we are making this year. It's page 2, Section 6, titled Cash Management Committee delegation of Authority. Two very minor changes we did—some language changing following voting members as instead of listing that language each time after the member. Then we added two non-voting members, which was the Accounting Manager and Cash Manager, who, of which, are part of the committee currently and sit on that board and are there every quarter to assist and report on any changes in that policy.

Chairman Burroughs said if I may, this is just formally recognizing two members to the committee per an audit that was conducted. **Mr. Mikesic** said that is correct. **Chairman Burroughs** said on the finding. **Mr. Mikesic** said the legislative auditor conducted their regular audit of the Cash Management Committee Policy for compliance. It's been a matter of practice to have both the Accounting Manager, as well as the Cash Manager, in the meetings; and they simply made the recommendation that they be formalized and named in the policy as non-voting members. So, it's really just—it's not a change in practice. It's amending the policy to actually match the practice.

Chairman Burroughs said okay. Any questions from the Committee? Any members of the audience care to speak and address this issue? Let the record show that nobody stepped forward. At this time, I would entertain a motion.

Action: **BPU Board Member Bryant made a motion, seconded by Commissioner Walters, to approve.**

Chairman Burroughs said sorry, Commissioner Townsend, I'm sorry, I apologize.

Commissioner Townsend said I do have one question about this procedure overall, and maybe it is better addressed at another time. In reading this and reviewing the Cash Policy and what the Cash Manager is to do in terms of placing our investments, my question really goes to, what procedure or is there a procedure that deals with how we make sure that any institution who wants to be a fiduciary for us or a holder of these funds gets a chance to do so? Secondly, are there any efforts that the UG cash management person under this policy takes to ensure that smaller, a minority, or women-owned banks for financial institutions get an opportunity to participate in this?

I know there's going to be a presentation later in the year by our Budget Director that will show where these investments are, not by that someone will show us that. I tend to see the same amounts in some of these institutions from year to year, so I'm wondering, how do they get an opportunity if they choose to, to increase their holdings? **Mr. Mikesic** said, Commissioner, two years ago, we noted that we didn't have much diversity in the banks that were expressing interest in our investments when we would go out for bid. This led us to reach out earlier. It was in the spring, right? This spring, we reached out to every banking institution that had a location, a branch in Wyandotte County, and invited them to meet with us so that we could go through our process, our bidding process, and explain how they could become part of that bidding process. We met with every single one of them, I believe, that we reached out to, and we met with all of them.

Some banks simply didn't have an interest because it didn't fit their business model. Some aren't able to take bids in the level that we are bidding the money out for. However, by doing that, we did get a significant increase and interest, and we are now sending the bids to an increased number of banks each time this year.

We will be going through the process again. It's an annual process where we set banks up, but we will be reaching out to them again.

Now, when we send the bids out, we've had a number that say yes, send them to me, we probably won't bid but send them to me. We probably won't bid but send them to me. So, it has

to meet their needs as well, but we made a conscious effort to do that to try to ensure that we've reached out and included as many of those as we can. In our interest, or we believe it's our job to do that because the more interest out there, the better interest, more competitive rates that we'll get. **Commissioner Townsend** said thank you. I'm glad to hear there is some procedure in place that's an annual procedure.

Has there been any thought to increasing the range of the outreach beyond Wyandotte County? **Mr. Mikesic** said we have to follow the state statutes, which specifically states that we have to first offer those bids to Wyandotte County banks that have a location, a physical location in the county. **Commissioner Townsend** asked after we meet that, then what. **Mr. Mikesic** said the statutes are written fairly structured so that it usually has to fall into that area. There are certain things we can do if the banks located in Wyandotte County don't meet those bare minimums, but generally, they do, and according to state statute.

Chairman Burroughs said again, there was a motion and a second. The motion was to adopt the recommendation put forward that would consider updating our policies to include the Cash Manager and the Accounting Manager as non-voting members of the Cash Management Committee. I believe that is spelled out in the audit. I've had the privilege of reading through the audit as a member of the Audit Committee. I do know that there's some other issues that were in here that will be addressed soon and will come forward with some additional policy recommendations. **Mr. Mikesic** said that is correct, yes.

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

Item No. 5 – 191068...RESOLUTION: REVISIONS TO SPECIAL REVENUE FUND RESERVE POLICY

Synopsis: A resolution revising the Special Revenue Funds Operating Reserve Policy to adjust the minimum reserve targets, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said thank you, Commissioner. I don't have a PowerPoint. I thought we would just refer to the documents in the packet which were published

a week ago on the UG Clerk's website. The packet for all of the agenda items for this committee were published over a week ago on the UG's website.

What I've included here is some minor revisions to the Special Revenue Funds Operating Reserve Policy. As you know, over the past 18 months, we've rewritten most of the financial policies of the Unified Government. There were a few small cleanup items that we decided to kind of hold off on so that we can discuss in more detail in the future. This is one of them.

In the previous policy, you know, back 10-20 years or so, these Special Revenue Funds had a certain range of expenditures as delegated for its respective reserve. Tonight, I just wanted to propose to you that you consider changing that to make the reserves more consistent with the reserve language in the other areas, such as the General Fund.

Special Revenue Funds, we've talked a lot about that. How governmental accounting works is the state statutes require that if you collect a certain revenue and that revenue is specifically designated for a specific purpose, then you're required to set up a separate fund. If the revenue does not have a statutory specific purpose, then it can be deposited in the General Fund. We have a reserve policy for the General Fund, which is separate from this, and this only deals with all those Special Revenue Funds. Specifically, the changes are found on pages 1 and 2 of the policy. There aren't any other changes elsewhere in the report. They are shown in track changes in red.

Back before, the policy had presented a range. For example, the UG Technology Fund. It said that you should have a range of between 5-10% of expenditures. I felt that was ambiguous or not very direct. What I am proposing is that we change the language so that we maintain a minimum target or minimum level fund balance of a certain percent or a certain amount. That's the change in Section IVA.

The other slight change is that in the General Fund, we're now talking about reserves as a percentage. Rather than percentage, we're talking about reserve targets as a month or two months of operating expenditures. It's a nuance kind of way of approaching it, but it's more illustrative of the need for liquidity in these various funds. In reality, two months of expenditures equals 16.7%. But, in reference to it, in order to be consistent with the General Fund Policy, I'm recommending that some of these target reserves be changed to reference months of expenditures rather than a percentage.

On the second page, briefly, I just want to go over in total what we're recommending. You can see that there's a list of all the Special Revenue Funds. I'm going to kind of lump some of these together so that it's a little bit more understandable.

The Special Levy Taxes, those are Special Revenue Funds that are dependent on a property tax levy. That includes the Developmental Disabilities Funds, the Elections, the Health Department, the Mental Health, and I think that's all of them. Those changes are recommended to change from the existing percentage range of 10 to 15%, to two months of operating expenditures. The reason for that is because each of those county funds support salaries and benefits. The need to maintain a certain reserve level is appropriate if you're paying folks out of that fund. That's the rationale for changing that to the same as the General Fund.

The next category of changes are the three technology funds. That's the UG Clerk Technology Fund, the Register of Deeds Technology Fund, and the Treasury Technology Fund.

Chairman Burroughs said I see no recommendation as to the reserve limit. **Ms. VonAchen** said the recommendation is to take out or to not include those funds in this policy at all. The reason for that is that these are specific funds where they accumulate fee revenues from the respective area in order to spend it on specific capital or equipment acquisitions. It's very specific in state statute.

The second reason is because the state statutes actually allow or actually require that the Clerk, the Treasurer, and the Register of Deeds that they have actual authority over their budgets and, in fact, do not need to include those funds as a certified fund for the Commission's approval. We provide those three funds as part of the budget process for what the statute terms as informational only.

The thing is that some of these funds accumulate funds over a number of years because the acquisition of the software or the equipment is very expensive. Also, the equipment doesn't necessarily deteriorate each and every year on an annual basis. You know, it's acquired and then you utilize it for 5-10 years and then you have to replace it. The thought is that those funds are meant to accumulate funds for future acquisitions. That's the proposal.

Chairman Burroughs asked any questions. **Ms. VonAchen** said I think there's a couple of other changes too.

BPU Board Member Bryant said I have a couple. Your Special Street and Highway went from 3% to 5% in just three months. **Ms. VonAchen** said I haven't talked about those yet. **BPU Board Member Bryant** said okay, I thought you were.

Commissioner Townsend said well, let's just proceed with Ms. VonAchen's presentation. **Ms. VonAchen** said I'm almost done. **Commissioner Townsend** said no problem.

Ms. VonAchen said going down the list a little bit, that Library District, I am recommending that we exclude from this policy because it, as well—the district actually sets their budgets on their own. It's kind of complicated. To set a reserve policy for the Library District when the Library District Board is the one that sets their own budget, it doesn't make sense to me.

The last three remaining items, the Special Asset Fund and the Tourism Convention Fund, I'm recommending be excluded because those are funds that aren't operating in nature. They are actually established in order to collect assets that we have acquired, especially the Special Asset Fund. It's sort of a revolving fund. The amount that's in those funds—the fund balance can be rather large, but it fluctuates from one year to the next, depending on when you acquire the asset and then in the future, what kind of special project was undertaken. It's not an operating type fund.

The last is the Debt Service Fund. Debt Service Funds are not actually Special Revenue Funds at all. They are Debt Service Funds and really, in governmental accounting, the only amount that should be accumulated, or left at the end of the year in a Debt Service Fund, is some residual amount between the amount collected for debt service and the amount spent for debt service. There really shouldn't be much of a reserve in there at all. To set some sort of limit didn't make sense to me either.

The Street and Highway Fund—yes, I did want to talk about that one a bit. The Street and Highway Fund is supporting about 40 FTEs right now; no, about 70 right? I got distracted. Sorry. There's about 70 FTEs in there. I've noticed that revenue source, which is highly dependent on the state which is a gas tax that is collected by the state and then passed on to us, that has been a declining revenue source over the years, so I have some concerns about that. That's why I've recommended two months instead of three.

BPU Board Member Bryant said the Environmental Trust went to 100%. Is it a small fund? **Ms. VonAchen** said I haven't touched on some of these other ones. The Environmental Trust, that fund is actually established to accumulate revenues or resources in order to have those on reserve in case there is some sort of accident with what was previously the landfill and has since been mitigated.

There's a legal requirement that we have to keep an amount of money on reserve in case something catastrophic happens. So, in reality, there really shouldn't be any reserve. It's not really an operating fund. It's supposed to be to keep the money there until the legal requirement ends, which I think is around 2026 or so, maybe 2027.

BPU Board Member Bryant said jumping back up to the Special Street and Highway, is that a very large fund. **Ms. VonAchen** said it's about \$7M a year. It has similar functions as the Special Dedicated Sales Tax Fund which is around \$10-\$11M a year. That supports 50 FTEs. I've recommended that at two months of operating, similar to the General Fund.

Chairman Burroughs said if I may, Kathleen. I have a number of questions and I don't want to take up the Committee's time this evening. I'm going to ask our counsel here what happens if we take no action on this, this evening? **Patrick Waters, Senior Attorney**, said (inaudible) postpone until next month. I'm not sure what the timing of this is, time sensitive or not. **Ms. VonAchen** said I provided you the opportunity to act on it with a resolution should you not have any further questions, but if you did, then you can postpone it to whenever. I'd prefer to have this all resolved prior to the next budget process. **Chairman Burroughs** asked which begins when. **Ms. VonAchen** said I mean for you, sometime prior to April or May.

Chairman Burroughs said, Committee, I know I have a number of questions. I don't know how many questions you all may have. I'd like to know who has—some questions that I have is who has the authority on the Technology Funds to expend those funds? If we've had to, and in the past, include them in the budget. Through your statement, they will now have the agency director or person in charge be able to do that. That's different than what we've been doing in the past. I'd like to know the total of those funds and how much savings has been generated from going from the percentage to two months, or how much more needs to go into those funds.

There's a number of questions I have so, I'm just not comfortable with the information this evening. I would hope that we could have ongoing discussion and find some comfort level with the amount of changes that are being proposed. We just went through these last year if I remember correctly.

Ms. VonAchen said last year, we did not change any of these ranges at all. These remained as they have been for about 10 years. I think it's great to postpone this to January because I believe the Committee's meeting is around the third week of January. By then, we could actually have some year-end, 2019 figures for these specific funds and then you can see what the change would be. **Chairman Burroughs** said I would hate to take this forward to the Full Commission not fully being able to vet this information before us. I know I have some questions. I would entertain a motion that we table these until a further date.

Action: **Commissioner Townsend made a motion, seconded by Commissioner Walters, to table this item.**

Chairman Burroughs said we have a motion on the table to table these. I didn't make it date certain so that we could bring this forward once we find a comfort level with all the changes. I mean its only one-half page, but I do have some—the language forces me to ask questions. We have a motion on the table. I would ask the Clerk to call roll.

Roll call was taken on the motion and there were five “Ayes” Bryant, Walters, Townsend, McKiernan, Burroughs.

Chairman Burroughs said thank you, Committee, and thank you, Kathleen.

Commissioner Walters asked can I just make a comment also. **Chairman Burroughs** said sure, Commissioner. **Commissioner Walters** said I'm glad you brought that up. I also have some questions. I'll just let you know what the subject matter of my comments might be in preparation for maybe a work session coming up. When we reviewed these last year, my recollection was a lot of these funds had excessive reserves. But this policy really only addresses the minimum reserve that they need to have. I wonder if we shouldn't address what we do if we have too much

money in these funds. Should we also set a maximum and then some sort of procedure to correct if we have too much.

The other question I have, and this is honestly a question. All these funds that you have taken out of the policy, it kind of leaves us with no direction. We, as a Commission, approved the Library District Funds, for example. I assumed that we don't want to just be a rubber stamp. The way the legislation is set up, it's our obligation to review and approve that fund and all these funds. But, if we don't have any policy on it, what are we supposed to do, just rubber stamp whatever is put in front of us? I think we should have a discussion about that. Those are the subject matters that I might like to discuss if we have our work session. Thanks.

Chairman Burroughs said thank you. We did have a bunch of discussion on those items that were before us. We spent a tremendous amount of time and energy going through the policies and these were the sections that a number of the members had questions about. So, I do appreciate the indulgence of the Committee to postpone this until we get some more answers into the questions that we propose. I may ask the Committee members if you have specific questions, write them down and we'll send them to Kathleen, and we'll have an opportunity at that time to collectively meet and look them over.

Chairman Burroughs said the reason why I didn't ask if any member of the audience had a question in reference to that is because we weren't taking action. If I may, I'd just like to state that earlier, there was reference made that this information is not available. It is available on our website. You can get on the website, go to the agenda packet, go to your meeting packets, and in will have that information laid out. You can also go into each agency and department and see that information that's coming before the Commission. Commission members do that because we don't want to carry paper around with us all the time. Just as a public announcement, the majority of that information is on our website.

A woman in the audience said it is not here. It is not there. With all due respect, I read, but it is not here. (inaudible)

Item No. 6 – 191062...REPORT: 3RD QUARTER BUDGET TO ACTUAL

Synopsis: 3rd Quarter Fiscal Year 2019 Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.



Reginald Lindsey, Budget Manager, said Kathleen is going to start out. **Kathleen VonAchen, Chief Financial Officer**, said Reginald Lindsey is our Budget Manager. Yes, he's going to be presenting on the expenditure side and I'm going to start on the revenue side, and also give you an overview of the General Fund.

CONSOLIDATED GENERAL FUND			FY 2018			FY 2019		
			3rd Qtr YTD		% of budget	3rd Qtr YTD		% of budget
numbers in 000's	Budget	Actual				Budget	Actual	
Revenues	\$ 212,445	\$ 169,691			79.9%	\$ 216,843	\$ 174,808	80.6%
Expenditures	\$ 213,223	\$ 151,668			71.1%	\$ 220,488	\$ 156,408	70.9%
Net Alloc & Transfers	\$ (360)	\$ (90)			25.0%	\$ 285	\$ 71	25.0%
Net Change	\$ (1,139)	\$ 17,932				\$ (3,359)	\$ 18,471	
Balance, Start of Year	\$ 26,925	\$ 26,925				\$ 26,853	\$ 26,853	
Balance Year-to-Date	\$ 25,787	\$ 44,858				\$ 23,494	\$ 45,324	

Table 1: Consolidated General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

CONSOLIDATED GENERAL FUND OVERVIEW

This is a Consolidated General Fund overview, which includes: The combined City, County, and the Consolidated Parks Fund all together. This is on the first page of the report we prepare every quarter. As you can see, what we're doing here is we're looking at the current year budget compared with the current year budget from last year. Then, how much we've collected and spent through the 3rd Quarter this year, compared with how much we collected and spent last year.

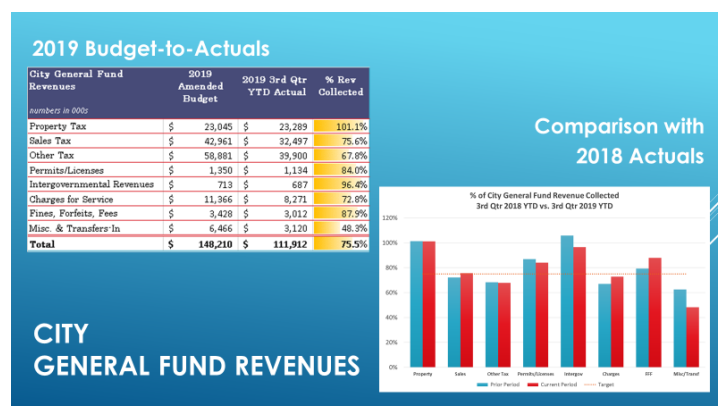
The 3rd Quarter ends September 30th so that's nine months. Nine months out of 12 months is 75% of the year. As you can see, we've collected 80% of our total budgeted revenue so far.

That's pretty typical because we collect property tax early in the year so that's why it's higher than the 75% target.

On the expenditure side, we've spent roughly 71% of the total, which is consistent with the expenditure level through the 3rd Quarter of last year, as you can see here.

Net allocation and transfers are at only 25%, but that's because typically we do a lot of those transfers at the end of the year. We plan to end the fiscal year with a cash balance of \$23.5M. At the moment we have \$45M in our fund balance. That is because our revenues we collected earlier in the year and anticipated because the revenue collection is not consistent from one month to the next. It's similar to expenditures. Spending on the expenditure side is slightly below the target at 71%.

The next two slides just segregate the different, the two major funds, the City General Fund Revenues and the County General Fund Revenues.



This chart has budget-to-actuals with the budgeted revenues. These are the major revenue categories budgeted in the City General Fund totaling \$148M. This is the amended budget that was amended in July. So far this year we have spent this level at \$112M, which represents 75% of the total. One thing I want to point out to you is that property taxes are at 101.1% of the budgeted level. That is because we collect pretty much all, and then a little bit more of all our property tax at the beginning of the year.

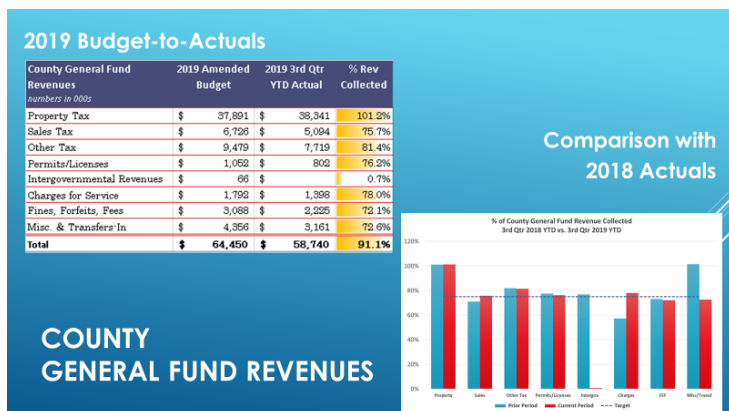
Sales tax is exactly at the target level of 75%. That is because as part of our current amended budget process, we reduce the sales tax estimate down from a higher number, which I can't remember offhand, to \$43M. The revised revenue estimate for our sales tax is performing well.

Some other areas you'll see that transfers are down because we often do these transfers at the end of the year, so it's only at 50%.

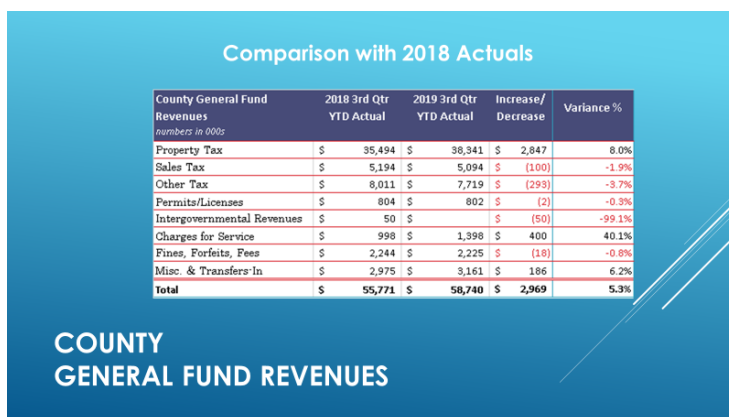
This chart over here or graph shows this line. This is where the target is. It compares with the level of revenue collection for that same period last year. You can see property tax last year was collected basically 100% and this year as well.

Chairman Burroughs said, Kathleen, if I may, to expedite this a little bit, what we've seen is an increase in revenue already ahead of last year's projections, except for the inner government and this is because it's only the 3rd Quarter presentation. It doesn't include the 4th Quarter. **Ms. VonAchen** said that's correct, yes.

This graph here, this is the data for this graph. This is a comparison of the revenue collections by category for 2018 and then 2019, and here's the difference. **Chairman Burroughs** said, Kathleen, we're still using the \$32,497 as a conservative figure because that's what we set in the budget, but we do see revenue coming in a little higher than expected at this particular time. I believe if you look at the previous slide. **Ms. VonAchen** asked now what are you saying? **Chairman Burroughs** said the sales tax, down at the bottom. **Ms. VonAchen** said yeah, \$32,497 is how much we've collected in sales tax so far this year. **Chairman Burroughs** said but last year, sales tax was down. We didn't hit our mark this year. You're comparing last year to this year third period. **Commissioner Walters** said but not actual numbers, just percentages. **Ms. VonAchen** said no. This is the budget, and this is how much we've collected this year. This is how much we collected last year, and this is how much we've collected this year. This is how much less we collected during this period. We're down \$1M from the amount that we collected last year through September. **Chairman Burroughs** said we're up almost \$1.6M total. **Ms. VonAchen** said that's \$1.5M, yes, right here. That's because charges for services have gone up.



Ms. VonAchen said now on the County side, its similar but not entirely because the County is much more dependent on property tax then the City General Fund. All the property taxes, \$38.3M, has been collected. It exceeds the \$37.9M that we budgeted in that category. Sales tax only amounts to \$5M, but it's also consistent. It's been 75% target to the budget. As a result, we collected 91% of the budgeted revenue in the County General Fund.



This chart compares 3rd Quarter prior year was 3rd Quarter this year. You can see that, again, here on the sales tax side, it's a little bit different because actually here the sales tax is pretty consistent, slightly lower. **Chairman Burroughs** said we are ahead in total from last year. **Ms. VonAchen** said that's right. We're \$3M higher than last year. **Chairman Burroughs** said I would say some of that is probably due to the fact that we didn't lower the mill. **Ms. VonAchen** said yes; that is very true. **Chairman Burroughs** said and the additional interest income, as well as the increase in sales tax, although we're still falling.

There's concern about the overall total that will come in. We took a conservative number last budget, if I remember correctly. **Ms. VonAchen** said that's right, that's a key point. We reduced the mill in 2019 on the City side. That's why the property tax is pretty much the same.

But on the County side was no mill reduction, so \$2.8M in additional revenue through this quarter is reflected here. Any questions on revenues before I pass it on to Reggie for expenditures? **Chairman Burroughs** said no. I think it's somewhat good news.

2019 Budget-to-Actuals			
City General Fund Expenditures	2019 Amended Budget	2019 3rd Qtr YTD Actual	% of Budget
<i>numbers in 000s</i>			
Personnel	\$ 111,000	\$ 80,507	72.5%
Services	\$ 23,413	\$ 17,398	74.3%
Supplies	\$ 5,471	\$ 3,802	69.5%
Grants, Claims	\$ 5,092	\$ 3,375	66.3%
Misc. & Transfers-Out	\$ 1,688	\$ 520	30.8%
Capital Outlay	\$ 4,184	\$ 1,675	40.0%
Total	\$ 150,857	\$ 107,276	71.1%

Comparison with 2018 Actuals			
City General Fund Expenditures	2018 3rd Qtr YTD Actual	2019 3rd Qtr YTD Actual	Increase/Decrease
<i>numbers in 000s</i>			
Personnel	\$ 79,501	\$ 80,507	\$ 1,005
Services	\$ 16,416	\$ 17,398	\$ 982
Supplies	\$ 2,805	\$ 3,802	\$ 997
Grants, Claims	\$ 3,488	\$ 3,375	\$ (113)
Misc. & Transfers-Out	\$ 813	\$ 520	\$ (293)
Capital Outlay	\$ 1,450	\$ 1,675	\$ 225
Total	\$ 104,473	\$ 107,276	\$ 2,803

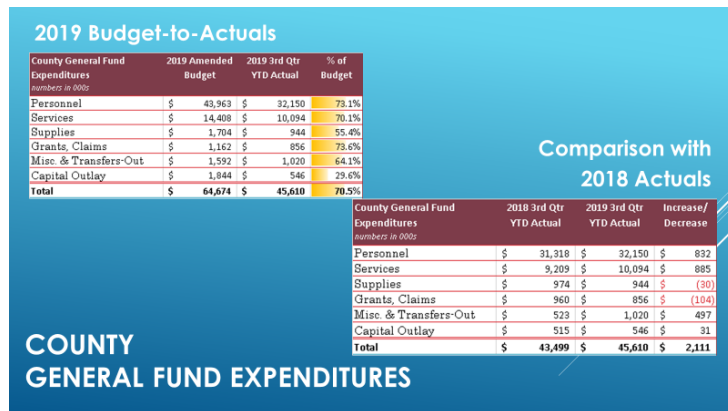
CITY GENERAL FUND EXPENDITURES

Mr. Lindsey said per our slide, what we have are expenditures for the 2019 Budget. We have two different views. In the upper left-hand corner, we have budget-to-actuals compared to 2019 Budget to what we have actually spent. Then in the lower right-hand corner, we're comparing the 2019 Budget to the 2018 actuals.

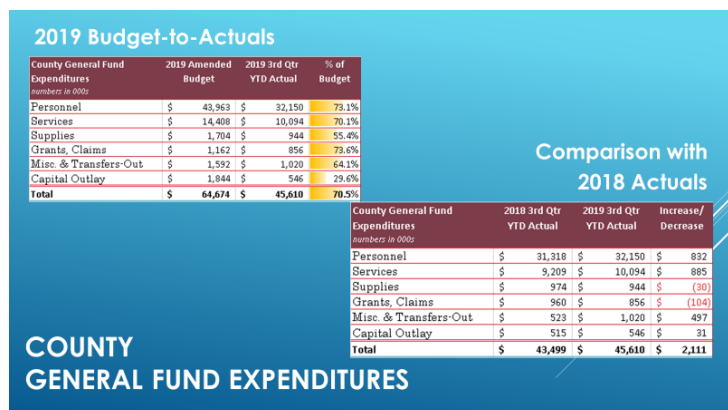
We can see we have a number of categories here in the expenditure budget. We have personnel, we have services, and we have supplies; personnel being our largest category here. Here is where we pay for our salaries also our overtime. Also, these are where we have payouts when people retire or when they leave the Unified Government. Also, this is where we pay our pensions and also any penalties for pensions that we have to pay comes out of here.

As Kathleen covered earlier, the target where we should be at is 75%. For expenditures it was 75%. We should be below 75%. We can see here, percentage of budget spent. Total category is at 71%. We see personnel, which is our largest category, is at 72.5%. Then our services category is at 74%. Here our services is our second biggest category. This is where we pay for our transit contract, also our trash contract, and this is also where we purchase a lot of our software out of.

Then we go down here and look at the comparison with the 2018 actuals. We can see that we have spent \$2.8M more than we spent last year. Of course, we do have a larger budget, so that's one of the reasons we have spent more.



We're going to go to the next slide. The next slide is the County General Fund. Basically, again, in the upper left-hand corner, we're comparing the 2019 Amended Budget with the 3rd Quarter actuals. We can see we have a \$64M budget, and we have pretty much the same categories: personnel, services, supplies, grants, claims and capital outlay. Personnel, again, being our largest category. Services being our second largest category. We see both of these are below the 75%. Personnel is at 73% and services is at 70%. Some of the things that we pay out of here are bigger contracts. We pay out our services, for our inmate medical and then our inmate housing is also paid from here.



As we go down and look at comparison to 2018 actuals, we can see we have spent \$2.1M more than we spent last year. One of the things that goes on here, again, is the budget is larger so, that's one of the reasons we're up over \$2.1M. Any questions on either the City General Fund or the County General Fund?

Chairman Burroughs said just the observation that even though we are spending \$2.1M, the fact that we did lower the mill and the sales tax has come in to ensure that we have the monies available to continue to spend at the level we're spending. **Mr. Lindsey** said that is correct.

	REVENUES			EXPENDITURES		
	<i>numbers in 000's</i>			<i>numbers in 000's</i>		
Tax Levy Funds	2019 Amended Budget	2019 YTD Actual	% of Budget	2019 Amended Budget	2019 YTD Actual	% of Budget
City General Fund	\$ 148,210	\$ 111,912	75.5%	\$ 150,857	\$ 107,276	71.1%
City Bond & Interest	\$ 34,135	\$ 24,420	71.5%	\$ 36,452	\$ 37,238	102.2%
County General Fund	\$ 64,450	\$ 58,740	91.1%	\$ 64,674	\$ 45,610	70.5%
Cons. Parks General Fund	\$ 6,439	\$ 5,284	82.1%	\$ 6,928	\$ 5,069	73.0%
County Bond & Interest	\$ 4,717	\$ 4,363	92.5%	\$ 5,371	\$ 1,696	31.6%
Aging	\$ 1,876	\$ 1,752	93.4%	\$ 1,918	\$ 1,355	70.6%
Developmental Disabilities	\$ 545	\$ 521	95.5%	\$ 594	\$ 272	45.9%
Elections	\$ 1,317	\$ 1,263	95.9%	\$ 1,484	\$ 865	58.3%
Health	\$ 3,229	\$ 2,580	79.9%	\$ 3,572	\$ 2,502	70.0%
Mental Health	\$ 616	\$ 605	98.1%	\$ 659	\$ 405	61.5%
Total UG Tax Levy Funds	\$ 265,535	\$ 211,440	79.6%	\$ 272,508	\$ 202,279	74.2%

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

Current slide shows the other seven Tax Levy Funds that are not the City General Fund or the County General Fund. Basically, this slide on the left-hand side, we have revenues and then on the right-hand side we have expenditures, and kind of have a comparison where the target here on the revenue side is that we bring in more than 75%. We can see we're at 79, almost 80% for all the Tax Levy Funds.

Then on the expenditure side, the target is to be below 75%. We can see here that we are below and we're at 74%. Here we can kind of see too, kind of cover both revenue sides. This is the 2019 Amended Budget. This is 2019 actuals for 3rd Quarter, and then this is the percent of budget. Then over here on the expenditure side, this is the 2019 expenditure budget. The year-to-date for September 30th, which ends the 3rd Quarter. Again, we can see—we do have a City Bond & Interest Fund, which is 102%, which all the spending has been done out of this budget. We can see all the rest of them are below 75.5%. **Chairman Burroughs** said these are some of the funds that we were talking about earlier in the policy.

Other Funds	2019 Amended Budget			2019 Actual	% of Budget	2019 Amended Budget			2019 Actual	% of Budget
	Budget					Budget				
Alcohol	\$ 570	\$	418		73.2%	\$ 573	\$	271		47.2%
Clerk Technology	\$ 40	\$	31		77.0%	\$ 120	\$	3		2.6%
Court Trustees	\$ 435	\$	331		76.1%	\$ 611	\$	347		56.9%
Dedicated Sales Tax	\$ 10,600	\$	7,898		72.5%	\$ 11,068	\$	6,226		54.5%
Emergency Medical Services	\$ 11,824	\$	8,510		72.0%	\$ 11,927	\$	8,110		68.0%
Environmental Trust	\$ 1,078	\$	805		74.6%	\$ 1,130	\$	367		32.5%
Jail Commissary	\$ 55	\$	23		42.4%	\$ 60	\$	2		3.5%
Parks & Recreation	\$ 570	\$	420		73.6%	\$ 595	\$	394		66.2%
Public Levee	\$ 340	\$	258		75.8%	\$ 387	\$	50		12.8%
Register of Deeds Technology	\$ 160	\$	123		77.1%	\$ 130	\$	126		97.0%
Sewer System	\$ 42,628	\$	30,656		71.9%	\$ 50,923	\$	23,848		46.8%
Special Assets	\$ -	\$	-		-	\$ 850	\$	-		0.0%
Stadium	\$ 555	\$	138		24.9%	\$ 694	\$	390		56.2%
Stormwater	\$ 3,545	\$	2,676		75.5%	\$ 5,059	\$	1,503		29.7%
Street & Highway	\$ 1,105	\$	5,499		77.4%	\$ 7,630	\$	5,694		72.1%
Sudflower Hills Golf Course	\$ 679	\$	580		85.5%	\$ 670	\$	522		77.8%
Travel & Tourism	\$ 4,018	\$	2,602		64.8%	\$ 5,625	\$	1,139		19.6%
Treasury Technology	\$ 40	\$	31		77.0%	\$ 45	\$	9		20.0%
Wyandotte County 911	\$ 845	\$	610		72.2%	\$ 929	\$	465		50.2%
Total Other Funds	\$ 85,085	\$	61,398		72.2%	\$ 99,425	\$	49,268		49.6%
Total Funds	\$ 350,620	\$	272,838		77.8%	\$ 371,933	\$	251,546		67.6%

ALL
OTHER &
TOTAL UG
FUNDS

This particular chart here shows our other 19 funds, which are either Special Revenue Funds or Enterprise Funds. On the left-hand side we have the revenues in the blue here. Here, again, we have the 2019 Amended Budget. We're comparing what was actually spent for the 3rd Quarter. We see a percentage of the budget. What you see in these budgets also, that we are over the target of 75%. We're almost 78%.

Then over here, this is the expenditure side in orange. We have a 2019 Amended Budget. Next to it in the next column, we show what was actually spent in the 2019 3rd Quarter. The target here is that we be below the 75%. We can see down here at the bottom, we're almost at 68%.

Chairman Burroughs said, Mr. Lindsey, if I'm reading that correctly, we plan on spending just under \$21M more in 2019 than what we did in 2018 at the same time. **Mr. Lindsey** said well, this particular chart right here doesn't have anything for 2018. This is 2019. **Chairman Burroughs** said I apologize. I was looking as a comparison. I see where we're at. I apologize. Ignore the question. I was looking at another page.

Ms. VonAchen said we are planning the budget at \$372M for expenditures, while the revenues are only \$350M, so there is a difference of \$22M there. That's because many of these, especially the Enterprise Funds and some of these other funds, have fund balance that we're going to be utilizing for onetime items like capital projects and other equipment acquisitions. So, if that's maybe what you were asking. **Chairman Burroughs** said I didn't look at the top to see the amended 2019 comparing that with a 2018 3rd Quarter period, but there is a \$21M difference in this budget from last year.

Chairman Burroughs asked any other questions, comments.

BPU Board Member Bryant said, a comment, or I guess a question. Do we really expect to spend another \$27M in this year in the 3rd Quarter, 4th Quarter on the sewer system? **Mr. Lindsey** said there probably will be some funds leftover. There will be some more spending when we get into the 4th Quarter. We do end up starting more projects and there will be some more expenditures on some of the projects. **BPU Board Member Bryant** said I know that it's a hot topic to work on it, that's why I'm just wondering why, if we're lagging behind from where we expected to be this year or just have not expended as many dollars as we expected. **Mr. Lindsey** said there will definitely be some funding left over. We probably won't spend the whole \$51M.

Chairman Burroughs asked any other questions. Anybody from the public? Are we finished with the presentation? **Mr. Lindsey** said yes. **Chairman Burroughs** asked anybody from the public care to make a comment.

Janice Witt, Kansas City, Kansas, said my concern is that if we continue to give 100% abatements, we will continue to be in a deficit when it comes time to take care of home with our fiscal responsibilities. It is my opinion that Doug Bach has made horrible mis-management decisions and has left our city in a horrible bind. It is my opinion that Doug Bach must go. It sounds to me like these fine ladies and gentlemen right here should be in place to take his position maybe to dig us out of the hole that he has buried us in. Doug Bach must go.

Chairman Burroughs asked anyone else care to speak. Let the record show nobody else stepped forward.

Action: For information only.

Item No. 7 – 191073...REPORT: THIRD AND FOURTH QUARTER BUDGET REVISIONS

Synopsis: 3rd Quarter Budget Revisions \$10K or greater and Fourth Quarter Budget Revisions \$50K or greater, submitted by Reginald Lindsey, Budget Manager.

Reginald Lindsey, Budget Manager, said there's no presentation on the screen for this. These are documents that you already have. There are two sheets, one for budget revisions of \$10,000 or greater for the 3rd Quarter and then one for budget revisions of \$50,000 or greater for the 4th Quarter. I'm going to start with budget revisions of \$10,000 or greater for the 3rd quarter.

Basically, what we have happened is when we, in departments, want to move \$10,000, we have to send a form to the County Administrator's Office to make sure he approves it. If it is over \$50,000 and it has something to do with running operations, it also has to be signed off by Mayor Alvey along with our County Administrator.

In the 3rd Quarter, we had four budget revisions that happened. Three of them were from the Police Department and one from the Sheriff Department. The one for the Sheriff's Department was done outside—or the one for the Police Department was done outside of their budgets and it was done from contingencies. **Chairman Burroughs** said but all of these amounts were dealt with for public safety budgets of those agencies. **Mr. Lindsey** said yes. **Chairman Burroughs** said, committee, these are the requests that we made early on of the budget committee earlier this year and we asked these to come by on a quarterly basis as to the end of the year as a cumulative number. So, I really appreciate you doing that because we have a chance to review those independently of being an aggregate number. So, thank you for that work.

Chairman Burroughs asked are there any questions from the Committee.

Mr. Lindsey said then there is a second one which I talked about which is the budget revisions of \$50K or greater, which you all requested they come within the time that we request them from the Mayor. So, basically, that's what these are in front of you. **Chairman Burroughs** said the largest one being the \$300K. **Mr. Lindsey** said yes, for water pollution. Basically, what we had going on there was the pipe broke that brings oxygen into the plant and they had to bring in oxygen another way. **Chairman Burroughs** said we had, again, the operating for the Police Department, another \$50K public safety, health and safety.

Chairman Burroughs said very well done. Appreciate bringing those up. Committee, any questions, comments?

Commissioner Walters said I'd like to know what item 3 on the County General mileage reimbursement for dispatch relocation. Do you know what that might be? **Mr. Lindsey** said yes. So basically, when we remodeled our dispatch center and the workers at the dispatch center had to drive to another location, they were reimbursed for their mileage. **Commissioner Walters** said \$40K? **Mr. Lindsey** said yes, so basically each and every employee there is reimbursed. We may not spend that whole \$40K, but that is the funding that we put forth.

Ms. VonAchen said it's over the course of a number of months. **Commissioner Walters** said they had to work at a different location. **Mr. Lindsey** said so basically, we're getting a having a remodel done with our dispatch center and the remodel displaces its employees where they have to drive to the Johnson County Dispatch Center. They are reimbursed for driving out to Johnson County Dispatch Center and, as Kathleen said, it is over an amount of time.

BPU Board Member Bryant said I have a question about the oxygen for the treatment of waste. So, has the pipe been repaired? **Mr. Lindsey** said yes, it has.

Chairman Burroughs said, again, this is for information purposes only. Any members of the public want to make a comment about having a comment in reference to this issue.

Janice Witt, Kansas City, Kansas, said I have a question. I know you're not going to let it be answered. I really appreciate you all being here because it is late and we are tired so yay for our Commission. I have a question though on this. This said Police and Fire put in for a change. So, does that mean there was an increase from the budget given to Police and Sheriff, I believe is what we said? If so, what is that amount? **Mr. Lindsey** said there was an increase to their budgets, but it was done within our budget constraints that we have. It was done for moving money from one line item to another in the Police Department. Then the Sheriff's Department, that was the same thing. **Ms. Witt** said these really wasn't an increase, it was just moved from one place to another. Okay, that I understand.

The next question for you would be, so we we're 70 officers down. Where is their income? Where is their salary being placed in this budget and what does it look like? We should have a pretty significant amount in that on that budget line for employees who are not working. Does

that make sense? **Mr. Lindsey** said there are some personnel savings from that, but with us being down, there's also like overtime that we do have to pay, so that would be in our personal category.

So the budget report that we were going through earlier, touched on like personnel and the City General Fund is where the savings would be. When we do have savings when police are not working, there are people that have to make up for that on the police force, and they get paid overtime. **Ms. Witt** said so, those un-hired positions are still being paid to somebody. **Mr. Lindsey** said well, not all, but a portion of it also goes to overtime. **Ms. Witt** said can I get your card and call you so that everybody can go home and I can get that information. **Mr. Lindsey** said I do not have a card on me. **Ms. Witt** said okay, not a problem. Thank you.

Action: For information only.

Public Agenda:

Item No. 1 – 191074...APPEARANCE: TSCHER MANCK

Synopsis: Appearance of Tschler Manck regarding:

- Northeast Master Plan
- BPU bills

Tschler Manck, 212 N. 38th St., said the Northeast Master Plan was completed in 2018, per the website that we're redirected to call the Historic Northeast Midtown Association. On the website it was two links entitled Chester Owens Open Letter and a message from a founder by Dorothy Wakefield, no doubt, two pillars of Wyandotte County, not just the Northeast side. On that website the two links couldn't be accessed; you only get an error message, like a lot of the other things. You get two error messages. Through some investigation I found out that it was because they were unhappy or the letters were not in favor of the Northeast Master Plan or some of the Northeast Master Plan. They felt like that may be some of it was pushed on them by the Unified Government and its representatives. A lot of people feel like it's a regentrification agenda going on, on the Northeast side.

As I read through the acknowledgements and stuff, I noticed that only two people actually live or either owned a business on the Northeast side and it made me think back to the meeting that I had with Land Bank. The community meeting that we had with the Land Bank where it

was an economic development representative there who said to me that she was sure that they had reached out to the community for every one of those meetings during the creation of the Northeast Master Plan. My question on that day, and still today, is exactly what community members did they reach out to? A lot of my family lives, a matter of fact, all of my family lives on the Northeast side of town. I went around asking them and some friends that I grew up with, you know, did you receive an invitation. None of us can recall receiving that invitation. So, it begs the question who really had the final say and what was included on the Northeast Master Plan or was the Master Plan already completed before you guys ever asked for the community's input?

We, the people, should have had the final say as to what we wanted and needed in our community, not what other communities wanted and certainly not what appeals to other cultures. This is a historic place for the descendants of former slaves and their families; our first step of freedom. It should represent that history with our art, our culture, our music education including Black History courses, job training, business ownership, all these things will bring employment and homeownership to the Northeast side. As everyone can already see, this area in Wyandotte County lacks a lot of attention and tender loving care.

A new grocery store would have been or should have been the first thing accomplished on the Northeast side of town. However, as we know, it might as well be the last. According to the Northeast Master Plan, the Northeast side produces \$36M. I'm not sure if this includes the businesses in Fairfax or not; however, I doubt that.

If the Unified Government invested 15% of that \$36M back into the Northeast side just one time and then after that, continue to show the love and attention that it shows all the other areas of Wyandotte County, it will look and thrive just like the rest of Wyandotte County. 15% of \$36M is a very small amount compared to what you guys have already invested into like busted and bad investments that have failed over and over again in Wyandotte County. It would seem like that would not be a lot.

The residents of Wyandotte County can see that our officials, some of the past ones, but most of the present ones, now have no problem breaking their backs and bending over backwards to invest in other areas of Wyandotte County and not all those investments have been good ones, yet you still do them. It seems like it's pulling teeth when we ask for projects to be done in the Northeast side. The Northeast side, as you can see, has been neglected for far too long. What I really can't understand is how we have officials who actually live in those areas, who drive to and

from work and not get sad, mad, or even outraged and disgusted for the lack of care and attention shown to the historian, to our historic place, our historic Northeast side. Shame on it all.

Adjourn

Chairman Burroughs adjourned the meeting at 7:32 p.m.

de



Staff Request for Commission Action

Tracking No. 201116

Full Commission Meeting Date: NA

Committee: Economic Development & Finance

Date of Standing Committee Action: 2/10/20

(If none, please explain):

Publication Required: No

<u>Date:</u> 1/22/2020	<u>Contact Name:</u> Kathleen VonAchen, Rick Mikesic, Andrea Parra	<u>Contact Phone:</u> x5186, x8046	<u>Contact Email:</u> kvonachen@wycokck.org, rmikesic@wycokck.org	<u>Department/Division:</u> Treasurer
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Item Description:

The 4th Quarter Cash and Investment Report for the period of October thru December 2019. PowerPoint Presented by Rick Mikesic, County Treasurer and Andrea Parra, Deputy Treasurer.

Action Requested:

N/A

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

2019 Q4 Invstmt Report Presentation

Unified Government of WyCo/KCK
Quarterly Investment Report
Fourth Quarter 2019
October 1 – December 31, 2019

Presented by:

Richard Mikesic, County Treasurer

Andrea Parra, Deputy Treasurer

Key Metrics

- Avg Yield – 2.16%
- DTM – 245 days, down from 309 in Q3-2019 due to decision to re-invest maturities in shorter-term securities to match capital project liquidity needs funded with temporary notes (debt)

Portfolio Components

- Cash – 44%
- Invested – 56%

Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity ³	Weighted Average Yield ³
Property Tax Held for Entities ⁴	\$93,280,366	\$93,280,366	\$93,280,366	na	see note 4	✓	-	1.87%
Cash Equivalents	\$96,875,634	\$96,875,634	\$96,875,634	44%	100%	✓	-	1.87%
Total Liquidity	\$96,875,634	\$96,875,634	\$96,875,634	44%			-	1.87%
Certificates of Deposit	\$104,175,000	\$104,175,000	\$104,175,000	47%	100%	✓	438	2.34%
Federal Agency Securities	\$18,937,035	\$19,195,566	\$18,945,521	9%	50%	✓	438	2.75%
Total Securities	\$123,112,035	\$123,370,566	\$123,120,521	56%			876	5.09%
Total Portfolio	\$219,987,669	\$220,246,199	\$219,996,154	100%			245	2.16%

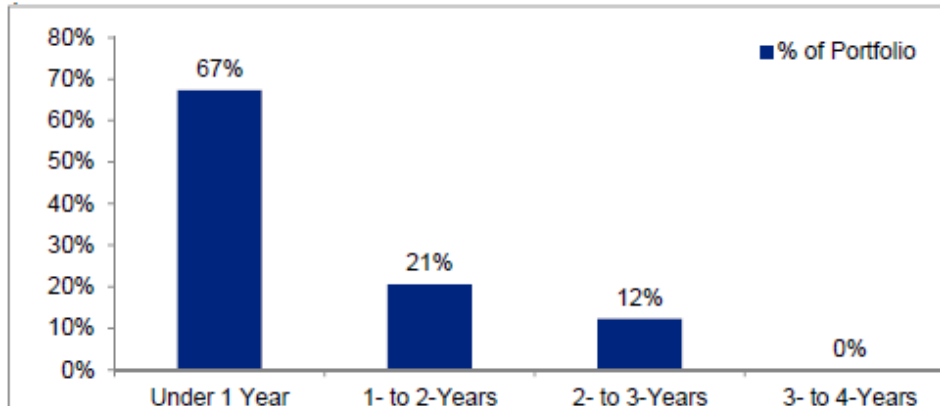
1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.

2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

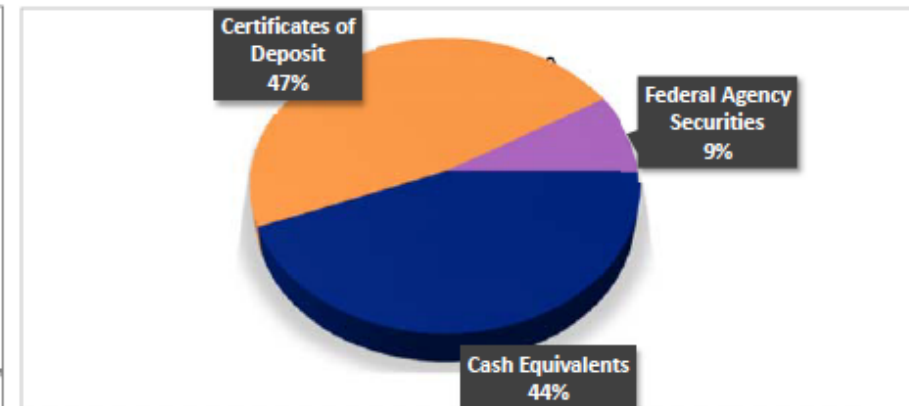
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

Maturity Distribution



Sector Distribution



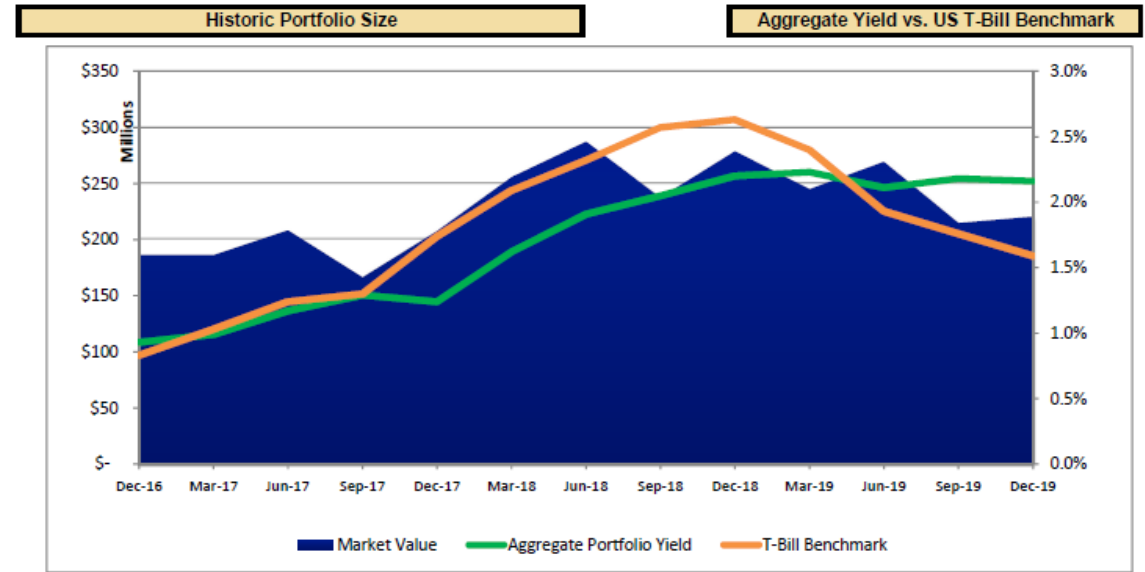
Key Metrics

- Avg Yield – 2.16%, slightly down from 2.18 in Q2-2019
- Above our target T-Bill benchmark of 1.59% due to holding older investments purchased prior to the recent Fed rate decrease
- Portfolio size increased due to property tax collections.

Issuer Compliance

- Limits within single agency/institution is back in compliance

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



Kathleen VonAchen

Kathleen VonAchen
Chief Financial Officer

December 31, 2019

Date

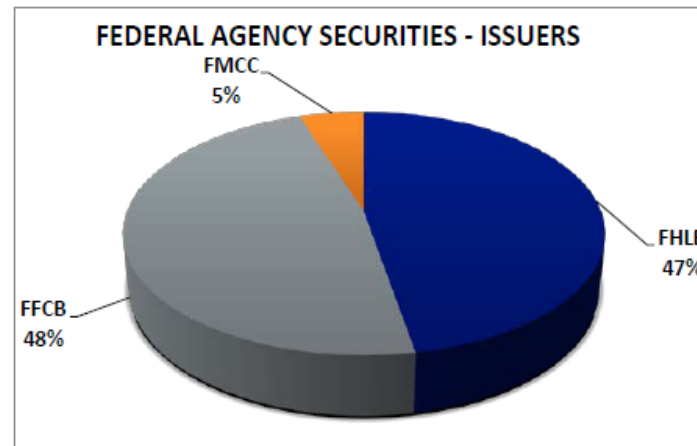
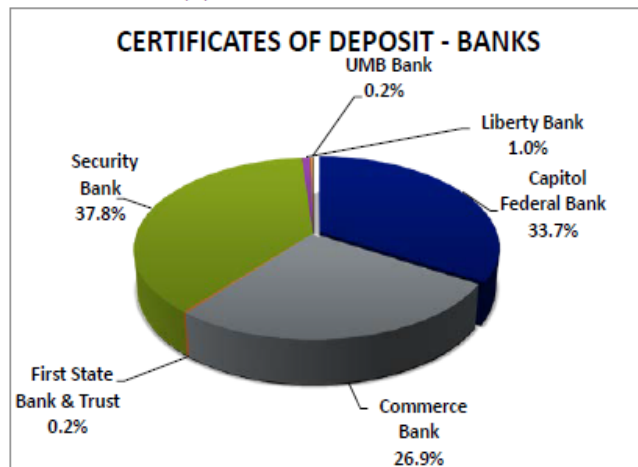
Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value ¹	% of Portfolio ³	% Permitted by Issuer	In Compliance ³	Weighted Average Maturity Days ²	Weighted Average Yield ²
Property Tax Held for Entities ³	93,280,366	93,280,366	na	See note 3	✓	0	1.87%
UMB, Wyandotte Operating	94,176,634	94,176,634	43%	25%	✓	0	1.81%
UMB, Wyandotte Health	2,699,000	2,699,000	1%	25%	✓	0	0.05%
Cash Equivalents	96,875,634	96,875,634	44%		✓	0	1.87%
Argentine Federal Savings	235,000	235,000	0.1%	25%	✓	0.3	0.01%
Bank of Labor	235,000	235,000	0%	25%	✓	0.3	0.005%
Capitol Federal Bank	35,000,000	35,000,000	16%	25%	✓	127	0.62%
Commerce Bank	28,000,000	28,000,000	13%	25%	✓	97	0.56%
First State Bank & Trust	235,000	235,000	0%	25%	✓	0	0.005%
Liberty Bank	1,000,000	1,000,000	0%	25%	✓	2	0.01%
Security Bank of KC	39,235,000	39,235,000	18%	25%	✓	183	0.91%
UMB	235,000	235,000	0%	25%	✓	0	0.005%
Certificates of Deposit	104,175,000	104,175,000	47%		✓	438	2.34%
FFCB	8,951,940	9,151,200	4%	50% of total portfolio	✓	286	1.37%
FHLB	8,986,129	9,051,198	4%		✓	121	1.33%
FMCC	998,966	993,168	0.5%		✓	31	0.05%
Federal Agency Securities	18,937,035	19,195,566	9%		✓	438	2.75%
Grand Total	219,987,669	220,246,199	100%			245	2.16%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.

2. Averages shown are weighted averages calculated based on original cost for the respective Investment categories. Average maturity is shown as days.

3. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value for investment reporting purposes. The cash being held in trust is presented here for informational purposes.



Types of securities in our investment portfolio?

Of the \$219 M total, \$104 M or 47% - CDs fully collateralized per investment policy and State Statute.

Of the \$219 M total, \$19 M or 9% - US Agencies Securities backed by the full faith and credit of the US Federal Government.

Of the \$219 M total, \$93 M is property tax collections being held by the County and distributed on January 17th

What
transactions
occurred in
Q4?

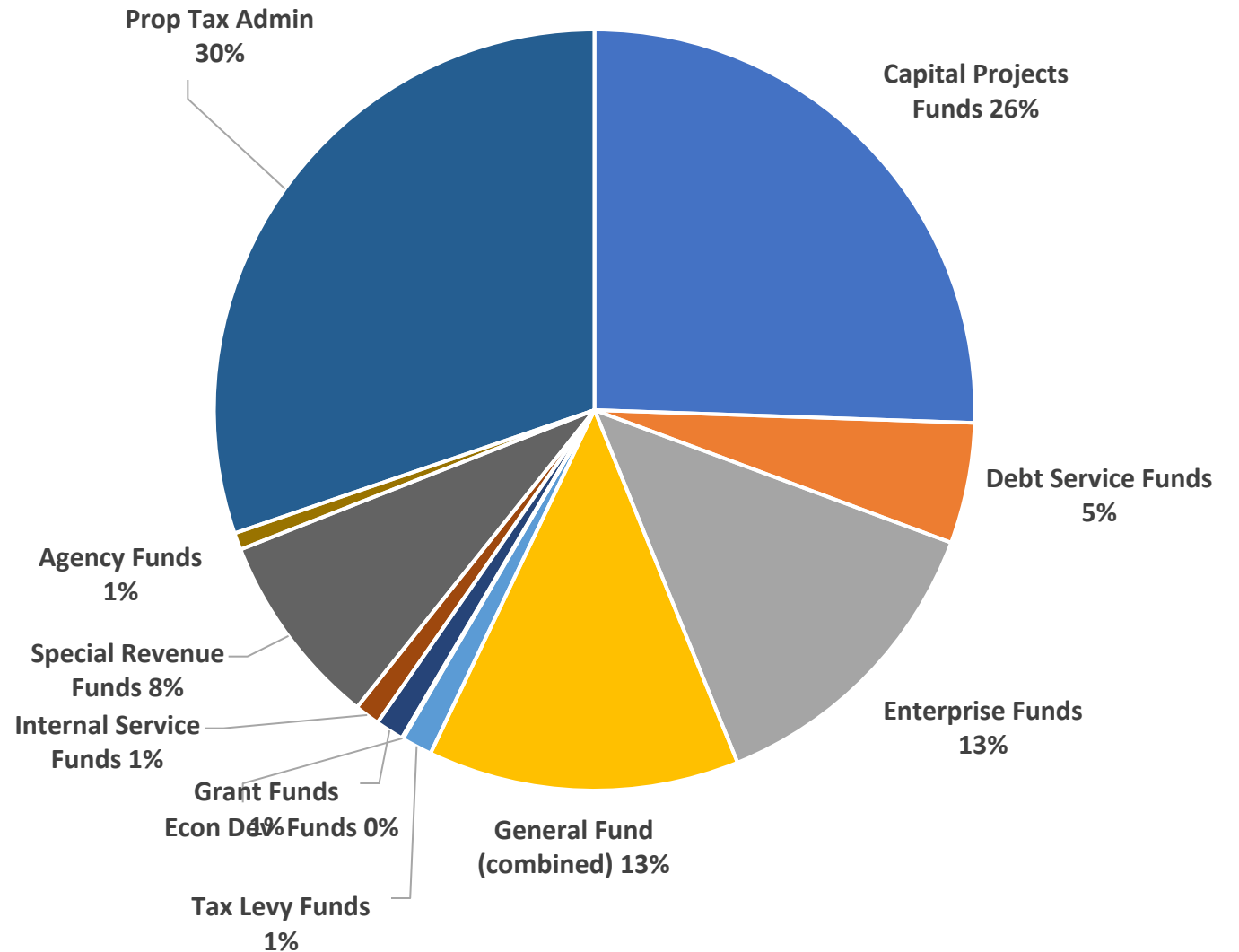
Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q4	NA	UMB, Wyandotte Operating	1.865%	12/31/2019	27,757,634	27,757,634
Thru Q4	NA	UMB, Wyandotte Health Reserve	1.865%	12/31/2019	(138,000)	(138,000)
Cash Equivalents					27,619,634	27,619,634
Purchases						
6/10/2016	70144408	Capitol Federal Bank	1.210%	12/10/2019	(1,000,000)	(1,000,000)
6/10/2016	32840	Liberty Bank	1.500%	12/10/2019	(1,000,000)	(1,000,000)
5/25/2017	70155743	Capitol Federal Bank	1.610%	11/25/2019	(5,000,000)	(5,000,000)
5/25/2017	70155744	Capitol Federal Bank	1.640%	11/25/2019	(5,000,000)	(5,000,000)
5/11/2018	70167421	Capitol Federal Bank	2.900%	11/12/2019	(5,000,000)	(5,000,000)
7/26/2019	9065574853	Capitol Federal Bank	2.100%	10/26/2019	(5,000,000)	(5,000,000)
Calls/Maturities					(22,000,000)	(22,000,000)
Total					5,619,634	5,619,634

UG Fund Category Cash Balances

- Of the total cash balances:
 - 26% is restricted by bond documents and/or appropriated for Capital Projects
 - 13% is General Fund (combined) reserves to meet operating liquidity needs and contingencies for emergencies and/or budgetary and economic uncertainty
 - 13% is for operations and capital projects of the Enterprise Funds
 - 43% is restricted by State statute for their specific function of the Special Revenue, Grant, Tax Levy and Internal Service funds
 - 5% for semi-annual Debt Service payments

Unified Govt Cash Balances by Fund Category – Q4
2019





Staff Request for Commission Action

Tracking No. 2012

Full Commission Meeting Date: 2/13/20 - Resolution to call a public hearing

3/26/20 - Resolution to approve the development agreement

Committee: Neighborhood & Community Development

Date of Standing Committee Action: 2/10/20

(If none, please explain):

Publication Required: Yes 3/12/2020

<u>Date:</u>	<u>Contact Name:</u>	<u>Contact Phone:</u>	<u>Contact Email:</u>	<u>Department/Division:</u>
1/29/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

Downtown Campus Development

1. Resolution setting a Public Hearing on 3/26/20.
2. Resolution approving the "Downtown Campus Development" development agreement.

The Downtown Campus Development is a first-class mixed-use development primarily at the current site of the Reardon Center (510 Minnesota Ave.) that includes:

- A 4 story mixed-use retail and residential building with approximately 70-85 market rate apartment units; approximately 6,000 square feet fitness center; and approximately 10,000 square feet of first-floor retail and commercial space.
- A Class A multi-purpose meeting space (Reardon Center) of approximately 11,000 square feet.
- A recreational athletic field space at 6th Street and Nebraska Ave.

Action Requested:

1. Resolution setting a Public Hearing on 3/26/20. - Approve and advance to full commission 2/13/20
2. Resolution approving the "Downtown Campus Development" development agreement. Approve and advance to full commission - Approve and advance to full commission 3/26/20

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Resolution Approving Downtown Campus Development Agreement, Resolution calling TIF PH (Downtown Campus), Lanier DA Executive Summary, Downtown Campus Development Agreement, Reardon Development Downtown Campus TIF Project Plan (601436880v4 USA) (01-29-2020 DRAFT)

(Published in *The Wyandotte Echo* on _____)

RESOLUTION NO. R-____-20

A RESOLUTION ADOPTING THE DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

WHEREAS, Lanier United, LLC, a Kansas limited liability company ("Developer") plans to (1) design, develop, construct and complete approximately 90,000 to 110,000 square feet of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements: (i) a four (4) to five (5) story mixed-use retail and residential building with first-floor retail and commercial space (the "Retail Space"), a fitness center with associated amenities (the "Fitness Center"), and 70 to 85 apartment units above the Retail Space with associated amenities (the "Multi-Family Space"), as more particularly described in Section 2.2(a)-(c) below; and (ii) approximately 10,600 square feet of Class A multi-purpose meeting space, as more particularly described in Section 2.2(d) below (the "Reardon Center"), on approximately 1.56 acres of real property located at 510 and 520 Minnesota Avenue in Kansas City, Kansas (the "Reardon Center Site"); and (2) design, develop, construct and complete an athletic field, as more particularly described in Section 2.2(e) below (the "Athletic Field"), on approximately 2.55 acres of real property generally located at the southwest corner of 6th Street and Nebraska Avenue in Kansas City, Kansas (the "Athletic Field Site", and collectively with the Reardon Center Site, the "Project Site"). The Retail Space, Fitness Center, Multi-Family Space, Reardon Center and Athletic Field, along with other private and public infrastructure improvements constitute the "Project"; and

WHEREAS, development of the Project should attract new residents to the community and stimulate the economy of Wyandotte County through employment, additional taxes and other indirect spending in the community, all of which would promote the public good, health, and welfare within Wyandotte County; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the Downtown Campus Development Agreement with Developer (the "Development Agreement"), attached as **Exhibit A** hereto, and incorporated by reference herein.

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

Section 1. That the Unified Government Board of Commissioners hereby approves the Development Agreement in substantially the form attached hereto.

Section 2. That the County Administrator is hereby authorized to execute in the name of the Unified Government, the Development Agreement, and any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in *The Wyandotte Echo*.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS
THIS ____ DAY OF _____, 2020.

David Alvey, Mayor/CEO

ATTEST:

Unified Government Clerk

(Seal)

EXHIBIT A

Development Agreement

[To be attached.]

RESOLUTION NO. R-____-20

A RESOLUTION CALLING AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A REDEVELOPMENT DISTRICT IN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, PURSUANT TO K.S.A. 12-1770 ET SEQ.

WHEREAS, K.S.A. 12-1770 *et seq.*, as amended (the “Act”), provides for the creation of redevelopment districts and the approval of redevelopment plans; and

WHEREAS, the Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”) intends to set a date for a public hearing for the purpose of considering the establishment of the Downtown Campus Redevelopment District (the “Redevelopment District”) in accordance with the Act; and

WHEREAS, the establishment of the proposed Redevelopment District is necessary to promote the general economic welfare of the Unified Government pursuant to the Act; and

WHEREAS, the Redevelopment District consists of an area described on the attached **Exhibit A** and generally delineated on the map attached as **Exhibit B**, both of which are incorporated herein by reference and made a part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. Public Hearing. It is hereby authorized, ordered, and directed that the Board of Commissioners shall hold a public hearing on **March 26, 2020, at 7:00 PM** or as soon thereafter as the matter can be heard in the Commission Chambers, lobby level of the Municipal Office Building located at 701 North 7th Street, Kansas City, Kansas, to hear comments and consider findings necessary to establish the Redevelopment District pursuant to the Act.

Section 2. Description and Map. A description and map of the proposed Redevelopment District is available for public inspection in the Unified Government Clerk’s office located in Suite 323 on the third floor of the Municipal Office Building from 8:00 am to 5:00 pm, Monday through Friday.

Section 3. Redevelopment District Plan. The Redevelopment District Plan may be described in a general manner as consisting of some or all of the following uses, without limitation: commercial uses, mixed use commercial retail, multifamily residential uses, recreational uses, a multi-purpose banquet/meeting space, and any other commercial structure or use (including but not limited to, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), other associated and appurtenant structures

and facilities, and any other items allowable under the Act.

Section 4. Findings. The Board of Commissioners will consider findings necessary for the establishment of a redevelopment district after conclusion of the public hearing.

Section 5. Notices. The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in the official city newspaper not less than one (1) week or more than two (2) weeks preceding **March 26, 2020**, the date set for the public hearing. The Clerk or any other employee or officer of the Unified Government is authorized and directed to mail a copy of this Resolution via certified mail, return receipt requested to the Unified Government Board of Commissioners; the Kansas City, Kansas, Unified School District #500 Board of Education as the school district levying taxes on property within the proposed Redevelopment District; and to each owner and occupant of land within the project areas of the proposed Redevelopment District not more than ten (10) days following the date of the adoption of this Resolution.

Section 6. Further Action. The Mayor/CEO, County Administrator, and other officers, agents, and employees of the Unified Government are hereby further authorized and directed to take such further action as may be appropriate or desirable to accomplish the purpose of this Resolution.

Section 7. Effective Date. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

**ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF
COMMISSIONERS THIS 13th DAY OF FEBRUARY, 2020.**

(SEAL)

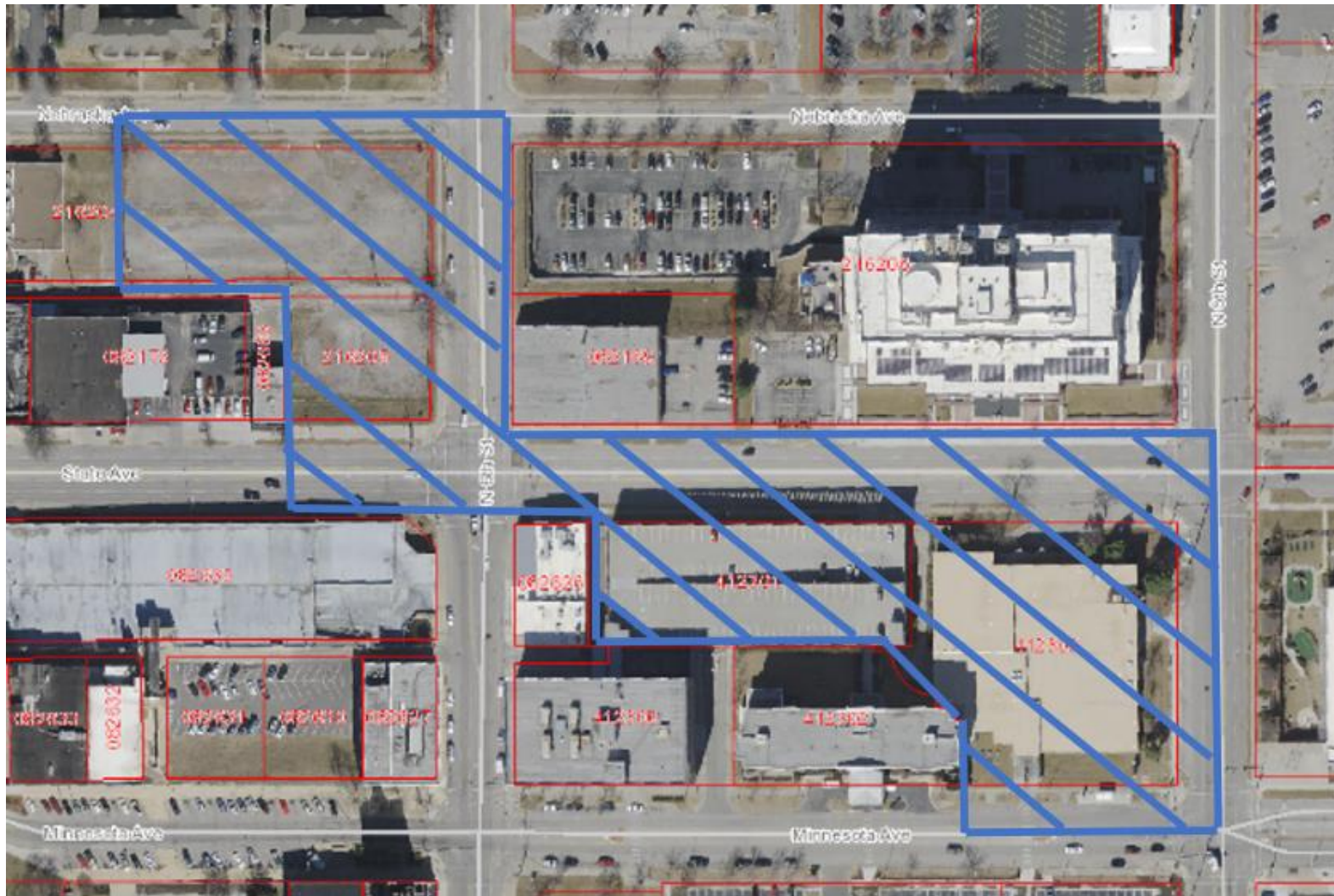
Mayor/CEO

Unified Government Clerk

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT

EXHIBIT B
MAP OF REDEVELOPMENT DISTRICT



2/10/20 EXECUTIVE SUMMARY
DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

1. **Parties.** The UG and Lanier United, LLC, a Kansas limited liability company ("Developer").
2. **The Project Site.** The Project Site includes the Reardon Center and adjacent property to the east of Reardon Center (510 and 520 Minnesota Avenue) (the "Reardon Center Site"), and property located at the southwest corner of 6th Street and Nebraska Avenue (the "Athletic Field Site"). The Reardon Center Site is already in a community improvement district ("CID") that imposed a 2% sales tax (the "CID Sales Tax") beginning October 1, 2013 in order to pay for or reimburse the costs of improvements to the Reardon Center, the Hilton Garden Inn adjacent to the Reardon Center, and an adjacent parking garage.
3. **The Project.** The Project is to be designed, constructed and developed as a first-class mixed use development consisting of the following components:
 - (a) approximately 90,000-110,000 s.f. of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements on the Reardon Center Site:
 - (i) a 4 story mixed-use retail and residential building with approximately 10,000 s.f. of first-floor retail and commercial space (the "Retail Space"), an approximately 6,000 s.f. fitness center (the "Fitness Center"), and 70-85 apartment units, including 5 units reserved for "workforce" housing tenants who earn less than 70% of the Kansas City, Kansas median income, above the Retail Space (the "Multi-Family Space"); and
 - (ii) no less than 10,600 s.f. feet of Class A multi-purpose meeting space with capacity to seat 350 people for community events and programs (the "Reardon Center"); and
 - (b) no less than 38,000 s.f. of recreational athletic field space with new turf, high-quality perimeter fencing, concessions, and bleachers to accommodate approximately 50 spectators for a variety of sports events (the "Athletic Field") on the Athletic Field Site.
4. **Public Infrastructure.** The UG will design, develop and construct certain infrastructure improvements necessary to support the Project, including sidewalks, drives, and other pedestrian and vehicular thoroughfares, as well as grading and restriping existing roads (the "Public Infrastructure"). The UG will complete the Public Infrastructure on or before July 31, 2020. The UG's costs for the Public Infrastructure, plus interest calculated at 5% per annum commencing from the date the UG pays any such costs (the "Public Infrastructure Costs"), will be reimbursed on a first priority basis from the CID and tax increment financing ("TIF") for the Project described below.
5. **Transfer of Project Site to Developer.** The UG owns the Project Site and will convey title to the portion of the Reardon Center Site needed for construction of the Multi-Family Space, Fitness Center, and Retail Space (the "Multi-Family Site") to Developer. The UG will ground lease (i) the portion of the Reardon Center Site needed for construction of the Reardon Center to Developer for 50 years (the "Reardon Center Ground Lease") and (ii) the Athletic Field Site to Developer for 10 years (the "Athletic Field Ground Lease") and collectively with the Reardon Center Ground Lease, the "Ground Leases"). The Ground Leases will provide for UG access to the Reardon Center and Athletic Field for at least 10 events per year (each), and scheduling for additional UG events at 50% of standard rental fees. The Ground Leases will be cross-defaulted with the Development Agreement. In exchange for the UG's use of the Reardon Center, the Agreement will provide for a one-time contribution of \$1,000,000 from the Reardon Center Maintenance Fund to pay for hard construction costs for the Reardon Center (the "UG Contribution").
6. **Timing.** Developer will commence construction on each component of the Project 60 days after closing on acquisition of the Multi-Family Site and the execution and delivery of the Ground Leases.

Developer will complete the Project 18 months after the commencement of construction. If Developer fails to timely commence and complete the Multi-Family Space, Fitness Center, and Retail Space, the UG will have a reversionary interest in the Multi-Family Site.

7. **Incentive Financing Provided.** In addition to contributing the Multi-Family Site and Ground Leases at almost no cost, the UG is offering the following incentives to stimulate the development of the Project:

(a) **CID Sales Tax.** The Agreement will provide that the proceeds from the CID Sales Tax may be used for pay-as-you-go financing (no bonds) to Developer following reimbursement of all of the Public Infrastructure Costs to the UG. The CID financing is only for use on demolition and site improvement and hard construction costs within the CID. The CID would be limited in the following ways:

(i) the maximum amount of CID reimbursements to Developer would be capped at \$3,020,515 (the "CID Cap");

(ii) the CID collection period ends on the earlier of the date that Developer has been reimbursed for all CID eligible expenses in an amount equal to the CID Cap or September 30, 2035; and

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more CID proceeds to Developer than the amount of project costs paid by private funds.

(b) **Tax Increment Financing ("TIF") District.** The Agreement will provide for formation of a TIF District that encompasses all of the Project Site, as well as the BPU parking garage and right-of-way along 6th Street and State Avenue connecting the Athletic Field Site to the Reardon Center Site and Multi-Family Site. Following reimbursement to the UG for all of the Public Infrastructure Costs, Developer will be reimbursed on a pay-as-you-go basis (no bonds) with: (x) 100% of incremental real property taxes from the TIF District for the first 12 years of the TIF collection period and then decreasing by 10% each year thereafter (i.e., 90% in year 13, 80% in year 14, and so on, with 20% in year 20); and (y) incremental sales taxes from within the TIF District. The TIF financing is only for use on demolition and site improvement and hard construction costs within the TIF District. TIF financing would also be limited in the following ways:

(i) the maximum amount of TIF reimbursements to Developer is capped at \$3,054,758 (the "TIF Cap"); and

(ii) the TIF collection period ends on the earlier of the date that Developer has been reimbursed for all TIF eligible expenses in an amount equal to the TIF Cap or 20 years from the date that the Commission approves the TIF project plan; and

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more TIF proceeds to Developer than the amount of project costs paid by private funds.

(c) **Transient Guest Tax ("TGT Grant").** The Agreement will provide for the UG to use its home rule authority to grant \$1,000,000 of the UG's transient guest taxes generated within the CID to be used to reimburse Developer on a pay-as-you-go basis for demolition and site improvement and hard construction costs for the Reardon Center.

(d) Industrial Revenue Bonds ("IRBs"). The Agreement will provide for IRB financing for Developer to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project, but not for abatement of ad valorem property taxes.

(e) Section 108 Loan. The UG will submit an application for a loan pursuant to Section 108 of the Housing and Community Development Act of 1974 ("Section 108 Loan") in the principal amount of \$5,000,000 to finance non-construction work related to the Project. If the UG is unable to secure the Section 108 Loan, the UG will provide additional public financing to the Project up to a maximum amount of \$225,000 to compensate Developer for the difference in amortized interest and financing costs incurred by Developer in connection with \$5,000,000 of private financing as compared to the Section 108 Loan. The UG has the option to redirect additional TIF Proceeds to Developer by adjusting the percentages identified in Section 7(b) above (and increasing the TIF Cap) and/or increasing the TGT Grant.

8. Term/Use and Operation. The term of this Agreement runs for the entire life of the CID and the TIF District. During the term, Developer has agreed to all of the UG's standard use and operation requirements in Article 7, including restrictions on uses (7.2(c)), compliance with law (7.5), payment of taxes (7.6), insurance (7.10), and indemnification (7.12). The Reardon Center Ground Lease, and therefore the provisions for the UG's use of the Reardon Center, has a term of 50 years and thus survives the term of the Agreement.

9. MBE/WBE/LBE. Developer has agreed to the following participation goals for construction of the Project:

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

If, upon completion of Project, Developer shall have failed to use best efforts to meet the LBE/MBE/WBE goals, then the UG shall have the right to reduce the CID Cap and TIF Cap by 2.5% for each of Construction and Professional Services.

10. Assignment/Transfer. In general, Section 7.13 provides that Developer cannot sell, mortgage or transfer the site or the Project without UG approval, which approval would be at the UG's reasonable discretion. However, the UG does agree that Developer may make leases to tenants in the Multi-Family Space and Retail Space. Developer may also make assignments to affiliates. The parties also agree that Developer will enter into management agreements with entities to be approved by the UG for management of the Fitness Center and Reardon Center.

11. Default. The default provisions are generally consistent with other development agreements.

**DEVELOPMENT AGREEMENT
FOR
DOWNTOWN CAMPUS DEVELOPMENT**

between the

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

and

LANIER UNITED, LLC

DATED AS OF _____, 2020

DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT

This DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT (this “Agreement”) is made as of the ____ day of _____, 2020 (the “Effective Date”) by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the “UG”), and LANIER UNITED, LLC, a Kansas limited liability company (“Developer”).

RECITALS

A. Developer wishes to (1) design, develop, construct and complete approximately 90,000 to 110,000 square feet of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements: (i) a four (4) to five (5) story mixed-use retail and residential building with first-floor retail and commercial space (the “Retail Space”), a fitness center with associated amenities (the “Fitness Center”), and 70 to 85 apartment units above the Retail Space with associated amenities (the “Multi-Family Space”), as more particularly described in Section 2.2(a)-(c) below; and (ii) approximately 10,600 square feet of Class A multi-purpose meeting space, as more particularly described in Section 2.2(d) below (the “Reardon Center”), on approximately 1.56 acres of real property located at 510 and 520 Minnesota Avenue in Kansas City, Kansas (the “Reardon Center Site”); and (2) design, develop, construct and complete an athletic field, as more particularly described in Section 2.2(e) below (the “Athletic Field”), on approximately 2.55 acres of real property generally located at the southwest corner of 6th Street and Nebraska Avenue in Kansas City, Kansas (the “Athletic Field Site”, and collectively with the Reardon Center Site, the “Project Site”). The Retail Space and updated Reardon Center will serve as an anchor for the downtown Kansas City, Kansas central business district by providing a variety of commercial and service-based amenities to Kansas City, Kansas residents, employees and visitors, as well as complementing the adjacent Hilton Garden Inn. The Project Site is legally described on Exhibit A-1 and generally depicted on Exhibit A-2 attached hereto.

B. Developer does not yet own the Project Site. The UG owns the Project Site and will convey fee title to a portion of the Reardon Center Site to Developer, and ground lease other portions of the Project Site to Developer, all as more particularly set forth in Section 2.3 below, subject to certain terms and conditions more fully set forth therein.

C. The UG has the authority to create one or more community improvement districts pursuant to K.S.A. 12-6a26 *et seq.*, as amended from time to time (the “CID Act”), for the purpose of financing certain economic development projects. Under the CID Act, the owners of the land within the boundaries of a proposed community improvement district may petition the UG to request the creation of a community improvement district and to impose an additional community improvement district sales tax on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the community improvement district in order to pay for or reimburse the costs or a portion of the costs of a community improvement district project.

D. The Reardon Center Site is currently included within the Downtown Hotel Community Improvement District (the “CID”) created by the UG by Ordinance No. O-37-13 on June 6, 2013 (the “CID Ordinance”), pursuant to the CID Act. A copy of the CID Ordinance is attached hereto as Exhibit B. Pursuant to the CID Ordinance, the UG authorized the imposition of a two percent (2%) sales tax (the “CID Sales Tax”) on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the CID, commencing on October 1, 2013, in order to pay for or reimburse the costs of improvements to the Reardon Center, the Hilton Garden Inn adjacent to the Reardon Center, and an adjacent parking garage. Developer has requested that revenues from the CID Sales Tax be disbursed first to the UG to pay for infrastructure expenses as described herein and thereafter to Developer on a pay-as-you-go basis to reimburse the costs of certain site improvements and hard

construction costs for the portions of the Project (as defined in Section 2.2) located within the CID and eligible for reimbursement pursuant to the CID Act and the CID Ordinance.

E. In addition to the CID financing described above, the UG also has the authority to create a tax increment financing (“TIF”) district pursuant to K.S.A. 12-1770 *et seq.*, as amended from time to time (the “TIF Act”), for the purpose of financing certain economic development projects. On _____, 2020, the UG approved the creation of a TIF district pursuant to the TIF Act (the “TIF District”) through the adoption of Ordinance No. O-____-____ (the “TIF District Ordinance”). The TIF District Ordinance is attached hereto as **Exhibit C**. A legal description of the boundaries of the TIF District is attached hereto as **Exhibit D-1**, and a map generally depicting the boundaries of the TIF District is attached hereto as **Exhibit D-2**.

F. On _____, 2020, the UG held a public hearing in connection with Developer’s proposed Redevelopment Project Plan for the TIF District (the “Project Plan”), pursuant to the TIF Act. The Project Plan provides, among other things, for the collection of Incremental Sales Tax (as defined in Section 4.3(a)(i)) and Incremental Real Property Taxes (as defined in Section 4.3(a)(ii)) within the TIF District to be disbursed to and used by Developer and the UG on a pay-as-you-go basis to reimburse certain TIF Eligible Expenses (as defined in Section 4.3). On _____, 2020, the UG approved and adopted the Project Plan for the TIF District through the adoption of Ordinance No. O-____-____ (the “TIF Project Ordinance”) pursuant to the TIF Act. The TIF Project Ordinance is attached hereto as **Exhibit E**.

G. In addition to the CID financing and TIF financing described above, the UG also agrees to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to grant One Million Dollars (\$1,000,000) of the UG’s transient guest taxes (the “TGT Grant”, as defined in Section 4.4(b)), subject to adjustment by the UG as necessary to satisfy the provisions of Section 3.1(a) below to be disbursed to and used by Developer on a pay-as-you-go basis to reimburse certain Reardon Center Costs (as defined in Section 4.4(a)).

H. In connection with the Project, Developer has also requested industrial revenue bond (“IRB”) financing in order to pay certain project costs pursuant to K.S.A. 12-1741 *et seq.* Pursuant to the terms and conditions set forth in Section 4.11 below, the parties hereby agree that Developer may use IRB financing for the limited purpose of obtaining an exemption on sales taxes for construction materials, equipment and furnishings for the portions of the Project located within the Project Site, and not for abatement of ad valorem property taxes on the Project Site.

I. Development of the Project should attract new residents to the community and stimulate the economy of Wyandotte County through employment, additional taxes and other indirect spending in the community, all of which would promote the public good, health, and welfare within Wyandotte County.

J. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer hereby agree as follows:

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes each other gender;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;
- (f) each of the items or agreements identified on the attached Index of Exhibits are deemed part of this Agreement to the same extent as if set forth herein;
- (g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;
- (h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and
- (i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1 attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2. THE PROJECT

2.1 Undertaking of Developer. Developer hereby agrees, subject to the terms and conditions hereinafter provided, to develop, construct, complete and operate the Project. The performance of all activities by Developer hereunder shall not be as an agent of the UG, except as otherwise specifically provided herein.

2.2 Development of the Project Site. Prior to Closing on the conveyance of the Project Site to Developer and execution of the Ground Leases, as set forth in Sections 2.3 and 5.1, the UG and Developer hereby agree that Developer shall have the right but not the obligation to develop the Project as described below. If and to the extent that Developer closes on the Project Site and executes and delivers the Ground Leases, then Developer shall then be contractually obligated in this Agreement to demolish the existing buildings on the Reardon Center Site and/or the Athletic Field Site, and to construct and complete all of the

components of the Project on the Reardon Center Site and/or the Athletic Field Site. Developer hereby contemplates that all of the infrastructure, buildings, parking facilities and other improvements constituting the Project, as described in this Section 2.2 and as generally depicted on **Exhibit F** attached hereto (the “Improvements”), shall be developed, constructed, completed, and operated on the Project Site in accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approvals as may be granted by the UG’s Planning Commission or other relevant bodies if any (the “Development Plan”). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree that the “Project” shall include the following:

(a) Retail Space: Approximately 10,000 square feet of commercial space for neighborhood retail and/or restaurant uses.

(b) Multi-Family Space: 70 to 85 apartment units, including studio, one (1) and two (2) bedroom apartment units ranging from 650 to 1,050 square feet each, along with associated amenities to include solid surface countertops, stainless steel appliances, a home automation program with enhanced Wi-Fi and cable television, and a clubhouse to include a commercial grade kitchen, television area and outdoor recreation area. The Multi-Family Space shall be market rate, except for five (5) units which shall be reserved as “workforce” housing for tenants who earn less than 70% of the Kansas City, Kansas median income;

(c) Fitness Center: An approximately 6,000 square foot fitness center featuring free and universal weights, group fitness classes and personal training. The Fitness Center shall be managed and operated by Will Shields 68 Inside Sports, or such other similar fitness management company selected by the Developer and approved in writing by the UG, which approval shall not be unreasonably withheld (the “Fitness Manager”), pursuant to a separate agreement between Developer and the Fitness Manager in accordance with the terms and conditions of Section 7.13(d) below (the “Fitness Management Agreement”). The Retail Space, Multi-Family Space and Fitness Center may be included in one building in the Project which contains all of the components described in this Section 2.2(a)-(c);

(d) Reardon Center: No less than 10,600 square feet of Class A multi-purpose banquet/meeting space with capacity to seat 350 people for community events and programs, including youth education and healthy living programs, and Science, Technology, Engineering and Math (“STEM”) awareness classes. The Reardon Center shall be operated under the name “Reardon Center” or “Jack Reardon Center” by an experienced meeting space operator (“Manager”) who will be selected by Developer and approved by the UG as set forth in Section 7.13(e) below, pursuant to a separate agreement between Developer and Manager in accordance with the terms and conditions of Section 7.13(e) below (the “Reardon Center Management Agreement”);

(e) Athletic Field: No less than approximately 38,000 square feet of recreational athletic fields space with new turf, high-quality perimeter fencing, concessions, and a collection of bleachers to accommodate approximately fifty (50) spectators for a variety of sports events (including, for example, baseball, soccer, volleyball and other multi-sport athletic activities and uses) and other recreational and entertainment activities, which Athletic Field shall be managed and operated by Fitness Manager pursuant to the Fitness Management Agreement;

(f) Infrastructure: Infrastructure improvements, which may include, without limitation, site work, lighting, sewer, stormwater and water main improvements, and irrigation

systems, necessary to support the Improvements in the Project (“Private Infrastructure”) other than the Public Infrastructure (as defined in Section 2.5);

(g) Parking Improvements: Surface parking improvements containing the number of spaces required by the Applicable Laws and Requirements for each of the Improvements (the “Parking Improvements”);

(h) Signage: Signage which shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG’s Commission. Developer may develop sign criteria for the entire Project Site;

(i) Developer’s development, design and construction of the Improvements shall in all respects comply with the Plans and Specifications (as defined in Section 6.2); and

(j) The Project described in this Section 2.2 shall not be amended or modified without the prior written consent of the UG, which consent shall not be unreasonably withheld, and shall be granted or denied in accordance with all Applicable Laws and Requirements.

2.3 Transfer of Project Site to Developer. The UG owns the real property that comprises the Project Site. Subject to the terms and conditions hereof and satisfaction of the conditions set forth in Section 3.1 below, Developer shall (i) close on the acquisition of fee title for the portion of the Reardon Center Site needed for construction of the Multi-Family Space, Fitness Center, and Retail Space (the “Multi-Family Site”); and (ii) execute and deliver a ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease certain real property (and the Improvements thereon) to Developer, subject to the terms and conditions more fully described in Section 2.3(c)(i) below (the “Reardon Center Ground Lease”); and (iii) execute and deliver a ground lease of the Athletic Field Site, pursuant to which the UG will ground lease the Athletic Field Site (and the Improvements thereon) to Developer, subject to the terms and conditions more fully described in Section 2.3(c)(ii) below (the “Athletic Field Ground Lease” and collectively with the Reardon Center Ground Lease, the “Ground Leases”). At Closing (as defined in Section 5.1), the UG shall convey the Multi-Family Site to Developer pursuant to a quitclaim deed (the “Deed”), subject only to the provisions set forth in this Section 2.3 and in the balance of this Agreement and subject to the Permitted Encumbrances (as defined in Annex 1). In consideration for the Deed, Developer shall pay to the UG an amount equal to One Hundred Dollars (\$100) (the “Purchase Price”) at Closing. The parties hereby further agree as follows:

(a) Developer’s Investigations. For a period of one hundred twenty (120) days after the Effective Date (the “Due Diligence Period”), the UG shall allow Developer access to the Project Site for purposes of inspecting the Project Site, including the right to testing of same (the “Investigations”); provided, however, that: (i) Developer must schedule such Investigations with the UG; (ii) Developer shall provide the UG with a copy of any written reports resulting from the Investigations within thirty (30) days of completion of the Investigations; (iii) Developer and the UG (subject always to the Kansas Open Records Act, K.S.A. 45-215 *et seq.*; Kansas Open Meetings Act, K.S.A. 75-4317 *et seq.*; and rules of discovery) will maintain the results of any such Investigations confidential, except to such third-party consultants, lenders, investors or attorneys as reasonably necessary to advise Developer with regard to the Investigations; (iv) Developer shall repair any and all damage caused by the Investigations, and shall restore the Project Site to the condition it was in prior to such Investigations, except for such portions that shall be demolished in accordance with this Agreement; and (v) Developer agrees to indemnify and hold the UG and its agents, officers, contractors and employees (the “UG Parties”) harmless from any and all injuries, losses, liens, claims, judgments, liabilities, costs actually incurred, expenses or damages (including reasonable attorneys’ fees and court costs) sustained by or threatened against the UG (and/or the UG Parties) which result from or arise out of any Investigations by Developer or its

authorized representatives pursuant to this Section 2.3(a). Notwithstanding any provision herein to the contrary, the indemnity contained in the preceding sentence shall survive the termination of this Agreement or the Closing. The UG shall pay the costs of any environmental assessment of the Project Site completed by Developer during its Investigations. If any such environmental assessment discloses the existence of an environmental condition, the UG may, in its sole discretion, but is not obligated to, complete remediation at the UG's cost. The UG shall notify Developer in writing of its election prior to expiration of the Due Diligence Period. If Developer is not satisfied in all respects as to the condition of the Project Site either before or after any remediation undertaken by the UG in its sole discretion, then Developer shall have the right, exercisable by written notice given to the UG on or before the expiration of the Due Diligence Period, except to the extent that any remediation of the Project Site by the UG extends beyond the Due Diligence Period, then, in such case, ten (10) days after the completion of any such remediation by the UG (the "Remediation Extension"), to terminate this Agreement. In the event that Developer shall elect not to exercise its right to terminate this Agreement pursuant to this Section 2.3(a) before expiration of the Due Diligence Period and any Remediation Extension, then Developer shall be deemed to have waived this condition and accepted the Project Site "as is, where is," without representations or warranties from the UG of any kind whatsoever. Developer hereby agrees that it is relying solely on its own Investigations of the Project Site and not on any information provided or to be provided by the UG, its officers, or agents, and that if Developer does not exercise its right to cancel and terminate under this Section 2.3(a), or the other conditions set forth in Section 3.1 below, then Developer understands and agrees that Developer shall be deemed and considered to be fully and completely satisfied with the Project Site and all parts and aspects thereof.

(b) Right of Reversion. Developer hereby agrees that the Multi-Family Site shall be subject to a right of reversion in favor of the UG (the "Reversionary Interest") in the event that, subject to Force Majeure (as defined in Section 10.2) or any extension granted by the UG in writing: (i) commencement of construction of the Multi-Family Space, Fitness Center, and Retail Space has not occurred on or before the Commencement Date set forth in Section 6.10 below; and/or (ii) construction of the Multi-Family Space, Fitness Center, and Retail Space timely commenced, but completion of construction of these Improvements has not occurred on or before the Completion Date set forth in Section 6.10 below. In order to exercise the Reversionary Interest, the UG shall first give to Developer a written notice of default and an additional sixty (60) days to cure (the "Reversionary Interest Notice") which shall specifically state that the UG is invoking the Reversionary Interest remedy, and in that case, if Developer fails to remedy the default in question within the additional sixty (60) days, the UG shall have the right, in its discretion, to exercise its Reversionary Interest as to the Multi-Family Site. The UG shall not reimburse Developer for any losses or costs associated with the UG's exercise of its Reversionary Interest. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Reversionary Interest shall automatically be released for the Multi-Family Site upon Substantial Completion (as defined in Annex 1) of the Multi-Family Space, Fitness Center and Retail Space Improvements, and the UG shall execute and deliver to Developer a quitclaim deed or such other documents as may be necessary to evidence the release of the Reversionary Interest promptly thereafter. For purposes of this Agreement, the words "commence construction" and "commencement of construction" shall mean the issuance of appropriate permits for demolition of existing buildings on the Project Site and construction of the Improvements, and Developer's undertaking of a continuous program of construction for the Improvements.

(c) Ground Leases. The parties hereby agree that at Closing, the UG and Developer shall enter into ground leases referenced below for portions of the Project Site as more particularly described below:

(i) Reardon Center Ground Lease. At Closing, the UG and Developer will execute and deliver the Reardon Center Ground Lease, which shall be a triple net ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease such real property (and the Improvements thereon) to Developer for a period of fifty (50) years. The Reardon Center Ground Lease shall include, among other things, the following terms and conditions:

A. The UG shall have access to the Reardon Center for no less than ten (10) civic-related events per calendar year with no room rental charges therefor for the entire term of the Reardon Center Ground Lease;

B. Beyond the ten (10) events described above, the UG may schedule additional events at the Reardon Center at a price which is subject to negotiation between the parties, but in no event shall the UG ever be required to pay more than fifty percent (50%) of the standard room rental fee;

C. Associated event services for the UG's events (such as food, drinks and linen) may be charged to the UG at Reardon Center's most competitive rates therefor;

D. Subject to space availability at the time of any requests therefor, the UG may schedule an unlimited number of events in meeting and small break-out spaces, provided that the UG shall schedule such events at least fourteen (14) days prior to such event (and the UG will be responsible for setting up and breaking down all non-catered events in meeting and small break-out spaces);

E. The parties hereby agree to meet at least once per year, no later than October 1st, to discuss dates that the UG needs to book for the following calendar year; and

F. The Reardon Center Ground Lease shall be cross-defaulted with this Agreement.

(ii) Athletic Field Ground Lease. At Closing, the UG and Developer will execute and deliver the Athletic Field Ground Lease, which shall be a triple net ground lease on the Athletic Field Site, pursuant to which the UG will ground lease the Athletic Field Site (and the Improvements thereon) to Developer for a period of ten (10) years. If the Athletic Field Ground Lease is not renewed beyond the initial ten (10) year term as set forth in subparagraph (F) below, then the parties agree that the Athletic Field shall not be deemed to be a part of the "Project" under the terms of this Agreement thereafter, nor will the "Athletic Field Site" be deemed to be a part of the "Project Site" thereafter; provided however that the costs of developing and constructing the Athletic Field shall continue to be deemed "Project Costs" hereunder. The Athletic Field Ground Lease shall include, among other things, the following terms and conditions:

A. The UG's Parks & Recreation Department shall have access to the Athletic Field Site for no less than ten (10) events (including events that may last for up to twenty-four (24) hours and a maximum of three (3) events that may last up to forty-eight (48) hours) per calendar year with no field rent, license fee or other charges therefor;

B. Beyond the ten (10) events described above, the UG may schedule additional events at the Athletic Field at a price which is subject to negotiation between the parties, but in no event shall the UG ever be required to pay more than fifty percent (50%) of the standard rental or license fee for such use of the Athletic Field;

C. Associated event services for the UG's events (such as food, drinks and personnel) may be charged to the UG at the Athletic Field's most competitive rates therefor;

D. Developer and the UG hereby agree to meet at least once per year, no later than October 1st, to discuss dates that the UG needs to book for the following calendar year;

E. The UG shall have the right to review and approve any naming rights sponsor for the Athletic Field before any such sponsorship agreement is executed and/or publicly announced;

F. The Athletic Field Ground Lease may be renewed beyond the initial ten (10) year term by mutual agreement of the UG and Developer; and

G. The Athletic Field Ground Lease shall be cross-defaulted with this Agreement.

2.4 Developer's Obligations to Construct and Complete the Project. If and to the extent that Developer closes on the Multi-Family Site and executes and delivers the Ground Leases, then subject to the terms and conditions of this Agreement and except as otherwise provided herein, Developer hereby covenants and contractually agrees to fully construct and complete the Improvements as described herein. Except as otherwise provided herein, Developer hereby agrees to complete the Improvements on or before the Completion Date set forth in Section 6.10 below.

2.5 Public Infrastructure. The parties understand and agree that the UG shall design, develop and construct certain infrastructure improvements necessary to support the Improvements in the Project, including sidewalks, drives and other pedestrian and vehicular thoroughfares, as well as grading and restriping existing roads, all as depicted on Exhibit G attached hereto (the "Public Infrastructure"). The UG shall complete the Public Infrastructure on or before July 31, 2020.

2.6 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents (as defined in Annex 1). The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

ARTICLE 3. CONDITIONS

3.1 Closing Conditions. Closing of this Agreement shall be subject to the satisfaction of the following conditions precedent (the "Closing Conditions"):

(a) Financing Plan. Developer shall secure and provide evidence of immediately available private funds which, when added to the CID Proceeds (as defined in Section 4.2(b)), TIF Proceeds (as defined in Section 4.3), and TGT Grant (as defined in Section 4.4(b)) are sufficient to complete the Improvements. Developer shall provide evidence of such private funds in form and substance verifiable and approved by the UG's County Administrator in his or her sole discretion,

in the form of: (x) cash funds held in a bank account; or (y) private equity and/or a closed loan from a financial institution that is ready, willing and able to provide construction draws for the Project, subject only to normal and customary draw conditions that are approved by the UG. The UG, as soon as reasonably practicable after the Effective Date, shall submit an application for a loan pursuant to Section 108 of the Housing and Community Development Act of 1974 (“Section 108 Loan”) in the principal amount of not less than Five Millions Dollars (\$5,000,000) for the purpose of financing or refinancing non-construction work related to the Project. If and to the extent the UG is unable to secure a Section 108 Loan within [REDACTED] days of the Effective Date, then the UG shall provide additional public financing to the Project in an amount up to (but not to exceed) the lesser of \$225,000 and the difference between (i) the amortized interest and financing costs to be incurred by Developer in connection with \$5,000,000 of Developer's private financing; and (ii) the interest and financing costs that would have been incurred by Developer in connection with a Section 108 Loan over the same term; provided that interest and financing costs in (i) and (ii) shall be adjusted to reasonably compensate for any material differences in the terms and structure of the respective loans. If the UG is unable to secure a Section 108 Loan within [REDACTED] days of the Effective Date, the additional public financing described in the prior sentence shall be paid by the UG, and funded through (x) redirection of additional TIF Proceeds to Developer by reasonably adjusting the percentages in the last sentence of Section 4.3(a)(v) for years 13 through 20, so that the additional public financing described above shall be made available to Developer in relatively equal amounts for years 13 through 20; or (y) by increasing the TGT Grant described in Section 4.4, as needed; or (z) a combination of funds from (x) and (y) above, which funding sources shall be determined by the UG in its sole discretion. The UG will also, at no cost to the UG, support and cooperate with Developer on any applications, designations and approvals for new market tax credits, opportunity zone incentives, favorable private financing, allocation of Community Reinvestment Act funds, community development block grants, green incentives, and grants from the State of Kansas;

(b) TIF District Approvals. The UG’s Commission shall have approved (i) the TIF District by approval of the TIF District Ordinance described in Recital E above, and (ii) the Project Plan by approval of the TIF Project Ordinance described in Recital F above, or Developer shall have waived this requirement in writing;

(c) TGT Grant. The UG shall have approved an ordinance for the TGT Grant described in Recital G and Section 4.4 below, or Developer shall have waived this requirement in writing;

(d) IRBs. The UG’s Commission shall have approved a Resolution of Intent for the IRB financing described in Section 4.11 below, or Developer shall have waived this requirement in writing;

(e) Final Site Plan Approval. Developer shall have obtained all final site plan approvals and any other required approvals for the Improvements as required by all Applicable Laws and Requirements;

(f) Ground Leases. The UG and Developer shall have agreed upon the form of each of the Reardon Center Ground Lease and the Athletic Field Ground Lease.

(g) Fitness Management Agreement. Developer shall have entered into the Fitness Management Agreement with the UG’s prior written approval, as further described in Section 7.13(d) below;

(h) Reardon Center Management Agreement. Developer shall have entered into the Reardon Center Management Agreement with Manager with the UG’s prior written approval of

both the Manager and the Reardon Center Management Agreement, as further described in Section 7.13(e) below;

(i) Parking Agreement. Developer shall have entered into a separate agreement with the UG and/or the Kansas City Board of Public Utilities (“BPU”) to provide for Developer’s use of 95 spaces on the upper deck of the parking garage located north of the Hilton Garden Inn and BPU building, which agreement shall be acceptable to the UG and BPU in their respective sole discretion; and

(j) Brancato Management Agreement. The UG shall have terminated that certain Civic Center Management Agreement dated April 15, 2016 by and between the UG and Robinson Catering, Inc., a Missouri corporation (d/b/a Brancato’s Catering) pertaining to the Reardon Center, which otherwise expires by its terms on April 14, 2021.

Where approval of the UG is required for the various conditions set forth in this Section 3.1, such approval shall be granted or withheld by the County Administrator in his sole, but reasonable discretion.

3.2 Termination. In the event that the Closing Conditions set forth in Section 3.1 above are not met or waived on or prior to June 30, 2020 (the “Drop Dead Date”), then either party hereto shall have the right to terminate this Agreement, but such failure shall not be an event of default hereunder. Upon any such termination of this Agreement, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, except for those provisions that are specifically set forth herein to survive termination of this Agreement, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of August 26, 2019, as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

ARTICLE 4. FINANCING — SOURCE OF FUNDS

4.1 Public Financing: Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as Exhibit H, and by this reference made a part hereof. The costs of the Project (the “Project Costs”) will be funded in part by public incentives, including the CID Proceeds, TIF Proceeds, IRBs, and the TGT Grant, as well as private equity and debt. Developer, using private equity and debt (the “Private Funds”), will initially advance all of the costs for the design, development and construction of the Project, except for the Public Infrastructure for which the UG will initially advance all of the costs for the design, development and construction thereof. The UG, subject to the terms and conditions of this Agreement, shall be reimbursed for the Public Infrastructure from CID Proceeds and/or TIF Proceeds. Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain CID Eligible Expenses (as defined below in Section 4.2) and TIF Eligible Expenses from and to the extent of the CID Proceeds and TIF Proceeds collected during the Term. Developer, subject to the terms and conditions of this Agreement, shall be reimbursed for certain Reardon Center Costs from and to the extent of the TGT Grant.

4.2 CID. It is contemplated by the parties that all of the Public Infrastructure Costs (as defined in Section 4.2(b)) and a portion of the Project Costs for the Reardon Center shall be funded by CID Proceeds. Developer has identified certain Project Costs for the Reardon Center which may be reimbursed with CID Proceeds if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs, located within the CID, identified on Exhibit H attached hereto, and eligible for payment or reimbursement pursuant to the CID Act (the “CID Eligible Expenses”). In connection with the CID, the parties hereby agree as follows:

(a) CID Sales Tax. Following reimbursement to the UG of all of the Public Infrastructure Costs (to the extent the same are eligible for payment or reimbursement pursuant to the CID Act), and subject to the terms and conditions of this Agreement and the CID Ordinance, the UG hereby agrees that the CID Eligible Expenses may be reimbursed with Pay-Go CID Financing (defined below in Section 4.2(d)) from the imposition of the CID Sales Tax in the amount of two percent (2%) on the sale of tangible personal property at retail or rendering or furnishing of services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) from only those revenues received from within the CID. Developer agrees to provide to the Kansas Department of Revenue (the "DOR") a list of tenants, licensees, vendors and concessionaires within the CID within the timeframes required by the DOR, so that the DOR can notify tenants within the CID of their requirement to collect the CID Sales Tax. At the time the list of tenants, licensees, vendors and concessionaires is provided to the DOR, Developer shall also provide a copy to the UG.

(b) CID Proceeds. The revenues received from the imposition of the CID Sales Tax, less the CID Administrative Fee (as defined in Section 4.2(f)), constitute the "CID Proceeds" and shall be collected and deposited into the CID Fund (as defined in Section 4.2(c)). The CID Proceeds shall be used first to pay or reimburse the UG for all of the UG's costs of designing, developing and constructing the Public Infrastructure plus interest thereon calculated at five percent (5%) per annum commencing from the date the UG pays any such costs (the "Public Infrastructure Costs"), and then to pay or reimburse Developer for the CID Eligible Expenses, subject to the limitations in the CID Act and provided that none of the CID Proceeds shall be used to pay for anything but the CID Eligible Expenses identified on Exhibit H attached hereto, without the prior approval of the UG in its sole discretion.

(c) CID Fund. During the existence of the CID, all CID Proceeds generated within the CID shall be deposited into a separate fund (the "CID Fund"), established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(d) Pay-Go CID Financing. The parties hereby agree that the CID Proceeds shall be disbursed by the UG to Developer quarterly from the CID Fund on a pay-as-you-go basis ("Pay-Go CID Financing") to reimburse Developer for the CID Eligible Expenses, if and to the extent that: (1) the UG has been paid in full for the Public Infrastructure Costs, (2) there are sufficient CID Proceeds in the CID Fund, (3) Developer has fully satisfied all of the conditions set forth in Section 4.7, (4) Developer has not already been reimbursed for CID Eligible Expenses in an amount equal to the CID Cap (as defined in Section 4.2(d)(ii)), and (5) the Term has not yet expired. The parties further agree as follows:

(i) CID Collection Period. The CID Sales Tax shall be collected within the CID for a period that commenced on October 1, 2013, which is the date that the CID Sales Tax was first imposed within the CID, up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all CID Eligible Expenses by Pay-Go CID Financing in an amount equal to the CID Cap, or (b) September 30, 2035 (the "CID Collection Period"). At the end of the CID Collection Period, the parties understand and agree that the CID shall thereafter terminate, the CID Sales Tax shall terminate and no longer be levied or collected within the CID, and the UG shall promptly take any action required to so terminate the CID and the CID Sales Tax.

(ii) CID Cap. After the UG has been paid in full for the Public Infrastructure Costs, thereafter the CID Proceeds shall be available to Developer for reimbursement of CID Eligible Expenses through Pay-Go CID Financing, and the CID Proceeds available to Developer shall in no event exceed Three Million Twenty Thousand Five Hundred Fifteen Dollars (\$3,020,515) (the “CID Cap”). The CID Cap shall, for all purposes set forth herein, operate as a cap on the use of CID Proceeds for reimbursement to Developer of any of Developer’s CID Eligible Expenses. Once Developer has received an amount equal to the CID Cap in reimbursements of CID Eligible Expenses through Pay-Go CID Financing, the parties understand and agree that Developer’s access to the Pay-Go CID Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go CID Financing unless and until the conditions precedent set forth in Section 4.7 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go CID Financing as provided in this Agreement.

(e) No CID Bonds. Developer hereby understands and agrees that all reimbursements to the Developer hereunder shall be made only from Pay-Go CID Financing, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer for the CID Eligible Expenses or any other Project Costs.

(f) CID Administrative Fee. A portion of the CID Proceeds from the CID shall be used to pay an administrative fee in an amount equal to one percent (1%) of the CID Proceeds actually received by the UG from the DOR (the “CID Administrative Fee”), and Developer hereby understands and agrees that such CID Administrative Fee shall be withheld by the UG prior to depositing the balance of the CID Proceeds into the CID Fund. As and when there are sufficient CID Proceeds from the CID to pay the CID Administrative Fee, such CID Administrative Fee shall have first priority to available CID Proceeds.

4.3 TIF District. It is contemplated by the parties that the Public Infrastructure Costs and Project Costs shall be funded in part by Sales Tax TIF Proceeds and Property Tax TIF Proceeds (collectively, the “TIF Proceeds”). Developer has identified certain Project Costs which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs, located within the TIF District, identified on Exhibit H attached hereto, and eligible for payment or reimbursement pursuant to the TIF Act (the “TIF Eligible Expenses”). In connection with the TIF District, the parties hereby agree as follows:

(a) Collection of TIF Revenues. For a period of twenty (20) years from the approval of the Project Plan the UG shall collect Incremental Sales Tax and Incremental Real Property Taxes as set forth below, unless the TIF District shall be earlier terminated pursuant to the express terms of this Agreement.

(i) Incremental Sales Tax. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG hereby agrees that the TIF Eligible Expenses, and the Public Infrastructure, may be financed and reimbursed with Pay-Go TIF Financing (defined below in Section 4.3(b)) from the Incremental Sales Tax collected within the TIF District. The “Incremental Sales Tax” includes all incremental sales and use taxes, which are imposed pursuant to K.S.A. 12-187 *et seq.*, limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG’s share of the current Wyandotte County 1% sales tax, which is currently 93.84%, which annually

exceed the Base Year Revenues received by the UG from the TIF District. For purposes hereof, the term “Base Year Revenues” means the aggregate amount of the sales and use taxes described above for the twelve (12) month period preceding publication of the TIF District Ordinance.

(ii) Incremental Real Property Taxes. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG hereby agrees that the TIF Eligible Expenses, and the Public Infrastructure, may be financed and reimbursed with Pay-Go TIF Financing from the Incremental Real Property Taxes collected within the TIF District. Pursuant to the provisions of the Project Plan and the TIF Act, including, but not limited to, Section 12-1775(a) of the TIF Act, all real property located within the TIF District is subject to assessment for annual Real Property Taxes (as defined in Annex 1). Real Property Taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to pay Real Property Taxes shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property in the TIF District. The “Incremental Real Property Taxes” means that amount of Real Property Taxes collected from within the TIF District that exceeds the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District. For purposes hereof, the term “Base Year Assessed Valuation” means the assessed valuation of all real properties within the boundaries of the TIF District on the date of publication of the TIF Ordinance. The Base Year Assessed Valuation of the real property within the TIF District is Zero Dollars (\$0).

(iii) TIF Fund. During the existence of the TIF District, all Incremental Sales Tax generated within the TIF District and all Incremental Real Property Taxes generated within the TIF District shall be deposited into a separate fund (the “TIF Fund”), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(iv) Sales Tax TIF Proceeds. The revenues received from the Incremental Sales Tax, less the TIF Administrative Fee (as defined in Section 4.3(d)), constitute the “Sales Tax TIF Proceeds”. The Sales Tax TIF Proceeds shall be used first to pay or reimburse the UG for the Public Infrastructure Costs and then to pay or reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF Act and provided that none of the Sales Tax TIF Proceeds shall be used to pay for anything but site work and other hard construction costs for the Improvements within the TIF District without the prior approval of the UG, in its sole discretion.

(v) Property Tax TIF Proceeds. The revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee (defined below in Section 4.3(d)), constitute the “Property Tax TIF Proceeds”. The Property Tax TIF Proceeds shall be used first to pay or reimburse the UG for the Public Infrastructure Costs and then to pay or reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF Act and provided that none of the Property Tax TIF Proceeds shall be used to pay for anything but site work and other hard construction costs for the Improvements within the TIF District without the prior approval of the UG, in its sole discretion. The parties understand and agree that the Property Tax TIF Proceeds available to Developer shall

decrease by ten percent (10%) each year beginning in year 13 of the TIF Collection Period. Specifically, the Property Tax TIF Proceeds available to Developer shall be ninety percent (90%) in year 13, eighty percent (80%) in year 14, seventy percent (70%) in year 15, sixty percent (60%) in year 16, fifty percent (50%) in year 17, forty percent (40%) in year 18, thirty percent (30%) in year 19, and twenty percent (20%) in year 20 of the TIF Collection Period; provided, however, such percentages for years 13 through 20 set forth above may be reasonably adjusted by the UG as necessary to satisfy the provisions of Section 3.1(a).

(b) Pay-Go TIF Financing. Subject to the terms and conditions of this Agreement, the parties hereby agree that the TIF Proceeds shall be disbursed by the UG to Developer from the TIF Fund on a pay-as-you-go basis (“Pay-Go TIF Financing”) to reimburse Developer for TIF Eligible Expenses, if and to the extent that: (1) the UG has been paid in full for the Public Infrastructure Costs, (2) there are sufficient TIF Proceeds in the TIF Fund, (3) Developer has fully satisfied all of the conditions set forth in Section 4.7, (4) Developer has not already been reimbursed for TIF Eligible Expenses in an amount equal to the TIF Cap (as defined in Section 4.3(b)(ii)), and (4) the Term has not yet expired. The parties further agree as follows:

(i) TIF Collection Period. The Incremental Sales Tax and Incremental Real Property Taxes shall be collected within the TIF District for a period that commences on the date that the Project Plan is approved by the UG’s Commission up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (b) twenty (20) years from the date that the Project Plan was approved (the “TIF Collection Period”). At the end of the TIF Collection Period, the parties understand and agree that the TIF District shall thereafter terminate, the UG shall no longer deposit Incremental Sales Tax and Incremental Real Property Taxes into the TIF Fund, and Developer shall have no further access to such Incremental Sales Tax and Incremental Real Property Taxes to reimburse or pay for TIF Eligible Expenses.

(ii) TIF Cap. After the UG has been paid in full for the Public Infrastructure Costs, thereafter the TIF Proceeds shall be available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing, and the TIF Proceeds available to Developer shall in no event exceed Three Million Fifty Four Thousand Seven Hundred Fifty Eight Dollars (\$3,054,758), as the same may be increased by the UG in order to satisfy the provisions of Section 3.1(a) (the “TIF Cap”). The TIF Cap shall, for all purposes set forth herein, operate as a cap on the use of TIF Proceeds for reimbursement to Developer of any of Developer’s TIF Eligible Expenses. Once Developer has received an amount equal to the TIF Cap in reimbursements of TIF Eligible Expenses through Pay-Go TIF Financing, the parties understand and agree that Developer’s access to the Pay-Go TIF Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go TIF Financing unless and until the conditions precedent set forth in Section 4.7 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go TIF Financing as provided in this Agreement.

(c) No TIF Bonds. Developer hereby understands and agrees that all reimbursements to the Developer hereunder shall be made only from Pay-Go TIF Financing, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer for the TIF Eligible Expenses or any other Project Costs.

(d) TIF Administrative Fee. A portion of the Incremental Real Property Taxes and Incremental Sales Taxes shall be used to pay an administrative fee in an amount equal to one percent (1%) of such Incremental Real Property Taxes and Incremental Sales Taxes (the “TIF Administrative Fee”). The TIF Administrative Fee shall be due and payable on the date the Incremental Real Property Taxes and Incremental Sales Taxes are received by the UG. Developer hereby understands and agrees that such TIF Administrative Fee shall be withheld by the UG prior to depositing the TIF Proceeds into the TIF Fund. As and when there are sufficient TIF Proceeds to pay the TIF Administrative Fee, the TIF Administrative Fee shall have first priority to available Incremental Real Property Taxes and Incremental Sales Taxes.

4.4 TGT Grant. The UG hereby agrees to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to grant up to One Million Dollars (\$1,000,000), as the same may be increased by the UG in order to satisfy the provisions of Section 3.1(a), of the UG’s transient guest taxes for pay-as-you-go reimbursement to Developer for the Reardon Center Costs (the “TGT Grant”). For purposes hereof, transient guest taxes means the local transient guest taxes received by the UG, which are imposed pursuant to K.S.A. 12-1693 *et seq.* and Charter Ordinance No. , as amended from time to time.

(a) Reardon Center Costs. It is contemplated by the parties that certain Project Costs shall be funded in part by the TGT Grant if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs for the Reardon Center, identified on Exhibit H attached hereto and eligible for payment or reimbursement pursuant to Applicable Laws and Requirements, including K.S.A. 12-1693 *et seq.* and the UG’s charter ordinances (the “Reardon Center Costs”).

(b) TGT Fund. The TGT Grant shall be deposited into a separate fund (the “TGT Fund”), which shall be established and administered by the UG in compliance with all Applicable Laws and Requirements and this Agreement.

(c) Conditions for Reimbursement. Developer shall not receive any reimbursements from the TGT Grant unless and until the conditions precedent set forth below have been satisfied as determined by the UG in its sole discretion:

a. the UG has approved Certificate(s) of Expenditure for the Reardon Center Costs which are to be reimbursed with the TGT Grant; and

b. Developer shall be in full compliance with the terms and conditions of this Agreement and Developer shall not be in default hereunder, nor shall there be conditions, actions or omissions of Developer which will, with the passage of time become occurrences of default hereunder.

4.5 50/50 Limitation. The TGT Grant, along with the CID Proceeds and TIF Proceeds available to Developer for reimbursement of CID Eligible Expenses and TIF Eligible Expenses at any given time shall be limited to an amount which is equal to one half (1/2) of the amount of Project Costs which have been paid by Private Funds. In other words, the TGT Grant, plus the reimbursement of CID Eligible Expenses from Pay-Go CID Financing and the reimbursement of TIF Eligible Expenses from Pay-Go TIF Financing are to be paid, collectively, on a 50/50 basis between Private Funds and TGT Grant, the CID Proceeds and TIF Proceeds available to Developer, and there shall not at any time during the Term be more Project Costs paid with the TGT Grant, CID Proceeds and TIF Proceeds than the amount of Project Costs paid by Private Funds (the “50/50 Limitation”). However, the parties understand and agree that for purposes of this provision, the portion of Private Funds which are spent on legal fees, developer fees, contingency and construction period interest shall not be included in the calculation of Private Funds for purposes of

calculating the 50/50 Limitation. By way of illustrative example of the 50/50 Limitation, if at a given point in time, Developer has incurred Project Costs (including any CID Eligible Expenses and TIF Eligible Expenses) equal to \$200 (none of which has been reimbursed with TGT Grant moneys, CID Proceeds and/or TIF Proceeds), then Developer's maximum reimbursement for CID Eligible Expenses and/or TIF Eligible Expenses from Pay-Go CID Financing and/or Pay-Go TIF Financing is \$100. However, the parties further understand and agree that if at a given point in time, Developer has incurred \$225 of Project Costs, of which \$125 are CID Eligible Expenses and/or TIF Eligible Expenses and \$100 are not CID Eligible Expenses or TIF Eligible Expenses (and are not land acquisition, legal fees, and/or construction period interest), then: (i) at that particular time, no more than \$100 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with TGT Grant funds, CID Proceeds and/or TIF Proceeds, but (ii) if Developer later incurs an additional \$25 of Project Costs which are paid with Private Funds, then the remaining \$25 of CID Eligible Expenses and/or TIF Eligible Expenses may be reimbursed with TGT Grant funds, CID Proceeds and/or TIF Proceeds. Payment of Project Costs from Private Funds shall be evidenced to the UG as set forth in Section 4.8 below.

4.6 Percentage Limitation. In addition to the CID Cap, TIF Cap and the 50/50 Limitation set forth above, the parties hereby agree that upon completion of the Improvements and submittal of the final Certificates of Expenditure by Developer pursuant to Section 4.8 below, the CID Cap and TIF Cap shall be reduced if and to the extent that the CID Eligible Expenses and TIF Eligible Expenses shall be more than thirty-five and one-half percent (35.5%) of the total Project Costs (including the Private Funds therefor). In other words, if and to the extent that the CID Eligible Expenses and TIF Eligible Expenses shall collectively be more than thirty-five and one-half percent (35.5%) of the total Project Costs, then Developer hereby agrees that the CID Cap and TIF Cap shall be proportionately reduced so that the CID Eligible Expenses and TIF Eligible Expenses shall not be more than thirty-five and one-half percent (35.5%) of the total Project Costs.

4.7 Conditions Precedent to Reimbursements. Developer hereby understands and agrees that even when CID Proceeds and TIF Proceeds have begun to be collected by the UG, the UG will hold and not disburse to Developer any reimbursements for CID Eligible Expenses from Pay-Go CID Financing and/or any reimbursements for TIF Eligible Expenses from Pay-Go TIF Financing, unless and until the conditions precedent set forth below have been fully satisfied as determined by UG in its sole reasonable discretion:

(a) The UG has approved Certificate(s) of Expenditures for such CID Eligible Expenses and/or TIF Eligible Expenses;

(b) Developer shall have achieved Substantial Completion of the Retail Space, the Fitness Center, Multi-Family Space, Reardon Center and Athletic Field; and

(c) Developer shall be in full compliance with the terms and conditions of this Agreement and shall not be in default hereunder, nor shall there be conditions, actions or omissions of Developer which will, with the passage of time, become occurrences of default hereunder.

4.8 Certificate(s) of Expenditures for Reimbursement from CID Proceeds, TIF Proceeds, TGT Grant and UG Contribution. The parties hereby agree as follows:

(a) Certificate of Expenditures. In order to receive payment or reimbursement for Project Costs from Pay-Go CID Financing, Pay-Go TIF Financing, TGT Grant and/or the UG Contribution (as defined in Section 7.13(e)(ii)), Developer shall submit a certificate of expenditures in the form attached hereto as **Exhibit I** (each, a "Certificate of Expenditures") attesting to the expenditure of Project Costs in accordance with the procedure set forth below. Developer may submit a separate Certificate of Expenditures each month, but no more than one time per month,

for each of the CID Fund, the TIF Fund, the TGT Fund and the UG Contribution. Additionally, Developer shall require that no transferee, purchaser, or lessee of any portion of the Project Site otherwise provide Certificate(s) of Expenditures to the UG, except through Developer or except as otherwise approved by the UG and Developer.

(b) Procedures for Certification of Expenditures. The UG or a representative of the UG shall review the Certificate(s) of Expenditures to be made in connection with the Project Costs for approval or denial of the same as follows:

(i) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant Project Costs and the appropriate source of public financing proceeds (CID Fund, TIF Fund, TGT Fund and/or UG Contribution) for payment of such Project Costs. Developer shall certify to the UG that it shall only use the CID Proceeds, TIF Proceeds, TGT Grant and/or UG Contribution for the designated Project Costs described in the Certificate of Expenditures and that such proceeds shall not be commingled with other sources or uses. Developer shall further certify to the UG that it will only use: (i) the CID Proceeds for CID Eligible Expenses, (ii) the TIF Proceeds for TIF Eligible Expenses, and (iii) the TGT Grant and the UG Contribution for Reardon Center Costs.

(ii) Each Certificate of Expenditures shall be accompanied by an accounting of the Private Funds paid to date, along with supporting documentation therefor.

(iii) Each Certificate of Expenditures shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the UG shall reasonably require to document appropriate payment.

(iv) The Certificate of Expenditures shall be accompanied by a report regarding any LBE/MBE/WBE participation associated with the costs requested for payment or reimbursement in the Certificate of Expenditures.

(v) The UG reserves the right to, at reasonable times and upon reasonable notice, have its engineer or other agents, consultants or employees inspect all the items set forth in Section 4.8(b)(iii) above as reasonably necessary to determine that the expenses therein are valid, eligible and properly incurred and constitute CID Eligible Expenses, TIF Eligible Expenses, and/or Reardon Center Costs (as the case may be).

(vi) The UG shall have sixty (60) calendar days after receipt of any Certificate of Expenditures to review and respond by written notice to the Developer. If the UG disapproves of the Certificate of Expenditures, the UG shall notify the Developer in writing of the reason for such disapproval within such sixty (60) day period, in which event the Developer shall have the right to revise and re-submit the Certificate of Expenditures to address the UG's reason for disapproval, and the UG will review and approve the revised Certificate of Expenditures within thirty (30) calendar days after receipt of the re-submitted Certificate of Expenditures. Approval of any Certificate of Expenditures will not be unreasonably withheld, conditioned, or delayed.

(c) Third Party Oversight/Management. The parties hereby understand and agree that the process to approve Certificate(s) of Expenditures and properly disburse the CID Proceeds, TIF Proceeds, TGT Grant and UG Contribution is important to the UG and the Developer for various reasons. Accordingly, the parties hereby understand and agree that the UG may retain outside third party representatives to manage and/or provide oversight to this process and Developer hereby

agrees to fully cooperate with any such third party representatives in this process and to pay the UG's costs for retaining such third parties.

4.9 Reimbursement Priority. All payments or reimbursements of whatever kind from the UG to the Developer under this Agreement shall be made in the following priority:

(a) First, to the UG, to the extent permitted by Applicable Laws and Requirements, as payments by the Developer for any amounts due and owing to the UG; provided, however, the UG shall first provide Developer with advance written notice specifying the amount(s) in question, and afford Developer a period of ten (10) days following its receipt of such notice in which to pay such amount(s) from Private Funds, including, without limitation: (i) all amounts delinquent due or owing, including all taxes, fees, or fines and including any interest and penalty thereon, by the Developer to the UG under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; (ii) all actual out of pocket costs incurred (and any interest or penalty thereon) by the UG in entering into, operating under, or enforcing this Agreement, including reasonable attorneys' fees, and all costs of pursuit of Developer (or any Affiliate (as defined in Annex 1)); (iii) indemnification of the UG for any indemnity obligation owed by Developer (or any Affiliate) to the UG, and any interest or penalty thereon; and (iv) any reimbursement due to the UG on account of any prior overpayment or over-reimbursement to Developer under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; and

(b) Second, to the Developer for actual amounts to which the Developer is entitled by the other provisions of this Agreement.

4.10 Line Items. The parties hereby agree that increases or decreases in line item amounts in the columns labeled "CID Eligible Expenses", "TIF Eligible Expenses" or "Reardon Center Costs" in the Total Project Budget as set forth on Exhibit H may be made by Developer as long as: (a) no such increase represents more than a fifteen percent (15%) change per line item, unless otherwise approved by the County Administrator or his or her designee, and (b) prior to requesting reimbursement for any such line item change(s), Developer provides the County Administrator's office with a modified Total Project Budget reflecting such change(s).

4.11 IRBs. Developer has requested IRB financing in order to pay certain Project Costs pursuant to K.S.A. 12-1741 *et seq.* Subject to all Applicable Laws and Requirements and subject further to compliance by Developer with all of the UG's requirements for the issuance of IRBs, the parties hereby agree that Developer may use IRB financing to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem taxes for the Project or the Project Site. Developer agrees to pay all costs and expenses related to the issuance of the IRBs, including without limitation the UG's IRB issuance fees.

ARTICLE 5. CLOSING

5.1 Closing. The term "Closing" as used in this Agreement shall be deemed to mean the date on which Developer shall close on the acquisition of the Multi-Family Site and the execution and delivery of the Ground Leases. After satisfaction of the Closing Conditions set forth in Section 3.1 above, Developer shall provide written notice to the UG setting forth the proposed Closing date and use commercially reasonable efforts to do so at least thirty (30) days in advance thereof. Upon receipt of Developer's written notice, the UG shall initiate the procedures necessary to cause the transfer of the Multi-Family Site. Notwithstanding anything herein to the contrary, the Closing must occur on or before the Drop Dead Date, or either party shall have the right to terminate this Agreement.

ARTICLE 6. CONSTRUCTION OF IMPROVEMENTS

6.1 Architect. Developer shall select such architects, engineers and other design professionals and consultants as are necessary to provide construction documents and construction oversight services for the Improvements. All agreements respecting architectural and engineering services shall be between Developer and such Persons, and a copy of each such agreement shall be timely provided to the UG upon a request for the same.

6.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements (the “Plans and Specifications”), which Plans and Specifications shall include cost estimates for the Improvements, the design of which is compatible with the Development Plan, the Project Plan and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities (as defined in Annex 1) in accordance with Applicable Laws and Requirements. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes (as defined in Annex 1) to the Plans and Specifications subsequent to the initial approval.

6.3 General Contractor and Construction Documents. Developer shall select one or more general contractors (the “General Contractor”) for the Improvements. Developer represents that its construction documents relative to the Improvements (the “Construction Documents”) will require and provide for (a) the design, development, construction, equipping and completion of the Improvements (or applicable portion thereof) in accordance with this Agreement, the Development Plan, the Project Plan, the Plans and Specifications and all Applicable Laws and Requirements; (b) a guaranteed maximum price, or other commercially reasonable payment structure acceptable to Developer; and (c) guaranteed Substantial Completion not later than the Completion Date. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents that constitute a Material Change. Developer agrees with the UG that it will: (a) perform its duties and obligations under the Construction Documents in all material respects and (b) exert commercially reasonable efforts to enforce the obligations of all other parties thereunder.

6.5 Terms and Requirements for Improvements. The contracts for all Improvements in the Project shall comply with all Applicable Laws and Requirements. Any Material Changes to the Improvements require the prior approval of the UG in accordance with Applicable Laws and Requirements. The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Improvements in order to ascertain and determine the requirements of this Agreement have been met. Developer shall obtain the UG’s approval of all change orders relating to the Improvements that result in a Material Change.

6.6 Responsibility for Design and Construction. Developer shall, subject to the terms of this Agreement, the Development Plan and the Project Plan, have the sole right, and the responsibility, to design, manage, construct and operate the Project. Developer shall receive no separate fee from the UG for acting as construction manager or developer of the Project.

6.7 Payment and Performance Bonds. If required by Applicable Laws and Requirements for the Improvements, the General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the project cost, as set forth in the Construction Documents. The bonds shall be in form and substance and issued by a corporate surety reasonably satisfactory to Developer, Developer’s lender, and the UG.

6.8 Permits and Reviews. Developer hereby recognizes, stipulates and agrees that: (a) in the design, construction, completion, use or operation of the Improvements, Developer, or its General Contractor, shall procure and pay for any and all permits, licenses or other forms of authorizations that are, from time to time, required by Applicable Laws and Requirements; and (b) nothing herein shall be construed as any release by the UG of the responsibility of Developer to comply with, and satisfy the requirements of, all Applicable Laws and Requirements.

6.9 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Project, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project as well as monthly reports on leasing prospects for the Retail Space.

6.10 Commencement Date and Completion Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall “commence construction” on (a) the Retail Space, Multi-Family Space, Fitness Center, Reardon Center and Athletic Field on or before that date which is sixty (60) calendar days after Closing (the “Commencement Date”). Developer further agrees that, subject only to Force Majeure, Developer shall achieve Substantial Completion on or before eighteen (18) months after the Commencement Date (the “Completion Date”).

ARTICLE 7. USE AND OPERATION

7.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is the later of: (a) the last day of the CID Collection Period, (b) the last day of the TIF Collection Period, or (c) twenty (20) years from the Effective Date of this Agreement (the “Term”).

7.2 Use and Operation. Developer covenants that at all times during the Term, it will, at its expense:

(a) Use the Project only as follows: (i) use of the Retail Space as first-class commercial space consisting of national chain retail restaurants and stores and/or high-quality, locally-owned restaurants, entertainment and shopping; (ii) use of the Multi-Family Space as described in Section 2.2(b) above; (iii) use of the Fitness Center as described in Section 2.2(c) above; (iv) use of the Reardon Center as an education and conference center as described in Section 2.2(d) above; and (v) use of the Athletic Field as described in Section 2.2(e) above for the term of the Athletic Field Ground Lease (collectively, the “Permitted Uses”).

(b) Conduct its business at all times in a dignified quality manner and in conformity with first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

(c) Additionally, Developer hereby understands and agrees that the nature of the retail uses within the CID and TIF District were critical to the UG’s creation of same. Accordingly, the parties hereby agree that the following uses shall be prohibited within the CID and TIF District, except as otherwise provided herein or with the prior written approval of the UG:

(i) Any use which is offensive by reason of odor, fumes, dust, smoke, noise, or pollution, or which constitutes a nuisance or is hazardous by reason of fire or explosion, or injurious to the reputation of the Project, as determined by the UG and Developer in their reasonable discretion.

(ii) A car wash facility.

(iii) A facility primarily used as a storage warehouse operation, mini-warehouse, or freight terminal.

(iv) A facility for the assembling, manufacturing, refining, or smelting, drilling, mining, exploring or the producing of oil, gases or other minerals.

(v) Any use which involves the long-term raising, breeding, and keeping of any animals or poultry, except for pets permitted in accordance with Developer's leasing policy for the Multi-Family Space.

(vi) Salvage or reclamation yards and the storage of inoperative vehicles.

(vii) Any pawn shop or "second hand" store; provided, however, that the foregoing restriction shall not in any way prohibit the operation of high quality antique or so-called vintage stores.

(viii) Any mobile home park, camp ground, trailer court, or labor camp; provided, however, that the foregoing restriction shall not be applicable to: (1) the temporary use of construction trailers during periods of construction, reconstruction or maintenance; or (2) trailers, delivery trucks or recreational vehicles of invitees, guests, and participants of the Project.

(ix) Any dumping, disposing, incineration or reduction of garbage; provided, however, that this prohibition shall not be applicable to garbage compactors located near the rear of any building within the CID and/or TIF District, or elsewhere within the CID and/or TIF District subject to the approved final Development Plan, the Project Plan, and in compliance with all Applicable Laws and Requirements.

(x) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation (but this provision shall not restrict the absolute freedom of an owner of any portion within the CID and/or TIF District to determine its own selling prices nor shall it preclude second-hand sales or the conduct of periodic seasonal sales, promotional or clearance sales, all of which are specifically permitted).

(xi) Any central laundry, or laundromat; provided, however, this prohibition shall not be applicable to a drop-off and pickup facility, or a central laundry or laundromat that complies with Environmental Regulations (as defined in Annex 1) and other Applicable Laws and Requirements.

(xii) Any automobile, truck or equipment dealerships of any kind, including without limitation, facilities with permanent sales, leasing or displays of any automobile, truck, trailer or recreational vehicle, except for in conjunction with promotions, displays, and other marketing activities (subject to Applicable Laws and Requirements).

(xiii) Any body shop repair operation, engine repair or vehicle repair facility for all vehicles, including motorcycles, unless ancillary to new vehicle sales (if such new vehicle sales are entirely interior or are approved by the UG under subparagraph (xii) above).

(xiv) Any mortuary or funeral home.

(xv) Any establishment selling or exhibiting pornographic materials or which sells drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or partially clothed dancers or wait staff and/or any massage parlors or similar establishments; except that this provision shall not be deemed to preclude the operation within the CID and/or TIF District of either a nationally or regionally recognized high-quality book store, or a drug store or pharmacy, or a department within a retail store offering for sale its usual or customary inventory of books, magazines and/or related pharmaceutical materials.

(xvi) A nightclub, which shall be deemed to mean any bar, restaurant, club or other establishment that derives seventy percent (70%) or more of its gross receipts from the sale of alcoholic beverages.

(xvii) Any store selling tobacco products, CBD products, electronic or vapor smoking devices or paraphernalia; provided that this restriction is not intended to prohibit a grocery store, drug store, high-quality and reputable gas station or convenience store, or other businesses where such products are sold but are not relevant to the business's primary source of revenue.

(xviii) Any hookah bars or other establishment with a primary focus on smoking.

(xix) Pay-day or title loan facilities.

(xx) Any seasonal tax preparation facilities; provided, however, for purposes of clarity, nothing herein is intended to prohibit independent certified public accountants with office space in the Project.

(xxi) Any store or business that uses "street marketing" of any kind, including without limitation, inflatable signs or characters, people dressed in costume, holding signs or wearing sandwich-boards or otherwise advertising directly to pedestrians or vehicular traffic.

(xxii) Any precious metals facilities, except for and excluding high quality jewelry stores that purchase precious metals as an ancillary part of their business operations.

(xxiii) A flea market.

(xxiv) Housing in which rent is government-subsidized or "low income" housing, except for the five (5) units in the Multi-Family Space reserved as "workforce" housing for tenants who earn less than 70% of the Kansas City, Kansas median income.

(xxv) Any use not permitted by the applicable zoning ordinance of the UG.

The foregoing list of prohibited uses is not intended to supplant the requirements and/or prohibition of uses stated within the UG's Code of Ordinances. The UG's Commission may grant variances to the restrictions set forth in this Section 7.2(c) from time to time in its sole and absolute discretion. At Closing, or within thirty (30) days thereafter, Developer and the UG shall execute a document which shall memorialize the restrictions set forth in this Section 7.2(c) and record the same against the real property within the CID and/or TIF District, which restrictions shall be effective and run with the land for the Term of this Agreement. The UG shall consent to additional reasonable

development, use and maintenance covenants for the Project Site to ensure the ongoing, high-quality use of the Project.

7.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan, in all material respects, and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

7.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other similarly situated first-class mixed-use convention center, fitness center, commercial, retail, and/or residential space (as the case may be) in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements, the Development Plan, and the Project Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reasonable reserves for future maintenance and capital expenditures.

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to materially comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer and each successor owner within the Project shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon parcels owned by the Developer or upon any income therefrom, including, but not limited to, any taxes, assessments, or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which such amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer or each relevant successor parcel owner. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes for a parcel, then Developer's access to the IRB financing and disbursements from the CID Fund, TIF Fund, TGT Fund and UG Contribution for the Project shall be suspended until such taxes are paid in full. Nothing herein is intended to restrict Developer's right to file property tax appeals as long as such taxes are paid under protest when the subject property taxes are due and owing during the pendency of an appeal.

7.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

7.8 Liens and Encumbrances. During the Term, except for a Permitted Mortgage (as defined in Annex 1), Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

7.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project.

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the portions of the Project which it owns and operates covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of Developer, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as Exhibit J, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall: (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars (\$500,000)), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee (as defined in Annex 1).

7.11 Damage, Destruction or Condemnation. The parties hereby agree as follows:

(a) In the event of damage to or destruction of any portion of the Improvements resulting from fire or other Casualty (as defined in Annex 1) during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking, or the net proceeds of any realization on title insurance shall be paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG and Developer ("Casualty Escrow").

(b) If, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by a Casualty (the "Damaged Facilities"), Developer shall proceed as promptly as possible to repair, restore and replace the Damaged Facilities as nearly as possible to their condition immediately prior to the Casualty and shall be entitled to draw upon the Casualty Escrow for payment of such costs.

(c) If at any time during the Term, title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain,

Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 7.11(c), “substantially all of the Improvements” shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

(d) In the event of a Casualty that occurs on or after the date that is ten (10) years after the date of Substantial Completion of the Project, and if (i) the Damaged Facilities consist of the Retail Space, Multi-Family Space and/or Fitness Center only (not including the Reardon Center and/or Athletic Field), and (ii) insurance proceeds are not available or sufficient to rebuild such Damaged Facilities, then Developer may terminate this Agreement by notice to the UG, in which case (x) Developer's access to the Pay-Go TIF Financing, Pay-Go CID Financing, and any IRB financing shall be immediately terminated, and (y) Developer shall demolish such Damaged Facilities, and return the portions of the Project Site upon which the Damaged Facilities are demolished, with all rubble and debris removed and such property shall thereafter be landscaped, seeded and maintained as green space until the same is redeveloped. The parties hereby specifically agree that nothing herein shall be deemed to allow Developer to terminate and fail to repair, restore and replace the Athletic Field during the term of the Athletic Field Ground Lease, or the Reardon Center or any Private Infrastructure (to the extent the same is owned or maintained by Developer), Parking Improvements or other Improvements related thereto during the Term.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of: (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement following any notice and cure period provided herein; (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer or pursued for the exclusive benefit of or on behalf of Developer; and (g) any claims or challenges related to the legality of the approval of, or terms contained in the planning, zoning, platting or other governmental approvals necessary for this Project, this Agreement, the Development Plan, the Project Plan, the CID, the TIF District, the formation of the CID and imposition of the CID Sales Tax and the terms thereof, the formation of the TIF District and collection of the Incremental Sales Tax and Incremental Real Property Taxes and the terms thereof, and of the public financing structure contemplated by this Agreement. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by such party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 7.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement.

7.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage, which are hereby permitted without any further approval of the UG, and except as otherwise provided

herein, during the Term, Developer will not, without the prior written consent of the UG: (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an “Approved Assignment” and the assignee, purchaser, lessee, mortgagee or transferee shall be an “Assignee”. The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of the terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree as follows:

(a) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of the residential units within the Multi-Family Space;

(b) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without any further approval of the UG, make leases of portions of the Retail Space to reputable retail tenants (the foregoing shall not include long-term ground leases, which shall require UG approval);

(c) Without any further approval of the UG, Developer may transfer all or a portion of the Multi-Family Site, and/or all or any portion of Developer’s rights and/or obligations under this Agreement, to a transferee entity provided that the Controlling Person or Entity of such transferee entity is also the Controlling Person or Entity of the Developer, and provided that such transferee entity: (i) assumes or guarantees all of Developer’s obligations under this Agreement with respect to all portions of the Project or this Agreement so transferred to such transferee entity, and (ii) remains liable jointly and severally with Developer therefor (an “Affiliate Transfer”). Developer shall deliver to the UG notice of any Affiliate Transfer within fifteen (15) days following such transfer. For purposes hereof, the term “Controlling Person or Entity” with respect to any entity means a Person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under this Agreement;

(d) The parties acknowledge and agree that it is Developer’s intent to enter into the Fitness Management Agreement to provide for the operation of the Fitness Center and Athletic Field by the Fitness Manager for no less than the Term of this Agreement. The Fitness Management Agreement shall provide for the UG’s use of the Athletic Field for UG events as set forth in Section 2.3(c)(ii). The UG shall have the right to review and approve (in writing) the Fitness Management Agreement.

(e) The parties acknowledge and agree that it is Developer’s intent to enter into the Reardon Center Management Agreement to provide for the operation of the Reardon Center by Manager for an initial term of three (3) years. The parties further agree as follows:

(i) The Reardon Center Management Agreement shall provide for the UG’s use of the Reardon Center for UG events as set forth in Section 2.3(c)(i). The obligations set forth in the Reardon Center Management Agreement may not be assigned or transferred without the prior written approval of the UG, and upon such UG approval, the obligations pertaining to the UG’s use of the Reardon Center shall apply to any such transferee or

assignee. The UG shall have the right to review and approve (in writing) the Reardon Center Management Agreement.

(ii) The UG will provide a one-time contribution of One Million Dollars (\$1,000,000) from the Reardon Center Maintenance Fund to pay for the Reardon Center Costs (the “UG Contribution”). In exchange for the UG Contribution, Developer agrees to provide the UG with use of and access to the Reardon Center as generally described in Section 2.3(c)(i). If the UG’s use of the Reardon Center is interrupted or denied, the UG may refuse to approve any further Certificate(s) of Expenditures or make any further reimbursements of CID Eligible Expenses, TIF Eligible Expenses and/or Reardon Center Costs until the UG’s use of the Reardon Center is restored. The UG Contribution will be reimbursed to Developer as set forth in Section 4.8 of this Agreement, provided that the UG shall not disburse to Developer any reimbursements for the UG Contribution unless and until the conditions precedent set forth below have been satisfied as determined by the UG in its sole discretion:

a. the UG has approved Certificate(s) of Expenditure for the Reardon Center Costs which are to be reimbursed with the UG Contribution; and

b. Developer shall be in full compliance with the terms and conditions of this Agreement and Developer shall not be in default hereunder, nor shall there be conditions, actions or omissions of Developer which will, with the passage of time become occurrences of default hereunder.

(f) In the event that Developer desires to replace the Manager or the Fitness Manager, any such change shall be approved in writing by the UG’s County Administrator, which approval shall not be unreasonably withheld, conditioned or delayed. Further, the parties acknowledge and agree that Developer may enter into management agreements for other components of the Project, including without limitation the Multi-Family Space and the Retail Space, with experienced management companies selected by Developer and approved in writing by the UG’s County Administrator (including any changes to or replacements of such managers), which approval shall not be unreasonably withheld, conditioned or delayed.

7.14 Utilities. During the Term, all utility and utility services used by Developer in, on or about the Project shall be paid (or caused to be paid) for by Developer, and Developer shall, at no cost to the UG, procure any and all permits, licenses or authorizations necessary in connection therewith.

7.15 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the construction and operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.15 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.16 Environmental Matters. Developer hereby agrees that by Closing on the acquisition of any portion of the Project Site, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon such portion of the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance (as defined in Annex 1) in, upon, under, over or from the Project in violation of any

Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 7.16 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate (as defined in Annex 1) plus two percent (2%), or, if less, the maximum rate permitted by law, and shall be payable on demand.

7.17 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 8. SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise (or cause to be actively marketed and advertised) the Project in the Kansas City Metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice. Without limiting the generality of the foregoing, Developer specifically agrees that during the Term, Developer shall be an active, dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Council. Developer further agrees to encourage its commercial tenants and transferees, including Manager and the Fitness Manager, to join and become dues-paying members of the Wyandotte Economic Development Council.

(c) Developer shall not change the name of the Reardon Center without the prior written consent of the UG. The UG shall have the right to review and approve the name of the Athletic Field and any related common use nomenclature, which approval shall not be unreasonably withheld, conditioned or delayed if and to the extent that the same shall include "Kansas City, Kansas" or "Wyandotte County." In addition, the UG shall have the right to review and approve any sponsor of the Reardon Center and Athletic Field with naming rights prior to the execution of any such naming rights agreement with such sponsor.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to use its Best Efforts to comply with the goals set forth in **Exhibit K** (as the term “Best Efforts” is defined therein), attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses.

ARTICLE 9. DEFAULT AND REMEDIES

9.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money to the UG required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer’s part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliate shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliate generally is not paying its debts as such debts become due; or Developer or any Affiliate makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer or any Affiliate and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement);

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within fifteen (15) days following Developer’s receipt of written notice from the UG specifying such breach;

(e) Developer breaches any of the terms of the Reardon Center Ground Lease or the Athletic Field Ground Lease and fails to cure or correct the same within thirty (30) days following Developer’s receipt of written notice from the UG specifying such breach.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys’ fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies, provided that the UG is the prevailing party in such actions.

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, subject to any applicable notice and cure periods as described in Section 9.1 above, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may: (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of CID Eligible Expenses, TIF Eligible Expenses and/or Reardon Center Costs unless and until such default is cured by Developer; (ii) refuse to approve any further IRB financing; (iii) terminate Developer's access to the Pay-Go CID Financing; (iv) terminate Developer's access to the Pay-Go TIF Financing; (v) terminate Developer's access to the TGT Grant; (vi) withhold the UG Contribution unless and until such default is cured by Developer; (vii) terminate this Agreement, and/or (viii) use any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

(e) Notwithstanding the foregoing or anything in this Agreement to the contrary, the parties hereby expressly acknowledge and agree that, under no circumstances, will Developer ever be liable for any remote or consequential damages including without limitation lost tax revenues, arising out of or in any way related to this Agreement.

9.3 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable, in Developer's discretion, to enforce performance and observance by the UG of any provision of this Agreement; provided, however, that the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question, and

under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity.

In the event of such default, Developer may take such actions, or pursue such remedies, as exist hereunder or at law or in equity; and if Developer is the prevailing party in an action to enforce its remedies hereunder, Developer shall be entitled, subject to Applicable Laws and Requirements, to reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of Developer in connection with the enforcement of such actions or remedies.

ARTICLE 10. MISCELLANEOUS

10.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war, terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 10.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is a Kansas limited liability company duly formed and validly existing under the laws of the State. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall: (1) preserve and keep in full force and effect its corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

(iii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other Government Authorities.

(v) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) Representations and Warranties of the UG.

(i) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) No Consents. Except as set forth in Section 3.1(b)-(e), no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(iv) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

10.4 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

10.5 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

10.6 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.7 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Hand signatures transmitted by electronic mail in portable document format (PDF) or similar format shall also be permitted as binding signatures to this Agreement.

10.9 Time. Time is of the essence in this Agreement.

10.10 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within two (2) business days by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: (913) 573-5260
Email: bcobbins@wycokck.org

with a copy to:

Kenneth J. Moore, Esq.
Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: (913) 573-5060
Email: kjmoore@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, 9th Floor
Kansas City, Kansas 66101

Telephone: (913) 573-5030
Email: dbach@wycokck.org

And a copy to:

Todd A. LaSala and Anna M. Krstulic
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Telephone: (816) 842-8600
Email: todd.lasala@stinson.com, anna.krstulic@stinson.com

and to Developer at:

Lanier United, LLC
11817 Brookwood Street
Leawood, Kansas 66211
Attn: Willie Lanier, Jr.
Telephone: (816) 665-4712
e-mail: wlanier@lanierunited.com

with a copy to:

Wesley O. Fields
Bryan Cave Leighton Paisner LLP
1200 Main Street, Suite 3800
Kansas City, Missouri 64105
Telephone: (816) 374-3200
Email: wofields@bclplaw.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, and followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one (1) business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

10.12 Real Estate Commissions. Each party hereby agrees to indemnify and hold harmless the other from and against: (i) any and all losses, liens, claims, judgments, liabilities, reasonable costs, expenses or damages (including reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any duty or responsibility to pay any commission or make any other payment by either Developer or the UG; or (ii) arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Developer or on its behalf, or by the UG or on its behalf, with any other broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything to the contrary contained herein, this Section 10.12 shall survive the Closing or any termination of this Agreement.

10.13 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

10.14 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However,

Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 7.8 and 7.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

10.15 Electronic Storage. The parties agree that the transactions described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

UG:

**THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _____, 2020, by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/ Kansas City, Kansas.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

LANIER UNITED, LLC, a Kansas limited liability company

By: _____
Willie Lanier, Jr., Manager

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020 by Willie Lanier, Jr., as Manager of Lanier United, LLC, a Kansas limited liability company.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

My commission expires

ANNEX 1
DEFINITIONS

“Affiliate” means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise. However, the parties understand and agree that the term “Affiliate” shall not include passive investors or capital partners without day to day operational control of the Project.

“Affiliate Transfer” means a transfer by Developer of all or a portion of the Project Site, and/or all or any portion of Developer’s rights and/or obligations under this Agreement, to a transferee entity whose Controlling Person or Entity is also the Controlling Person or Entity of the Developer, as described in Section 7.13(c).

“Agreement” means this Downtown Campus Development Agreement by and between the UG and Developer.

“Applicable Laws and Requirements” shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by government authorities, and all requirements of any insurers. Applicable Laws and Requirements shall include, without limitation, the Development Plan, the Project Plan, the Kansas Cash Basis Law (K.S.A. § 10-1100 *et seq.*) and Budget Law (K.S.A. § 75-2935 *et seq.*).

“Approved Assignment” means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG, as described in Section 7.13.

“Assignee” means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment, as described in Section 7.13.

“Athletic Field” means approximately 38,000 square feet of recreational space with new turf, high-quality perimeter fencing, concessions, and a collection of bleachers to accommodate 50 spectators for a variety of sports events and other recreational and entertainment activities, as described in Recital A and Section 2.2(e).

“Athletic Field Ground Lease” means the ground lease of the Athletic Field Site, pursuant to which the UG will ground lease the Athletic Field Site (and the Improvements thereon) to Developer, as described in Section 2.3(c).

“Athletic Field Site” means approximately 2.55 acres of real property site generally located at the southwest corner of 6th Street and Nebraska Avenue in Kansas City, Kansas, as described in Recital A.

“Base Year Assessed Valuation” means the assessed valuation of all real properties within the boundaries of the TIF District on the date of publication of the TIF Ordinance, as described in Section 4.3(a)(ii).

“Base Year Revenues” means the aggregate amount of sales and use taxes imposed pursuant to K.S.A. 12-187 *et seq.*, limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG’s share of the current Wyandotte County 1% sales tax, which is currently 93.84%, for the twelve (12) month period preceding the date of publication of the TIF Ordinance, as described in Section 4.3(a)(i).

“BPU” means the Kansas City Board of Public Utilities.

“Casualty” means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction.

“Casualty Escrow” means the net proceeds of any insurance relating to damage or destruction of any portion of the Improvements, the net proceeds of condemnation or taking of any portion of the Improvements, or the net proceeds of any realization on title insurance paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG and Developer, as described in Section 7.11(a).

“Certificate of Expenditures” means those certain certificates submitted by Developer in accordance with Section 4.8 and on the form set forth in **Exhibit I**.

“CID” means the community improvement district encompassing the Reardon Center Site and other property outside of the Reardon Center Site, as described in Recital D, and legally described and generally depicted in the CID Ordinance attached hereto as **Exhibit B**.

“CID Act” means K.S.A. § 12-6a26 *et seq.*, as amended.

“CID Administrative Fee” means the annual administrative fee for the CID Fund, as described in Section 4.2(f).

“CID Cap” means the limitation on CID Proceeds available to Developer for reimbursement of CID Eligible Expenses through Pay-Go CID Financing, as described in Section 4.2(d)(ii).

“CID Collection Period” means the period that commenced on October 1, 2013 when the CID Sales Tax was first imposed within the CID up to and concluding upon that date which is the earlier of (i) the date that Developer has been reimbursed for all CID Eligible Expenses by Pay-Go CID Financing in an amount equal to the CID Cap, or (ii) September 30, 2035, as described in Section 4.2(d)(i).

“CID Eligible Expenses” means those certain Project Costs identified by Developer which may be reimbursed with CID Proceeds if and to the extent that such Project Costs are related to demolition and hard site improvement and construction costs, located within the CID, agreed upon by the parties and identified on **Exhibit H** attached hereto, and eligible for payment or reimbursement pursuant to the CID Act, as described in Section 4.2.

“CID Fund” means the separate fund and account established by the UG for collection of the CID Proceeds collected within the CID, as described in Section 4.2(c).

“CID Ordinance” means Ordinance No. O-37-13 passed by the UG pursuant to the CID Act on June 6, 2013 to approve the CID, as described in Recital D and a copy of which is attached hereto as **Exhibit B**.

“CID Proceeds” means the revenues received from imposition of the CID Sales Tax, less the CID Administrative Fee, as described in Section 4.2(b).

“CID Sales Tax” means the sales tax of two percent (2%) imposed within the CID on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable, as described in Recital D and Section 4.2(a).

“Closing” means the date on which Developer shall close on the acquisition of the Multi-Family Site and the execution and delivery of the Ground Leases, as set forth in Section 5.1.

“Closing Conditions” means the conditions precedent to Closing, as set forth in Section 3.1.

“Commence Construction” and “Commencement of Construction” means the issuance of the appropriate permits for demolition of existing buildings on the Project Site and construction of the Improvements and Developer’s undertaking of a continuous program of construction for the Improvements, as described in Section 2.3(b).

“Commencement Date” means the date by which Developer shall “commence construction” of the Retail Space, the Fitness Center, Multi-Family Space, Reardon Center and Athletic Field, as described in Section 6.10.

“Completion Date” means the date by which Developer shall achieve Substantial Completion of the Retail Space, Multi-Family Space, Fitness Center, Reardon Center and Athletic Field, as described in Section 6.10.

“Construction Documents” means the Developer’s construction documents relative to the Improvements, as described in Section 6.3.

“Controlling Person or Entity” means a person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under the Agreement, as described in Section 7.13(c).

“Damaged Facilities” means any part or the whole of the Project to the extent that the same is damaged or destroyed by a Casualty, as described in Section 7.11(b).

“Deed” means the quitclaim deed by which the UG conveys the Multi-Family Site to Developer, as described in Section 2.3.

“Developer” means Lanier United, LLC, a Kansas limited liability company.

“Development Plan” means the final site plan approvals for the Improvements (or portion(s) thereof), as described in Section 2.2.

“DOR” means the Kansas Department of Revenue.

“Drop Dead Date” means the date certain by which Closing must occur, as set forth in Section 3.2.

“Due Diligence Period” means the period of one hundred twenty (120) days after the Effective Date in which Developer shall complete its Investigations, as described in Section 2.3(a).

“Effective Date” means the date of this Agreement first above written.

“Environmental Regulation” means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any governmental authority having jurisdiction over the parties hereto or any portion of the Project Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (collectively, “CERCLA”).

“50/50 Limitation” means the limitation on the reimbursement to Developer of CID Eligible Expenses from Pay-Go CID Financing and the reimbursement of TIF Eligible Expenses from Pay-Go TIF Financing, as described in Section 4.5.

“Fitness Center” means an approximately 6,000 square foot fitness center featuring free and universal weights, group fitness classes and personal training, as described in Recital A and Section 2.2(c).

“Fitness Manager” means Will Shields 68 Inside Sports, or such other similar fitness management company selected by the Developer and approved in writing by the UG, as described in Section 2.2(c).

“Fitness Management Agreement” means the separate agreement between Developer and Fitness Manager providing for management and operation of the Athletic Field and Fitness Center to be approved by the UG, as described in Section 2.2(c) and (e) and Section 7.13(d).

“Force Majeure” is defined in Section 10.2.

“GAAP” means generally accepted accounting principles.

“General Contractor” means the general contractor selected by Developer for the Improvements, as described in Section 6.3.

“Government Authority” or “Government Authorities” shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence, with affirmative jurisdiction over Developer or the Project.

“Ground Leases” means the Athletic Field Ground Lease and the Reardon Center Ground Lease, as described in Section 2.3(c).

“Hazardous Substance” means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulation, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulation because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a “hazardous substance” under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

“Improvements” means those certain improvements that are contemplated to be constructed in the Project, as described in Section 2.2 and generally depicted in **Exhibit F**.

“Incremental Real Property Taxes” means that amount of Real Property Taxes collected from the real property within the TIF District that is in excess of the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within the TIF District, as described in Section 4.3(a)(ii).

“Incremental Sales Tax” means that amount of sales and use taxes received by the UG from the TIF District, which are imposed pursuant to K.S.A. 12-187 *et seq.*, limited to 1% of the current City of Kansas City sales tax rate of 1.625% (excluding the 0.25% UG EMS sales tax and the 0.375% UG public safety and neighborhood infrastructure tax) and the UG’s share of the current Wyandotte County 1% sales tax, which is currently 93.84%, which exceeds the Base Year Revenues, as described in Section 4.3(a)(i).

“Insurance Specifications” means the insurance requirements on Developer in connection with the Project as generally described in Section 7.10 and more fully set forth in Exhibit J.

“Investigations” means the Developer’s inspections of the Project Site, including the right to non-invasive testing of same, as described in Section 2.3(a).

“IRB” means industrial revenue bond financing pursuant to K.S.A. 12-1741 *et seq.*

“Manager” means the experienced meeting space operator approved by the UG, as described in Section 2.2(d).

“Material Change” means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer’s permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

“Multi-Family Site” means the portion of the Reardon Center Site needed for construction of the Multi-Family Space, Fitness Center, and Retail Space, as described in Section 2.3.

“Multi-Family Space” means 70 to 85 apartment units and associated amenities, as described in Recital A and Section 2.2(b).

“Parking Improvements” means any parking improvements provided for in Section 2.2(g).

“Pay-Go CID Financing” means a method of financing pursuant to which certain CID Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as CID Proceeds are deposited in the CID Fund, as described in Section 4.2(d).

“Pay-Go TIF Financing” means a method of financing pursuant to which certain TIF Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as Sales Tax TIF Proceeds and/or Property Tax TIF Proceeds are deposited into the TIF Fund, as described in Section 4.3(b).

“Permitted Encumbrances” means any liens, restrictions, claims, easements, rights-of-way, encroachments, reservations, or other matters or encumbrances affecting the Project Site, which are acceptable to Developer in its sole discretion.

“Permitted Mortgage” means any mortgage placed on, or other security interest granted in, the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

“Permitted Mortgagee” means the holder of the Permitted Mortgage.

“Permitted Uses” means (i) use of the Retail Space as first-class commercial space consisting of national chain retail restaurants and stores and/or high-quality, locally-owned restaurants, entertainment and shopping; (ii) use of the Multi-Family Space as described in Section 2.2(b); (iii) use of the Fitness Center as described in Section 2.2(c); (iv) use of the Reardon Center as an education and conference center as described in Section 2.2(d); and (v) use of the Athletic Field as described in Section 2.2(e) for the term of the Athletic Field Ground Lease, all as described in Section 7.2(a).

“Person” shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

“Plans and Specifications” means the plans and specifications for the Improvements, as described in Section 6.2.

“Prime Rate” means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

“Private Funds” means the Developer’s private equity and debt used to pay the costs for the design, development and construction of the Project, as described in Section 4.1.

“Private Infrastructure” means all of the infrastructure improvements, which may include, without limitation, site work, lighting, sewer, stormwater and water main improvements, and irrigation systems, necessary to support the Improvements in the Project other than the Public Infrastructure, as described in Section 2.2(f).

“Project” means the design, development, and construction of the Improvements on the Project Site, as described in Section 2.2.

“Project Costs” means the costs of acquiring, designing, developing, constructing and completing the Project, as described in Section 4.1 and **Exhibit H**.

“Project Plan” means the Redevelopment Project Plan for the TIF District approved and adopted by the UG pursuant to the TIF Project Ordinance, as described in Recital F.

“Project Site” means, collectively, the Reardon Center Site and the Athletic Field Site, as described in Recital A, legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2**.

“Property Tax TIF Proceeds” means the revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee, as described in Section 4.3(a)(v).

“Public Infrastructure” means those certain infrastructure improvements necessary to support the Improvements in the Project, including sidewalks, drives and other pedestrian and vehicular thoroughfares, as well as grading and restriping existing roads, as described in Section 2.5 and depicted on **Exhibit G**.

“Public Infrastructure Costs” means the UG’s costs of designing, developing and constructing the Public Infrastructure plus interest thereon calculated at five percent (5%) per annum commencing from the date the UG pays such costs to any third party, as described in Section 4.2(b).

“Purchase Price” means the One Hundred Dollars (\$100.00) to be paid by Developer to the UG at Closing for the Multi-Family Site, as described in Section 2.3.

“Real Property Taxes” means all taxes levied on an ad valorem basis upon land and Improvements within the TIF District, as described in Section 4.3(a)(ii).

“Reardon Center” means approximately 10,600 square feet of Class A multi-purpose banquet/meeting space with capacity to seat 350 people for community events and programs, as described in Recital A and Section 2.2(d).

“Reardon Center Costs” means those certain Project Costs related to demolition and site improvement and hard construction costs for the Reardon Center, identified on **Exhibit H** attached hereto and eligible for payment or reimbursement pursuant to Applicable Laws and Requirements, including K.S.A. 12-1693 *et seq.* and the UG’s charter ordinances, as described in Section 4.4.

“Reardon Center Ground Lease” means the ground lease on the portion of the Reardon Center Site which is needed for construction of the Reardon Center, pursuant to which the UG will ground lease certain real property (and the Improvements thereon) to Developer, as described in Section 2.3(c).

“Reardon Center Management Agreement” means the separate agreement between Developer and Manager providing for management and operation of the Reardon Center to be approved by the UG, as described in Section 2.2(d) and Section 7.13(e).

“Reardon Center Site” means approximately 1.56 acres of real property located at 510 and 520 Minnesota Avenue in Kansas City, Kansas, as described in Recital A.

“Remediation Extension” means the extension of Developer's right to terminate this Agreement beyond expiration of the Due Diligence Period in the event that any environmental remediation of the Project Site undertaken by the UG (in the UG's sole discretion) extends beyond the Due Diligence Period, in which event Developer's right to terminate will expire ten (10) days after the completion of any such remediation by the UG, as described in Section 2.3(a).

“Resolution of Intent” means that certain master resolution of intent indicating the UG's intention to grant to Developer the IRB financing, as described in Sections 3.1(d) and 4.10.

“Retail Space” means approximately 10,000 square feet of commercial space for neighborhood retail and/or restaurant uses, as described in Recital A and Section 2.2(a).

“Reversionary Interest” means the right of reversion in favor of the UG pertaining to the Multi-Family Site in the event that Developer fails to meet certain conditions, as described in Section 2.3(b).

“Reversionary Interest Notice” means the written notice of default provided by the UG to Developer in order to exercise the Reversionary Interest, as described in Section 2.3(b).

“Sales Tax TIF Proceeds” means the revenues received from the Incremental Sales Tax, less the TIF Administrative Fee, as described in Section 4.3(a)(iv).

“State” means the State of Kansas.

“Section 108 Loan” means a loan pursuant to Section 108 of the Housing and Community Development Act of 1974, as described in Section 3.1(a).

“Substantial Completion” means the stage in the progress of the construction of the Project, or as to any particular portion thereof, when construction is sufficiently complete so that the Project or such particular portion can be occupied or utilized for its intended use (which shall be evidenced by the receipt of a temporary certificate of occupancy for the Improvements).

“Term” means the term of this Agreement, as described in Section 7.1.

“TGT Fund” means the separate fund and account established by the UG for collection of the TGT Grant collected within the CID, as described in Section 4.4(c).

“TGT Grant” means the UG's agreement to use its home rule authority under Article 12, Section 5 of the Constitution of the State of Kansas to pledge up to One Million Dollars (\$1,000,000) of the UG's transient guest taxes generated within the CID during the Term of this Agreement for reimbursement to Developer for the Reardon Center Costs outside of the CID Act and structure, as described in Section 4.4(b).

“TGT Grant” means up to One Million Dollars (\$1,000,000), together with such amount as may be necessary to satisfy the provisions of Section 3.1(a), of the UG's transient guest taxes, as described in Section 4.4(b).

“TIF” means tax increment financing.

“TIF Act” means K.S.A. § 12-1770 *et seq.*, as amended.

“TIF Administrative Fee” means the annual administrative fee for the TIF Fund, as described in Section 4.3(d).

“TIF Cap” means the limitation on TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing, as described in Section 4.3(b)(ii).

“TIF Collection Period” means the period that commences on the date that the Project Plan is approved by the UG’s Commission up to and concluding upon that date which is twenty (20) years from the date that the Project Plan was approved, as described in Section 4.3(b)(i).

“TIF District” means the TIF District established by the UG pursuant to the TIF District Ordinance and the TIF Act, as described in Recital E, legally described in **Exhibit D-1**, and generally depicted in **Exhibit D-2**.

“TIF District Ordinance” means Ordinance No. O-_____-____ passed by the UG pursuant to the TIF Act on or about _____, 2020 to approve the TIF District, as described in Recital E and a copy of which is attached hereto as **Exhibit C**.

“TIF Eligible Expenses” means those certain Project Costs identified by Developer which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to demolition and site improvement and hard construction costs, located within the TIF District, agreed upon by the parties and identified on **Exhibit H** attached hereto, and eligible for payment or reimbursement pursuant to the TIF Act, as described in Section 4.3.

“TIF Proceeds” means the Sales Tax TIF Proceeds and the Property Tax TIF Proceeds, as described in Section 4.3.

“TIF Project Ordinance” means the ordinance passed by the UG pursuant to the TIF Act on or about _____, 2020 to approve the Project Plan, as described in Recital F and a copy of which is attached hereto as **Exhibit E**.

“Transaction Documents” means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

“Total Project Budget” means the budget attached hereto as **Exhibit H**.

“UG” means the Unified Government of Wyandotte County/Kansas City, Kansas.

“UG Contribution” means the payment by the UG to Developer for the UG’s use of the Reardon Center, as described in Section 7.13(e)(ii).

“UG Parties” means the UG and its agents, officers, contractors and employees, as described in Section 2.3(a).

INDEX OF EXHIBITS

Exhibit A-1	The Project Site – Legal Description
Exhibit A-2	The Project Site – Map
Exhibit B	CID Ordinance
Exhibit C	TIF District Ordinance
Exhibit D-1	TIF District – Legal Description
Exhibit D-2	TIF District – Map
Exhibit E	TIF Project Ordinance
Exhibit F	Improvements – Depiction
Exhibit G	Public Infrastructure
Exhibit H	Total Project Budget
Exhibit I	Form of Certificate of Expenditures
Exhibit J	Insurance Specifications
Exhibit K	LBE/MBE/WBE Goals and Requirements

EXHIBIT A-1

PROJECT SITE – LEGAL DESCRIPTION

EXHIBIT A-2

PROJECT SITE – MAP



1. Athletic Field – 524 Nebraska Ave. & eastern portion of 645 State Ave. (Parcel ID # 216205 and eastern portion of Parcel ID # 216204)
2. Reardon Center – 500 Minnesota Ave. (Parcel ID # 412303)

EXHIBIT B
CID ORDINANCE



8 0 6 6 7 5 7
Tx:4041041

2013R-09481
NANCY BURNS
REGISTER OF DEEDS
WYANDOTTE COUNTY, KS
RECORDED ON
07/02/2013 08:42:00 AM
REC FEE: 14.00
TECHNOLOGY FEE: 10.00
PAGES: 5

(Published in The Wyandotte Echo on June 13, 2013)

ORDINANCE NO. 0-37-13

AN ORDINANCE AUTHORIZING THE CREATION OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF KANSAS CITY, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING A 2.0% CID SALES TAX AND PROVIDING FOR THE METHOD OF FINANCING THE SAME.

WHEREAS, K.S.A. 12-6a26 *et. seq.* (the "Act") authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax and/or levy special assessments upon property within the district to finance projects; and

WHEREAS, a petition (the "Petition") was filed with the Unified Government Clerk on April 5, 2013, proposing the creation of the Downtown Hotel Community Improvement District (the "CID") under the Act, the imposition of a community improvement district sales tax in order to pay the costs of projects as described in the Petition (the "Projects"); and

WHEREAS, the Petition was signed by the required number of owners of record, whether resident or not, as required by the Act; and

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to create the CID and to levy a community improvement district sales tax in an amount equal to 2.0% as requested in the Petition (the "CID Sales Tax"); and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official Unified Government newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Governing Body adopted Resolution No. R-37-13 on May 2, 2013 (the "Resolution") directing that a public hearing on the proposed CID within the Unified Government be held on June 6, 2013, declaring its intent to impose a community improvement district sales tax, and requiring that the Unified Government Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed CID on May 14, 2013, and published once each week for two (2) consecutive weeks in *The Wyandotte Echo*, the official Unified Government newspaper, on May 9, 2013 and May 16, 2013; and

WHEREAS, on June 6, 2013, the governing body of the Unified Government conducted a public hearing on the advisability of the proposed CID; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the Downtown Hotel Community Improvement District and set forth the boundaries thereof, authorize community improvement district projects relating thereto, approve the estimated costs of such community improvement district projects and approve the method of financing the same, all in accordance with the provisions of the Act.

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

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the Downtown Hotel Community Improvement District within the Unified Government to be referred to as the Downtown Hotel Community Improvement District. A legal description of the boundaries of the proposed Downtown Hotel Community Improvement District is set forth on Exhibit A, attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed Downtown Hotel Community Improvement District is attached as Exhibit B, attached hereto and incorporated by reference herein.

SECTION 2. Authorization of Community Improvement District Projects and Estimated Costs.

(a) The general nature of the CID Project is the improvement of the hotel, parking garage and convention center located between 5th and 6th Street and between Minnesota Avenue and State Avenue, including, but not limited to, the acquisition, improvement, construction, renovation, rehabilitation, maintenance, restoration, replacement, renewal, repair and installation, of buildings, structures, parking garages, personal property and fixtures, utility systems and communication systems and infrastructure and on-going maintenance and repair within the boundaries of the CID in accordance with the Act.

(b) The total estimated cost of the Projects to be funded by the CID is \$3,2231,000, plus associated financing costs, such as interest, reserves, and any costs associated with the issuance of bonds.

SECTION 3. Method of Financing.

(a) In order to provide funds to finance the costs of the Project, it is advisable to impose, in accordance with the provisions of the Act, a community improvement district sales tax within the Downtown Hotel Community Improvement District in an amount of **2.0%** on the selling of tangible personal property at retail or rendering or furnishing services within the Downtown Hotel Community Improvement District (the "CID Sales Tax"). The Unified Government shall receive its administrative service fee of CID Sales Tax to reimburse the Unified Government for administrative costs in connection with the CID and the CID Sales Tax.

(b) There will be no special assessments in connection with the CID.

(c) The estimated cost of the proposed Projects, plus financing costs such as interest, reserves, and any costs associated with the issuance of bonds will be financed by through a combination of general obligation bonds, special obligation revenue bonds and pay-as-you-go financing, as defined in the Act.

SECTION 4. Imposition of Community Improvement District Sales Tax. In order to provide for the payment of the Projects, the Governing Body of the Unified Government hereby imposes the CID

Sales Tax within the CID in an amount of **2.0%** on the selling of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers' sales tax act within the CID with such CID Sales Tax to commence on July 1, 2013 or such other date as shall be approved by ordinance of the Unified Government.

SECTION 5. Segregation of Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the Unified Government to be designated as the Downtown Hotel Community Improvement District Sales Tax Revenue Fund (the "Revenue Fund"). Such revenues shall be used to pay the costs of the Projects and the Unified Government's administrative fee.

SECTION 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official Unified Government newspaper.

PASSED by the governing body of the Unified Government on June 6, 2013 and **APPROVED AND SIGNED** by the Mayor/CEO.



Mayor/CEO

[SEAL]

ATTEST:



Unified Government Clerk

EXHIBIT A

**LEGAL DESCRIPTION OF THE DOWNTOWN HOTEL
COMMUNITY IMPROVEMENT DISTRICT**

The following property located in Wyandotte County, Kansas City, Kansas:

Beginning at the point of intersection of the North right-of-way line of Minnesota Avenue and the West right-of-way line of 5th Street as they now exist;

thence North along the West right-of-way line of 5th Street to the intersection of the South right-of-way line of State Ave and the West right-of-way line of 5th Street;

thence West along said South right-of-way line of State Ave, a distance of 600.30 feet more or less to the Northwest corner of Parcel 3, CENTER CITY, a subdivision in Kansas City, Wyandotte County, Kansas;

thence South 02 degrees 11 minutes 43 seconds East a distance of 123.22 feet more or less;

thence North 87 degrees 47 minutes 43 seconds East a distance of 20.00 feet more or less;

thence South to a point on the North face of the building located at the Southwest corner of Parcel 3, CENTER CITY;

thence East along said building face to the Northeast corner of said building;

thence South along the East face of said building to a point on the North right-of-way line of Minnesota Avenue;

thence East along said North right-of-way of Minnesota Avenue to the Point of Beginning.

EXHIBIT B
MAP OF DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT

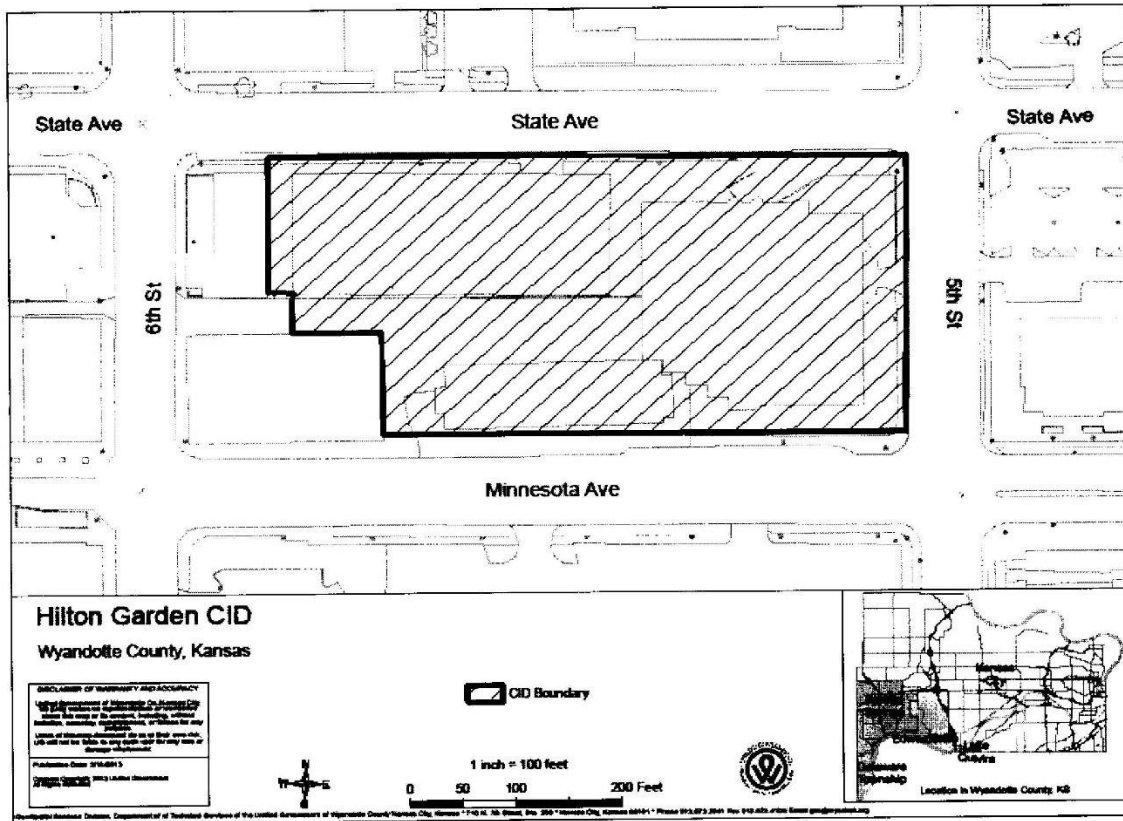


EXHIBIT C
TIF DISTRICT ORDINANCE

[To be attached.]

EXHIBIT D-1

TIF DISTRICT – LEGAL DESCRIPTION

EXHIBIT D-2
TIF DISTRICT – MAP

Reardon Development Downtown Campus -- TIF District

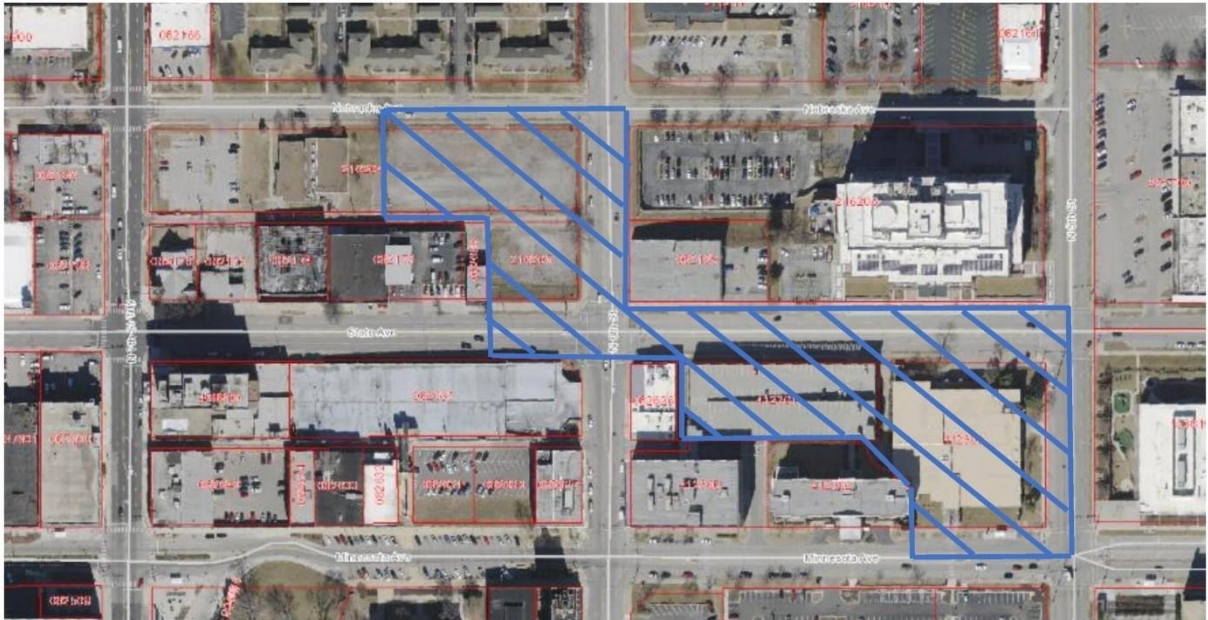


EXHIBIT E
TIF PROJECT ORDINANCE

[To be attached.]

IMPROVEMENTS – DEPICTION



[illegible]

EXHIBIT H

TOTAL PROJECT BUDGET

EXHIBIT I

Form of Certificate of Expenditures

CERTIFICATE OF EXPENDITURES

TO: Unified Government of Wyandotte County/Kansas City, Kansas

Attention: County Administrator

Re: DOWNTOWN CAMPUS

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement for DOWNTOWN CAMPUS dated as of _____, 2020 (the "Agreement") between the Unified Government and the Developer.

In connection with the Agreement, the undersigned hereby states and certifies that, to the best of its actual knowledge:

1. Each item listed on *Schedule 1* hereto is a Project Cost and was incurred in connection with the construction of the Project.
2. These Project Costs have been paid by the Developer, successors, assigns, tenants, or transferees and are reimbursable under the Agreement.
3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the CID Fund, the TIF Fund, the TGT Fund, or the UG Contribution, and no part thereof has been included in any other certificate previously filed with the Unified Government.
4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.
6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.
7. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a default under the Agreement.
8. All of the Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of _____, 20____.

LANIER UNITED, LLC, a Kansas limited liability
company

By: _____

Name: _____

Title: _____

Approved for Payment this ____ day of _____, 20____:

**UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS**

By: _____

Title: _____

SCHEDULE I
TO
CERTIFICATE OF EXPENDITURES

Description of <u>Project Costs</u>	<u>Cost</u>	<u>Payee</u>	Designate as Redevelopment Project <u>Costs</u>
--	-------------	--------------	---

Total Costs:

EXHIBIT J

INSURANCE SPECIFICATIONS

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.
2. Comprehensive General Liability. Developer will purchase and maintain with primary limits of \$3,000,000.
3. Automobile Liability. Developer will purchase and maintain with primary limits of \$1,000,000.
4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than \$5,000,000.
5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance, as well as fired vessel, boiler and machinery, and underground collapse, may be required by the UG as additional perils, but only to the extent required by Developer's lender for the Project.

EXHIBIT K

LBE/MBE/WBE GOALS AND REQUIREMENTS

This Exhibit sets forth the guidelines for the utilization of local business, minority, and women enterprises and local resident, minority, and women participation and equal employment opportunity referenced in **Section 8.2** of the Downtown Campus Development Agreement (the “Agreement”) between the Unified Government of Wyandotte County/Kansas City, Kansas (the “UG”) and Lanier United, LLC, a Kansas limited liability company (the “Developer”). The parties agree as follows:

I. SCOPE

These procedures are applicable to the Construction of, and the Professional Services for (as such terms are defined hereof) the Project, including but not limited to all aspects of the construction of the Improvements and all related facilities, including labor, materials and supplies, and construction-related services, but not including: (i) Specialized Services; or (ii) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement (as defined in the Agreement), which shall specifically be excluded from both the numerator and the denominator in determining whether the Construction and Professional Services goals set forth herein have been met.

II. DEFINITIONS

All capitalized terms used in this Exhibit shall have the meaning ascribed to them in the Agreement and made a part thereof, or as otherwise set forth herein.

A. “Best Efforts” has the meaning set forth in Section III.C.3.b. herein.

B. “Construction” means all aspects of the construction of the Improvements, all related facilities, and the Project, including labor, materials and supplies, and construction-related services, whether performed or contracted for by or on behalf of Developer; provided, however, “Construction” shall not include: (i) services performed or associated with tenant improvements or any services requested by tenants of the Project, provided that this exception shall only apply to tenants who are third parties unaffiliated with Developer; (ii) Specialized Services; (iii) Professional Services; or (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

C. “Contractor” means the Proposer selected by Developer for the design, development, or construction of the Project.

D. “Local Business Enterprise or LBE” means a business headquartered or which maintains a major branch that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation. It is determined and assigned based on the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

E. “Local Resident” means an individual that, during his or her employment with the Project, maintains his or her place of domicile in Wyandotte County.

F. “Minority Business Enterprise or MBE” means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is

under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. “Professional Services” means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding: (i) professional services that have historically been sourced and performed at the holding company level by Developer (such as legal and accounting services, for example); (ii) Specialized Services; (iii) Construction; and (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

H. “Proposer” means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its Contractors with respect to the design, development, or construction of the Project, or with respect to ongoing maintenance and operations of the Project.

I. “Specialized Services” means expertise, services, or products, the application of which are unique to the construction of the Project and which are only available through sole or limited source providers or national vendors. Specialized Services shall also include the services provided by the Contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

K. “Women Business Enterprise or WBE” means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.

1. Project Design, Development, and Construction Goals.

Developer will use its Best Efforts to meet the following goals based upon the total cost of Construction of, and Professional Services for, the Project and all related facilities undertaken by Developer, but not including Specialized Services. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. In the event Developer obtains bids for any aspect of the Project for which a bid by a Proposer qualifying as an LBE, MBE, or WBE is not the lowest or best bid, Developer shall not be required to meet the LBE/MBE/WBE participation percentage goals for that aspect of the Project. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not to act as quotas or set asides.

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award

of an individual contract are equal, Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs. The Developer shall strive to meet each individual goal listed.

2. Contract Specific Goals.

The parties agree that the goals are set forth for Construction of, and Professional Services for, the Project as a whole, excluding Specialized Services, and the UG will reasonably agree to different specific goals for specific contracts or portions of contracts to be awarded by Developer, when proposed by the Developer, relating to the Construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Project Utilization Plan (as described herein).

3. Eligibility for Credit.

a. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce, State of Missouri, Missouri Department of Transportation, City of Kansas City, Missouri, MidAmerica Minority Business Development Council, Women's Business Enterprise National Council, or any other public or private entity reasonably acceptable to the UG and the Developer (each an "approved" business), may be counted towards the participation goals in Section III.A.1. above.

b. In the event that a contract has been awarded on the Project to an approved LBE/MBE/WBE business, and such LBE/MBE/WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall nonetheless receive credit towards the goal for that the entire portion of work performed or services provided up to the point such business becomes unapproved.

4. Construction Workforce.

a. Recruitment and outreach. Developer will use its Best Efforts to employ and to ensure its Contractors employ Local Residents, minorities, and women in all aspects of the Construction of, and Professional Services for, the Project except for Specialized Services. These efforts shall include but not be limited to:

i. advertising in appropriate publications describing the work available, pay scales, and application procedures and maintaining a log or copies of these ads showing the date of publication and identifying the publication;

ii. working with local community organizations, minority and women's community organizations, and other appropriate organizations to seek qualified Local Residents, minorities, and women (a list of these organizations may be provided by the UG upon request); and

iii. working with the UG to promote diversity and inclusion in all aspects of the Project.

Documentation of these and any other steps taken shall be submitted to the UG prior to the beginning of the bidding process.

b. Employment Procedures. Developer and its Contractors shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND PROJECT UTILIZATION PLANS.

1. Submissions, Content, and Fulfillment of Project Utilization Plan.

a. Fourteen (14) calendar days before the solicitation of the first proposal for the Construction of part of the Project, which is issued by Developer after the execution of the Agreement, Developer will submit a Project Utilization Plan to the UG for review and approval. The Project Utilization Plan shall be on the form attached to this Exhibit as Attachment A or on another form provided or approved by the UG. This Project Utilization Plan shall set forth, to the best of Developer's knowledge: all categories of work that will be covered within solicitations that Developer or its Contractors intend to issue for all Construction and Professional Services providers necessary for the construction of the Project; an estimate of the dollar value of all work covered by these solicitations; an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; any known potential joint ventures with LBEs, MBEs, and WBEs within each identified work category; an overall schedule of all work projected to be performed related to the design, development, and construction of the Project, laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its Best Efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Project Utilization Plan, shall designate one person as the Project Manager to serve as the point of contact with the UG on all matters related to the Project Utilization Plan. Developer shall provide the Project Manager's name, physical office address, e-mail address, and phone number to the UG. The Project Manager shall be an individual with administrative authority with regard to enforcement of the stipulations located within this Exhibit.

c. The goals of Section III.A.1 may be met by the expenditure of dollars with approved LBE/MBE/WBE prime Contractors, material suppliers (either by Developer or a prime Contractor), subcontractors (either by Developer or a prime Contractor), or through joint ventures with approved LBEs, MBEs or WBEs.

i. Certified MBE and WBE prime Contractor Proposers may count their own participation toward a goal for which they qualify, and may divide their own participation between two goals, but their participation may not be double-counted. These prime Contractor Proposers shall receive credit towards the goals for the dollar value of the contract.

ii. Approved or certified LBE/MBE/WBE material suppliers, regular dealers, and manufacturers shall be credited towards the goals for the dollar value of the contract.

iii. A joint venture involving an approved LBE/MBE/WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount that the approved LBE/MBE/WBE is responsible for and at risk, except, however, if the LBE/MBE/WBE is the majority partner in the joint venture, the entire joint venture contract amount shall be counted, less any work subcontracted to the non-LBE/MBE/WBE joint venture partner. To receive credit, the approved LBE/MBE/WBE must be responsible

for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

iv. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be double-counted. A certified MBE or WBE may also be counted towards the LBE goal, if qualified as LBE. The amount of participation by these businesses may be divided between the MBE or the WBE goals. A qualified LBE that is certified as MBE and WBE shall be counted toward the LBE and the MBE or WBE goals, but shall not be counted toward both the MBE and WBE goals.

v. Only the participation of LBEs, MBEs, and WBEs that provide a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE/MBE/WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs, and WBEs that constitute indirect or general overhead costs to a projected Proposer's business may not be counted toward the goals. Costs directly incurred solely to perform the work with respect to a Project contract may be counted toward the goals.

2. Evaluation of Project Utilization Plans.

a. The UG will review Developer's Project Utilization Plan respecting each category of work identified by Developer. In conducting its review, the UG shall evaluate the extent to which the actions Developer proposes to take to meet the goals constitute Best Efforts, as set forth in Section III.C.3.b. below. In no event shall Developer or any of its Contractors be required to engage any LBE/MBE/WBE that is not the low bidder or is not qualified or capable of performing the work to acceptable standards in the reasonable discretion of Developer.

b. Changes to the Project Utilization Plan after its initial submission to the UG shall be reviewed and approved or rejected by the UG within thirty (30) days following submission of the same by Developer, and such changes shall be deemed to be approved by the UG if not rejected within such thirty (30) day period.

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. Solicitation Documents.

The solicitation documents for each contract for which goals are established shall contain a description of the requirements set forth in this Exhibit; the LBE/MBE/WBE goals; and the areas of projected subcontracting. Five (5) calendar days before the issuance of each solicitation, Developer shall submit the solicitation documents and the bid list to the UG. This submittal is mandatory for each bid subject to LBE/MBE/WBE goals.

2. Developer's Report of Solicitation Results.

Within seven (7) working days after the date set for receipt of proposals by each solicitation issued for Developer for the construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "Report") fully describing all proposals received in response to the solicitation. The Report shall: (1) state

the estimated total dollar value of the work covered by the solicitation; (2) state the names of all Proposers; (3) state the total dollar value of work covered by proposals submitted by approved LBEs, MBEs, and/or WBEs (for both Construction and Professional Services); (4) provide all relevant information concerning each joint venture Proposer; and (5) state the name of all subcontractors to Proposers (to the extent then available) that are approved LBEs, MBEs, and/or WBEs, and the dollar value of work covered by proposed subcontracts between Proposers and LBEs, MBEs and/or WBEs. The Report shall also indicate to which of the Proposers, including joint venture Proposers, the Developer or any of its Contractors is intending to award contracts resulting from the solicitation. In addition, with respect to any LBE/MBE/WBE goal established in the Project Utilization Plan that it appears from the proposals received will not be met, Developer shall include in the Report a precise description of all Best Efforts it has undertaken or caused to be undertaken to meet the established goals. These submittals are mandatory for all solicitations subject to LBE/MBE/WBE goals.

3. UG Review of Developer's Report of Solicitation Results.

a. Within seven (7) calendar days of receiving a Report for review, the UG, based on its review of the Report, shall advise Developer whether it appears that, in light of Developer's indication of the Proposers to whom it intends to award contracts, Developer will meet the goals set forth in the Project Utilization Plan or if not, whether Developer has established Best Efforts to meet these goals, and shall state the reasons for this conclusion, referring to the specific Best Efforts criteria contained in Section III.C.3.b. below. As a part of its review, the UG may ascertain whether LBE/MBE/WBE subcontractors agree with the dollar value of the work and the scope of the work, as identified in the proposal.

b. For each Project Utilization Plan goal that is not achieved, Developer shall be deemed to have used "**Best Efforts**" to meet the Project Utilization Plan goals for construction and Professional Services set forth in Section III.A.1. of this Exhibit if Developer shall have taken substantially all the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities and informational meetings to approved LBEs, MBEs, and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE/MBE/WBE participation, where feasible;

vi. Developer is providing or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work histories;

viii. If applicable, Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit, or insurance required to perform the contract; and

ix. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers, or any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs and WBEs.

Failure by the Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts.

4. Signed Contracts.

Within twenty-one (21) working days of provision of the UG's evaluation of the Report to Developer, the Project Manager shall submit signed contracts with successful Proposers to the UG.

D. SUBCONTRACTOR RELATIONS.

1. Documentation of Subcontracting Agreements.

All subcontracting services shall be evidenced by a written agreement stating, at a minimum, the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

2. Documentation of Schedules.

a. For Construction contracts, the Contractor must present a work schedule that includes when the LBE/MBE/WBE subcontractors will be utilized at the job site. This schedule is due on or before the pre-construction meeting with the UG and the Project Manager representing Developer.

b. For Professional Services contracts, Developer must present a written schedule of when the LBE/MBE/WBE consultants will be working on the Project. This written schedule shall be provided to the UG prior to the Closing (as defined in the Agreement).

3. Substitutions, Additions, or Deletions.

Where a substitution for a LBE/MBE/WBE subcontractor must occur after submission of proposals by the Project Manager to the UG, the Project Manager must submit the proposed change or substitution to the UG for review. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review by the UG shall be to determine whether the LBE/MBE/WBE should be counted toward achievement of the goals of Section III.A.1.

IV. UG'S ASSISTANCE TO DEVELOPER

The UG shall use its best efforts to provide assistance to Developer in fulfilling its obligations as set forth in this Exhibit. Developer assumes all responsibility for its Best Efforts in meeting the goals and complying with the procedures and processes set forth herein. The UG assumes no duty or responsibility to the Developer with respect to Developer's fulfillment of the goals set forth in this Exhibit by reason of the provision of assistance to Developer. Examples of assistance the UG may provide include but are not limited to:

- A.** providing information and technical assistance regarding the Project to Developer and its agents, including Contractors, subcontractors, LBEs, MBEs, WBEs, officials, and other interested persons;
- B.** developing and maintaining a registry of approved LBE/MBE/WBE businesses;
- C.** assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;
- D.** updating Developer and its agents on current or proposed affirmative action legislation that may affect the Project;
- E.** recommending contract specific goals, as appropriate;
- F.** providing assistance in pre-award activities, such as provision of model or example Project Utilization Plans and work segmentation;
- G.** reviewing Developer, Contractor, and subcontractor performance and LBE/MBE/WBE participation on the Project;
- H.** providing advice relative to utilization and compliance matters;
- I.** conducting compliance reviews and audits of LBE/MBE/WBE participation;
- J.** evaluating requests for substitutions, additions, and deletions;
- K.** assisting Developer and its agents in addressing issues related to the goals and procedures set forth in this Exhibit;
- L.** reviewing payments to subcontractors, as documented by monthly reports submitted by Developer;
- M.** reviewing complaints from LBEs, MBEs WBEs, Contractors, subcontractors, and any other interested persons regarding these goals and procedures;
- N.** assisting in Developer's development of forms to document compliance with these procedures; and
- O.** reviewing and approving utilization plans and contract award submittals.

V. DEVELOPER COMPLIANCE RECORDS AND REPORTS.

A. RECORDS.

Developer shall maintain those records as may reasonably be required to demonstrate compliance with (and/or its Best Efforts to comply with) the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. DEVELOPMENT AND PROJECT UTILIZATION PLAN REPORTS.

Developer shall update the Project Utilization Plan quarterly on the forms attached hereto as Attachments B and C or another form provided or approved by the UG and shall include information requested thereon. In addition, each quarterly report shall include the following for each LBE, MBE or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE and WBE and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each quarterly report.

C. REMEDIES.

If Developer should fail to provide a Report required by this Exhibit, and fail to cure such failure within thirty (30) days after receipt of written notice from the UG specifying such failure, then such failure to cure shall constitute an event of default and the UG shall have those remedies set forth in Section 9.2 of the Agreement. In addition, the UG shall have the right to stop processing draw requests until Developer complies with reporting requirements.

If, after reviewing Developer's Reports, the UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. If, within thirty (30) days following its receipt of said written determination from the UG, Developer fails to demonstrate to the UG's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, then the UG shall have the right to reduce the CID Cap and TIF Cap by an amount equal to two and one-half percent (2.5%) (applied separately to Construction and Professional Services) as the UG's sole and exclusive remedy for such failure. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

**UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY,
KANSAS**

LANIER UNITED, LLC

By: _____
Douglas G. Bach
County Administrator
Date: _____, 2020

By: _____
Name: _____
Title: _____
Date: _____, 2020

Attachment A

Unified Government

Date: _____

Project Utilization Plan

Project Name: _____

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %

DIVERSITY TOTAL	0			0	#DIV/0!	0	#REF!		

Attachment B

LBE/MBE/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT											Month, Year
CONSTRUCTION											
APPLICABLE TRADES					Total by Classification		Goal		Actual		
					0.00%		LBE	0.00%			
					0.00%		MBE	0.00%			
					0.00%		WBE	0.00%			
Discipline	Subcontractor/Supplier Name	Original Contract Value	Change In Contract Value	Total Contract (Excluding CCIP)	LBE		MBE		WBE		Certifying Agency or Local Zip Code
					\$	%	\$	%	\$	%	
Bid Package #1											
Bid Package #2											
Bid Package #3											
Bid Package #4											
Bid Package #5											
Total Applicable Contract Volume Awarded To Date											
					\$	%	\$	%	\$	%	
					TOTAL - LBE		TOTAL - MBE		TOTAL - WBE		

Attachment C

LBE/MBE/WBE COMPLIANCE

SUMMARY REPORT

EXPENDITURES FOR REPORTING PERIOD

GOODS SUPPLIES and OTHER SERVICES	Total	Class	Percent	Comments
Total \$ Awarded				
Total \$ Expended				
Total \$ MBE		% MBE		
Total \$ WBE		%WBE		
Total \$ M/WBE		%M/WBE		

MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

Name & Address	Trade	Classification	Date Hired	Sex	Ethnic Origin

--	--	--	--	--	--

Draft: January 29, 2020

REDEVELOPMENT PROJECT PLAN
DOWNTOWN CAMPUS REDEVELOPMENT DISTRICT

SUBMITTED PURSUANT TO

K.S.A. 12-1770 *et seq.*, as amended

SUBMITTED BY THE UNIFIED GOVERNMENT OF WYANDOTTE

COUNTY/KANSAS CITY, KANSAS AND DEVELOPER —

LANIER UNITED, LLC

Submitted: March __, 2020

This Redevelopment Project Plan is submitted to the Unified Government for the required consultation and to elicit a determination by the Planning Commission thereof as to whether the Redevelopment Plan is consistent with the intent of the Unified Government's Comprehensive Plan.

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I. INTRODUCTION

A) Redevelopment District

Pursuant to the Kansas Tax Increment Financing Act, K.S.A. 12-1770, *et. seq.*, as amended (“**TIF Act**”), Kansas municipalities are authorized to establish a redevelopment district and Tax Increment Financing (“**TIF**”) redevelopment project plans for property within their jurisdiction. Redevelopment districts may be created based upon certain findings by the municipality, including that property is located within a designated enterprise zone (as defined by the TIF Act).

On March 26, 2020, the Unified Government of Wyandotte County/Kansas City, Kansas (the “**UG**”), after conducting a duly noticed public hearing, found that certain real property generally shown on the map attached hereto as **Exhibit B** and legally described on **Exhibit C**, is located within an enterprise zone. Based in part upon such finding, the UG established a redevelopment district called the Downtown Campus Redevelopment District (the “**District**”) that encompasses the Property. The District consists of one (1) redevelopment project area (the “**Project Area**”).

B) Redevelopment Project

Lanier United, LLC (the “**Developer**”) is pleased to present this Tax Increment Financing Redevelopment Project Plan (this “**Redevelopment Plan**”) to the UG for its consideration and approval. The term of the Redevelopment Plan shall not exceed twenty (20) years and shall commence upon the UG’s approval of the same (the “**TIF Collection Period**”).

This Redevelopment Plan contemplates the redevelopment of the District, including but not limited to (1) an area located at (a) 510 and 520 Minnesota Avenue in Wyandotte County, Kansas City, Kansas (the “**Reardon Center Site**”) and (b) the southwest corner of 6th Street and Nebraska Avenue in Wyandotte County, Kansas City, Kansas (the “**Athletic Field Site**”), and collectively with the Reardon Center Site, the “**Property**”), and (2) site work, infrastructure, and parking facilities, and other improvements in support of the Reardon Center Site and the Athletic Field Site.

It is anticipated that the Reardon Center Site will consist of approximately 90,000 to 110,000 square feet of residential housing, commercial and service-based amenities, and upgraded conference facilities consisting of the following improvements: (i) approximately 10,000 square feet of commercial space located on the first-floor within a four (4) to five (5) story mixed-use retail and residential building (the “**Retail Space**”); (ii) approximately 6,000 square foot fitness center featuring free and universal weights, group fitness classes and personal training (the “**Fitness Center**”); (iii) 70 to 85 apartment units above the Retail Space with associated amenities (the “**Multi-Family Space**”); (iv) approximately 10,600 square feet of Class A multi-purpose banquet/meeting space with capacity to seat 350 people for community events and programs, including youth education and healthy living programs, and Science, Technology, Engineering and Math (“**STEM**”) awareness classes (the “**Reardon Center**”). The Athletic Field Site is anticipated to include approximately 38,000 square feet of recreational athletic fields space with new turf, high-quality perimeter fencing, concessions, and a collection

of bleachers to accommodate approximately fifty (50) spectators for a variety of sports events (the “**Athletic Field**”). Additional development will include associated site work and infrastructure, which may include utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), and other associated and appurtenant improvements allowed under the TIF Act. All redevelopment efforts described in this paragraph are referred to collectively as the “**Project**”. A site plan depicting the general development concept of the Project is attached hereto as **Exhibit A**.

It is important to note, however, that this description of uses, and the buildings the Developer plans to construct for such uses, is not intended to be inflexible. This Redevelopment Plan contemplates reasonable variations from the descriptions above, subject to the terms and conditions of the Development Agreement to be entered into between Developer and the UG (the “**Development Agreement**”), but generally allowing for retail uses, restaurant uses, residential, and any other commercial structure or use (including but not limited to office, non-profit, governmental or community use).

The Developer’s intent is to rehabilitate the Reardon Center and surrounding areas that have numerous capital repair and maintenance needs, and to create a rehabilitated development that will draw additional consumers from both inside and outside the UG. This Redevelopment Plan is premised on the need for a combination of public and private financing to reach the mutual goals of the UG and the Developer in developing the Project.

As shown herein, the Redevelopment Plan proposes to finance Reimbursable Project Costs (as defined in Section III.D.2 below) by capturing through TIF 100% of the allowable ad valorem tax increment¹ (“**Property Tax TIF Proceeds**”), subject to certain adjustments described in Section III.D.4 hereof. Any ad valorem taxes not captured by the TIF will be distributed to all taxing jurisdictions in accordance with their respective mill levies.

In addition, the Redevelopment Plan proposes to finance Reimbursable Project Costs by capturing certain sales taxes described in Section III.D.5 hereof (the “**Sales Tax TIF Proceeds**”) during the entire TIF Collection Period.

Based on projections of real property values and sales within the District over the TIF Collection Period, it is estimated that the TIF will generate gross revenues of approximately \$3,504,758 from the Project Area (collectively, “**TIF Revenues**”). As permitted by the TIF Act, such TIF Revenues generated by the Project Area may be utilized to pay for Reimbursable Project Costs incurred in connection with the same as set forth in **Exhibit J** of the Development Agreement. Among other conditions to reimbursement of Developer from TIF Revenues listed in the Development Agreement, the UG must first be reimbursed in full for its Public Infrastructure Costs (as defined in the Development Agreement). The amount of reimbursement to Developer from Property Tax TIF Proceeds and Sales Tax TIF Proceeds is capped at \$3,054,758, in total (subject to an upward adjustment described in Section 3.1(a) of the Development Agreement of up to, but not in excess of, \$225,000).

¹ The Developer and UG acknowledge that, under Kansas law, the following mills may not be captured by TIF financing: (a) the State of Kansas’s 1.5 mills, (b) the school district’s base 20 mills, and (c) the school district’s capital outlay levy, which may not exceed 8 mills.

Pursuant to K.S.A. 12-1693 *et seq.* and Charter Ordinance No. CO-01-18 of the UG (the “**TGT Ordinance**”) transient guest tax revenues not to exceed \$1,000,000² (the “**TGT Grant**”) and an additional \$1,000,000 contribution from the UG (the “**UG Contribution**”) are proposed to be used to reimburse the Developer for costs related to demolition, site improvement and hard construction costs for the Reardon Center portion of the Project. Any reimbursement to the Developer from the transient guest tax revenues or the UG Contribution will be in addition to the TIF and CID (as defined below) revenues available to finance the Project.

A Community Improvement District (“**CID**”) was created pursuant to K.S.A. 12-6a26 *et seq.* (the “**CID Act**”), and Ordinance No. O-37-13, passed by the governing body of the UG on June 13, 2013 (the “**CID Ordinance**”). The CID imposes a two percent (2.0%) CID sales tax on all eligible sales within the CID for a maximum 22-year term that commenced on October 1, 2013. All revenues generated by the CID sales tax, which are currently estimated to be \$3,020,515 for the remaining term of the CID, in addition to the approximately \$560,000 currently held in the CID fund, will be available to reimburse the Developer for certain project costs that are eligible under the CID Act and the CID Ordinance and set forth in the budget attached as **Exhibit J** to the Development Agreement. Any reimbursement of CID revenues will be in addition to the TIF, TGT Grant and UG Contribution available for reimbursement of Reimbursable Project Costs, subject to any cap(s), conditions and other limitations set forth in the Development Agreement. Among other conditions to reimbursement of Developer from CID revenues listed in the Development Agreement, the UG must first be reimbursed in full for its Public Infrastructure Costs.

The TGT Grant, UG Contribution, and the CID sales tax are assumed as revenue sources in the feasibility study discussed in Section III.D below.

II. PROJECT DEVELOPMENT TEAM

- The Unified Government of Wyandotte County/Kansas City, Kansas
- Lanier United, LLC
- Bryan Cave Leighton Paisner LLP
- Architect
- Contractor

III. REDEVELOPMENT PROJECT PLAN

A) The Property

The UG owns the real property that comprises the Project Area. A map generally depicting the Project Area is attached hereto as **Exhibit B**, and legal descriptions of the Project

² As set forth in Article 3 of the Development Agreement, this \$1,000,000 cap on the TGT Grant and/or the \$3,054,758 TIF cap may be increased in an aggregate amount not to exceed \$225,000 to reimburse the Developer for certain financing costs.

Area are attached hereto as **Exhibit C**.

Upon satisfaction of certain conditions set forth in the Development Agreement, (a) the portion of the Reardon Center Site needed for construction of the Multi-Family Space, Fitness Center, and Retail Space will be conveyed to the Developer, and (b) the Developer and the UG will execute and deliver ground leases for (i) the portion of the Reardon Center Site which is needed for construction of the Reardon Center and (ii) the Athletic Field Site which is needed for construction and operation of the Athletic Field.

B) Established Redevelopment District

The Property is within an established District approved by the UG on March 26, 2020 pursuant to Ordinance No. _____. (See copy of Ordinance No. _____ attached hereto as **Exhibit D**.) The proposed Redevelopment Plan is consistent with the stated purpose and intent of the approved District.

C) Description of the Proposed Project

The Redevelopment Plan provides for the construction of approximately 90,000 to 110,000 square feet of residential housing, recreational facilities, commercial and service-based amenities, upgraded conference facilities, and associated infrastructure and other improvements, all as set forth in Section I.B.

D) Feasibility Study

As required by the TIF Act, a study has been prepared to determine whether the Project's estimated benefits and tax increment revenues are expected to exceed or be sufficient to pay for the Project's estimated costs. This effort involved utilization of consultants with experience and expertise in the actual design, development, financing, management, and leasing of projects of similar scope and nature. Further, outside resources were consulted to compare and verify cost and revenue projections including outside industry sources and actual taxing jurisdiction data where available. The results of this study are as follows:

1. **Project Costs**

The total estimated cost to complete the Project, including land acquisition, site development, building construction, soft costs, and all fees, is approximately \$22,746,810. A breakdown of the estimated costs by category and the amount and basis for determination is set forth below on Table 1 (see **Exhibit E** for a detailed budget).

TABLE 1 – Estimated Project Costs

Description	Total Costs
Property Acquisition	\$25,010
Site Costs	\$3,346,800
Building Construction Costs	\$17,115,000
Parking Construction Costs	\$1,400,000
Professional Services and Soft Costs	\$860,000
TOTAL ESTIMATED PROJECT COSTS	\$22,746,810

2. **Eligible Costs**

Pursuant to the TIF Act, only certain costs are eligible for TIF financing and reimbursement (“**Reimbursable Project Costs**”). This Redevelopment Plan contemplates that, to the full extent permissible under the TIF Act, available TIF proceeds will be available to reimburse Reimbursable Project Costs, subject always to the terms, conditions and limitations of the Development Agreement. As shown herein, it is estimated that only \$4,749,010 of the Project costs are eligible Reimbursable Project Costs. Importantly, any amount of available CID proceeds will be in addition to any such TIF proceeds, except as otherwise set forth in the Development Agreement. These Reimbursable Project Costs are set forth by category and amount in Table 2 below (see also **Exhibit E** for a more detailed itemization):

TABLE 2 – TIF Eligible Costs

Description	Total Costs
Property Acquisition	\$25,010
Site Costs	\$2,664,000
Building Construction Costs	\$0
Parking Construction Costs	\$1,400,000
Professional Services and Soft Costs	\$660,000
TOTAL ESTIMATED REIMBURSABLE PROJECT COSTS	\$4,749,010

It is anticipated that the Developer will be reimbursed under this Redevelopment Plan on a “pay-as-you-go” method. There will be no bonds or other obligations issued by the UG in order to reimburse the Developer for any Reimbursable Project Costs. The UG and the Developer have agreed that the UG will be reimbursed in full for the Public Infrastructure Costs before TIF proceeds will be made available to the Developer, and Developer’s reimbursement from TIF proceeds will be capped at Three Million Fifty-Four Thousand Seven Hundred Fifty Eight Dollars (\$3,054,758)³.

³ As set forth in Article 3 of the Development Agreement, this \$3,054,758 cap and/or the \$1,000,000 TGT Grant may be increased in an aggregate amount not to exceed \$225,000 to reimburse the Developer for certain financing costs.

3. **Project Revenues**

The TIF Revenues generated over the TIF Collection Period are estimated to be \$3,504,758 for the Project Area. TIF Revenue projections are set forth in **Exhibit F**, attached hereto. Pursuant to the TIF Act, TIF Revenues will be generated from two sources:

- a) *Ad Valorem Tax Increment Revenues.* Ad valorem taxes generated by the then-current assessed valuation of real property within the District during the TIF Collection Period, less the ad valorem taxes produced from the assessed valuation as of the date the District was established (excluding ad valorem taxes not allowed to be captured pursuant to the TIF Act).
- b) *Local Sales Tax Revenues.* The local sales and use taxes generated within the Project Area. The TIF will only capture a portion of the local sales and use tax revenues, as set forth below.

4. **Ad Valorem Property Tax Increment Captured**

According to the Wyandotte County Appraiser's Office, the 2020 assessed value for the District is \$0. This serves as the base value against which future assessed values of the District will be compared in order to determine the amount of Property Tax TIF Proceeds that will be generated.

This Redevelopment Plan proposes to finance Reimbursable Project Costs by capturing 100% of the allowable ad valorem tax increment during the TIF Collection Period. However, the present intent of the UG is to capture 100% of for the first twelve (12) years of the TIF Collection Period, and thereafter reduce the capture in each subsequent year by 10% of the previous year's captured amount through year twenty (20), as shown in the chart below. Any uncaptured ad valorem taxes will be distributed to all taxing jurisdictions in accordance with their respective mill levies.

Year(s)	Increment Captured
0-12	100%
13	90%
14	80%
15	70%
16	60%
17	50%
18	40%
19	30%
20	20%

Assuming ad valorem tax increment is captured in accordance with the percentages shown in the table above, the Project is expected to produce \$2,848,367 of Property Tax TIF Proceeds during the TIF Collection Period. (See TIF Revenue projections attached hereto as

Exhibit F.)

In the event the Developer incurs certain additional financing costs described in Section 3.1(a) of the Development Agreement, and **notwithstanding the foregoing table, the UG reserves the right to collect up to 100% of the allowable ad valorem property tax increment in each year of the TIF Collection Period to reimburse Developer for such financing (including interest) costs in an amount not to exceed \$225,000 – in this circumstance, the UG may unilaterally administer the TIF to capture only a percentage of the incremental ad valorem property tax revenues, either as set forth in the chart above or otherwise, in the UG’s sole discretion.**

5. Sales Tax Revenues

Currently, there are no retail sales generated within the District. It is anticipated that upon completion of the Project, the Project will produce annual retail sales of approximately \$589,030. (See TIF Revenue projections attached hereto as **Exhibit F.)**)

The UG’s total local sales tax rate is 2.625% (excluding the State’s 6.5%), consisting of:

- 1.000% Wyandotte County general sales tax (the “**County Sales Tax**”)
- 1.000% City of Kansas City general sales tax (the “**City Sales Tax**”)
- 0.250% emergency medical services sales tax (the “**EMS Sales Tax**”)
- 0.375% public safety/infrastructure sales tax (the “**Public Safety/Infrastructure Sales Tax**”).

The City Sales Tax and the UG’s portion of the County Sales Tax will be captured by the TIF. The EMS Sales Tax and the Public Safety/Infrastructure Sales Tax will not be captured by the TIF.

6. Tax Increment Revenues

Based on the Project’s captured annual Sales Tax TIF Proceeds and the captured annual Property Tax TIF Proceeds, each as heretofore described, it is estimated that the TIF would generate approximately \$3,054,758 of TIF Revenues over the 20-year life of this Redevelopment Plan; however, Developer’s reimbursement from the TIF Revenues would be subject to the TIF Cap, which may be modified to satisfy Section 3.1(a) of the Development Agreement (as defined in the Development Agreement).

7. Significant Contribution to Economic Development of the City

The development contemplated in this Redevelopment Plan will provide significant economic development for the UG by, among other things, providing increased tax revenues to the UG, rehabilitating the Reardon Center and surrounding areas that have numerous capital repair and maintenance needs, creating a rehabilitated development that will draw additional consumers from both inside and outside the UG, and increasing employment opportunities and general commerce for area residents. The feasibility study demonstrates that the benefits and tax increment revenue and other available revenues derived from the development contemplated in

this Redevelopment Plan will exceed the costs and be sufficient to pay the costs of the Project.

8. Sufficiency of Tax Increment Revenues Compared to Projects Costs

The total of the Reimbursable Project Costs that can be financed under the TIF Act are limited by the amount of TIF Revenues generated within the Project Area. Thus by operation, the TIF Revenues will always equal or exceed the amount of the Reimbursable Project Costs. Based on the Redevelopment Plan's (1) Reimbursable Project Costs and (2) TIF Revenues, the revenues are expected to pay for the Reimbursable Project Costs as contemplated under the TIF Act when supplemented by certain other revenues described in the Development Agreement.

Est. Project Costs	\$22,746,810
<u>Sources of Funds</u>	<u>Amount</u>
TIF Revenue	\$3,054,758
CID Revenue	\$3,020,515
TGT Grant	\$1,000,000
UG Contribution	\$1,000,000
Private debt/equity	\$9,671,537
<u>Section 108 Loan⁴</u>	<u>\$5,000,000</u>
TOTAL	\$22,746,810

There is no anticipated effect on special obligation bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D) because no such special obligation bonds are outstanding or planned to be issued to finance the Project.

E) Relocation Assistance Plan

The UG and Developer have determined pursuant to K.S.A. 12-1777 that no relocation assistance plan is required for the Project.

IV. CONCLUSION

Based on the foregoing, this Redevelopment Plan proposes to utilize portions of the ad valorem tax increment, certain sales tax revenue, the CID proceeds, the TGT Grant, the UG Contribution, and certain other funds described herein to finance the costs of the Project. The UG and Developer hereby submit this Redevelopment Plan for public hearing and due consideration.

V. EXHIBITS

[Exhibits Follow]

⁴ If, and to the extent, the Section 108 Loan is not obtained, the amount of Private Equity and Debt shall increase by an amount between \$4,775,000 and \$5,000,000 and the aggregate amount of TIF Revenue and TGT Grant shall increase by an amount up to, but not in excess of, \$225,000

Draft: January 29, 2020

Exhibit A

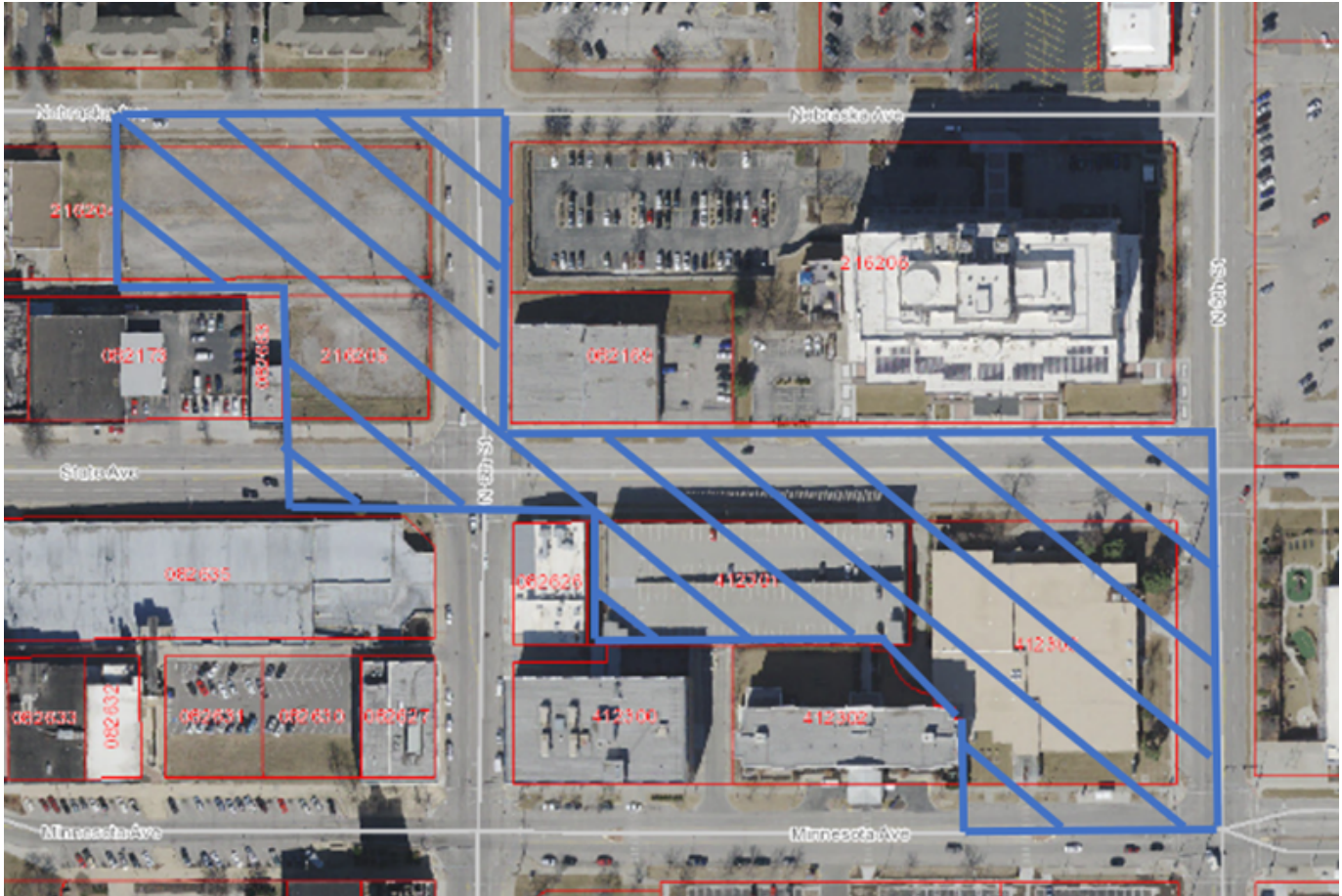
Proposed Site Plan

Draft

Draft: January 29, 2020

Exhibit B

Map of Redevelopment District



Draft: January 29, 2020

Exhibit C

Legal Descriptions of the Redevelopment District

Draft

Draft: January 29, 2020

Exhibit D

Redevelopment District Ordinance No. _____

Draft

Draft: January 29, 2020

Exhibit E

Budget / Reimbursable Project Costs

Draft

**Lanier United KCK Development
Downtown Campus**
As of: 1/29/2020

Estimated Project Costs

Description	Total Costs	TIF Eligible	CID Eligible	Sales Tax Redirection
PROPERTY ACQUISITION				
Acquisition/ Relocation/Lease Buyout	\$10	\$10	\$10	\$10
Title issues, right of way easement, traffic signalization easement	\$25,000	\$25,000	\$25,000	\$25,000
	\$25,010	\$25,010	\$25,010	\$25,010
SITE COSTS				
Clearing & Grubbing	\$250,000	\$250,000	\$250,000	\$250,000
Excavation and Demo	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Embankment	\$0	\$0	\$0	\$0
Fine Grading	\$100,000	\$100,000	\$100,000	\$100,000
Regular Duty Pavement	\$50,000	\$50,000	\$50,000	\$50,000
Heavy Duty Asphalt Pavement	\$0	\$0	\$0	\$0
Heavy Duty Concrete	\$50,000	\$50,000	\$50,000	\$50,000
Curb & Gutter	\$50,000	\$50,000	\$50,000	\$50,000
Storm Sewer	\$150,000	\$150,000	\$150,000	\$150,000
Inlets / Junction Boxes	\$0	\$0	\$0	\$0
Water Main	\$250,000	\$250,000	\$250,000	\$250,000
Fire Hydrants	\$10,000	\$10,000	\$10,000	\$10,000
Sanitary Sewer	\$120,000	\$120,000	\$120,000	\$120,000
Sanitary Sewer Manholes	\$24,000	\$24,000	\$24,000	\$24,000
Site Lighting	\$50,000	\$50,000	\$50,000	\$50,000
Landscaping	\$250,000	\$250,000	\$250,000	\$250,000
Athletic Field	\$250,000	\$250,000	\$250,000	\$250,000
Utility Easement Relocation	\$50,000	\$50,000	\$50,000	\$50,000
Erosion Control	\$5,000	\$5,000	\$5,000	\$5,000
Irrigation	\$5,000	\$5,000	\$5,000	\$5,000
Site Survey	\$15,000		\$15,000	
Site Engineering	\$50,000		\$50,000	
Geotechnical Engineering	\$20,000		\$20,000	
Site Construction Testing	\$40,000		\$40,000	
Contingency	\$557,800		\$557,800	
Total On-Site Costs	\$3,346,800	\$2,664,000	\$3,346,800	\$2,664,000
BUILDING AND PARKING CONSTRUCTION COSTS				
Apartment	\$11,200,000		\$11,200,000	
Reardon Center	\$3,000,000		\$3,000,000	
Structured Parking (60 spaces for Apts.)	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
FF&E	\$500,000		\$500,000	
Contingency	\$2,415,000		\$2,415,000	
Total Building Construction Costs	\$18,515,000	\$1,400,000	\$18,515,000	\$1,400,000
PROFESSIONAL SERVICES AND SOFT COSTS				
Architectural Services & Design Costs	\$600,000	\$400,000	\$400,000	\$600,000
Legal Services	\$150,000	\$150,000	\$150,000	\$150,000
Permits	\$50,000	\$50,000	\$50,000	\$50,000
Engineering Services	\$60,000	\$60,000	\$60,000	\$60,000
Total Professional and Soft Costs	\$860,000	\$660,000	\$660,000	\$860,000
TOTAL ESTIMATED PROJECT COSTS*	\$22,746,810	\$4,749,010	\$22,546,810	\$4,949,010
	Caps**	\$3,054,758	\$3,020,515	\$1,000,000
CID and TIF percentage Cap	35.50%			
TIF AND CID REIMBURSABLE PERCENTAGE OF TOTAL COSTS	31.10%	13.43%	13.28%	4.40%

* The foregoing does not include any Costs of Financing, Interest, City Expenses or any Cost of Additional Required Improvements, all of which shall be reimbursable to the Developer in accordance with the TIF Plan.

** Pursuant to the Development Agreement, the UG will submit an application for a HUD Section 108 Loan in the amount of \$5,000,000 for the purpose of financing or refinancing non-construction work related to the Project. If the UG is unable to secure a HUD Section 108 Loan, then the UG will provide additional public financing to the Project in an amount not to exceed \$225,000 through either redirection of additional TIF Proceeds or by increasing the redirected amount of TGT.

Draft: January 29, 2020

Exhibit F

TIF Revenue Projections

Draft



Staff Request for Commission Action

Tracking No. 2010

Full Commission Meeting Date: 2/27/20

Committee: Neighborhood & Community Development

Date of Standing Committee Action: 2/10/20

(If none, please explain):

Publication Required: Yes 2/6/2020

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
1/29/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

VILLAGE WEST APARTMENTS PHASE III

1. RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BONDS (IRB) IN THE AMOUNT NOT TO EXCEED \$45,700,000 FOR THE BENEFIT OF VILLAGE WEST APARTMENTS PHASE III TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING COMMERCIAL FACILITIES LOCATED AT THE INTERSECTION OF PARALLEL PKWY AND NORTH 114TH ST, KCKS 66109.

PUBLIC HEARING TO BE HELD 2/27/2020.

2. RESOLUTION TO APPROVE THE VILLAGE WEST APARTMENT PHASE III DEVELOPMENT AGREEMENT

Action Requested:

Approve and advance to Full Commission/Public Hearing on 2/27/20

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Resolution of Intent (Village West Apartments III), Resolution approving Village West Apartments III Development Agreement, West Village Phase III Executive Summary, UG VWA Phase III Development Agreement, CBA_Village_West_01242020_without_LMW, CBA_Village_West_01242020_with_LMW

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF APPROXIMATELY \$45,700,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING COMMERCIAL FACILITIES FOR THE BENEFIT OF VILLAGE WEST APARTMENTS III, LLC, AND ITS SUCCESSORS AND ASSIGNS (VILLAGE WEST APARTMENTS PHASE III)

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

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

WHEREAS, Village West Apartments III, LLC, a Kansas limited liability company (the “Company”), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the “Application”) requesting that the Unified Government finance the cost of acquiring, constructing, improving and equipping certain commercial facilities as more fully described in the Application to be approximately located south of Parallel Parkway and N. 114th Street consisting of an approximately 330-unit apartment complex, including associated infrastructure, a clubhouse, and other amenities (collectively, the “Project”) through the issuance of its revenue bonds in one or more series in the amount of approximately \$45,700,000, and to lease the Project to the Company or its successors and assigns in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of revenue bonds under the Act in a principal amount of approximately \$45,700,000, said bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company; and

WHEREAS, the Development Agreement (as defined herein) has been presented for consideration in connection with the Project.

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

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

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct, improve and equip the Project out of the proceeds of revenue bonds of the Unified Government in a principal amount of approximately \$45,700,000 to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified

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

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

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

Section 6. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct, improve and equip the Project, the Unified Government hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and other ad valorem taxes that cannot be abated under Kansas law) for all real property financed with the proceeds of the Bonds.

In consideration of the Unified Government's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as set forth on **Exhibit A** hereto, and such amounts shall be set forth in the performance-based tax agreement to be agreed upon and executed by the Unified Government and the Company. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the bonds are issued. The payments in lieu of tax are subject to adjustment in accordance with the performance-based tax abatement agreement to be agreed upon and executed by the Unified Government and the Company for the Project.

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

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

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED

GOVERNMENT” AND “LITIGATION -- THE UNIFIED GOVERNMENT” HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 9. Termination of Resolution. This Resolution shall terminate on January 1, 2021, unless the Bonds have been issued for the Project. The Unified Government, upon the written request of the Company, may extend this time period.

Section 10. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company, assign all or a portion of the Company’s interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 11. Development Agreement. The Unified Government hereby approves the Development Agreement for Village West Apartments III dated as of the date stated therein between the Unified Government and the Company (the “Development Agreement”) in substantially the form presented to and reviewed by the governing body of the Unified Government (a copy of which document, upon execution thereof, shall be filed in the office of the Unified Government Clerk), with such changes therein as shall be approved by the officers of the Unified Government executing such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof. The Mayor/CEO and the Clerk are hereby authorized to execute and deliver the Development Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

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

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

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**ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS ON FEBRUARY 27, 2020.**

By: _____
Mayor/CEO

(Seal)

Attest:

By: _____
Unified Government Clerk

Resolution of Intent
Village West Apartments III, LLC

EXHIBIT A

PAYMENT IN LIEU OF TAX SCHEDULE

Payments in lieu of tax (“PILOTs”) shall be determined on a per-apartment-unit basis as further set forth in that certain Development Agreement for Village West Apartments III between the Unified Government and Village West Apartments III, LLC (the “Development Agreement”).

Below is an approximate PILOT schedule based on 330 apartment units. This PILOT schedule may be adjusted as set forth in the Development Agreement.

Value/Unit	# Units	Projected Value	2019 Mill Rate	PILOT	Per Door Taxes
\$53,719.19	330	\$17,727,331.48	169.965992	\$346,500.00	\$1,050.00

Year*	With L/M/W		Without L/M/W	
	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	\$1,050.00	\$346,500.00	\$1,050.00	\$346,500.00
2	\$1,060.50	\$349,965.00	\$1,071.00	\$353,430.00
3	\$1,092.32	\$360,463.95	\$1,119.20	\$369,334.35
4	\$1,125.08	\$371,277.87	\$1,169.56	\$385,954.40
5	\$1,158.84	\$382,416.20	\$1,222.19	\$403,322.34
6	\$1,193.60	\$393,888.69	\$1,277.19	\$421,471.85
7	\$1,229.41	\$405,705.35	\$1,334.66	\$440,438.08
8	\$1,266.29	\$417,876.51	\$1,394.72	\$460,257.80
9	\$1,304.28	\$430,412.81	\$1,457.48	\$480,969.40
10	\$1,343.41	\$443,325.19	\$1,523.07	\$502,613.02
Total:		\$3,901,831.58	\$4,164,291.23	

*“Year” refers to the first full calendar year following the issuance of the bonds.

(Published in *The Wyandotte Echo* on _____)

RESOLUTION NO. R-____-19

**A RESOLUTION ADOPTING THE DEVELOPMENT AGREEMENT FOR
VILLAGE WEST APARTMENTS III**

WHEREAS, Village West Apartments III, LLC, a Kansas limited liability company ("Developer") wishes to design, develop, and construct a luxury apartment complex and related amenities (the "Project") on certain real property generally located north of Delaware Parkway, west of 110th Street, and south of Parallel Parkway in Kansas City, Kansas (the "Project Site"); and

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas recognizes that Wyandotte County's consumer demand for luxury rental living units is currently underserved by the existing inventory, particularly in western Wyandotte County, and the lack of sufficient high-end living units causes many people who work and play in Wyandotte County to live outside Wyandotte County, which limits the County's ability to capitalize on the opportunity to attract residents to the County from other parts of the Kansas City metropolitan area; and

WHEREAS, development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses, and provide a work force for Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the Development Agreement for Village West Apartments III with Developer (the "Development Agreement"), attached as **Exhibit A** hereto, and incorporated by reference herein.

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

Section 1. That the Unified Government Board of Commissioners hereby approves the Development Agreement in substantially the form attached hereto.

Section 2. That the County Administrator is hereby authorized to execute in the name of the Unified Government, the Development Agreement, and any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in *The Wyandotte Echo*.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS
THIS _____ DAY OF _____, 2020.

David Alvey, Mayor/CEO

ATTEST:

Unified Government Clerk

(Seal)

EXHIBIT A

Development Agreement

[To be attached.]

1/22/20 EXECUTIVE SUMMARY
VILLAGE WEST APARTMENTS PHASE III DEVELOPMENT AGREEMENT

1. **Parties.** The UG and Village West Apartments III, LLC, a Kansas limited liability company ("Developer").
2. **The Project/Timing.** The Project is to be a newly-constructed Class A luxury apartment complex and shall, at minimum, include the following Improvements: (a) 2 or more high-end apartment buildings, of the same or better quality than the Village West Luxury Apartments, renting for a blended rate of approximately \$1.42 psf, and consisting of 330 total units; (b) improvements to extend Delaware Parkway pursuant to plans and specifications set forth on **Exhibit B** (the "Public Infrastructure Improvements"); and (c) an internal bike sharing program structured and managed by Developer. Pursuant to Section 6.10 of the Agreement, Developer agrees to substantially complete all of these improvements by December 31, 2022.
3. **Budget/IRB Financing.** The overall project budget is approximately \$_____, including \$_____ for the Public Infrastructure Improvements. The UG will provide IRB financing for the project, but Developer will not receive any property tax abatement. Developer will, however, have access to the sales tax exemption on construction materials and the parties further agree on a 10-year, 100% payment-in-lieu-of-tax ("PILOT") pursuant to the specific schedule attached to the Agreement as **Exhibit D**. The PILOT was determined based on a projected per unit value of \$53,719.19 with a minimum of 330 units. If the ultimate number of units in the Project is greater than 330, then the amount of the PILOT shall increase based on the per unit value of \$53,719.19. Additionally, the amount of the PILOT for years 2 through 10 of the IRB term may be increased annually by the amounts shown on **Exhibit D** if Developer fails to meet its LBE/MBE/WBE Employment Opportunity Goals for the construction of the Improvements.
4. **Reimbursement of Public Infrastructure Improvements Costs.** The UG agrees to reimburse Developer for an amount up to \$267,014 for the costs of the Public Infrastructure Improvements to extend Delaware Parkway (the "Reimbursable Project Costs Cap"). Such payments shall be made over a period of 3 years solely from the PILOTs; provided, however, that the Reimbursable Project Cost payment for any 1 year shall be limited to an amount not to exceed \$100,000. If Developer fails to meet its LBE/MBE/WBE Employment Opportunity Goals for the Public Infrastructure Improvements, then Developer shall forfeit and have no rights to the \$267,014 reimbursement.
5. **Construction Provisions.** Developer's construction contracts will provide for a guaranteed maximum price and payment and performance bonds for the Public Infrastructure Improvements. However, the Agreement does not include similar requirements for the construction of the apartment buildings and other Improvements.
6. **Use and Operation.** During the Term, Developer agrees to operate the Project in a dignified and high quality manner and Developer also generally agrees to the UG's standard terms and conditions regarding maintenance of the Project, compliance with law and timely payment of taxes or PILOTs. Developer also agrees to provide insurance and indemnify the UG.
7. **Assignment and Transfer.** Generally, Developer must have the UG's approval to assign, convey or transfer the project to others prior to Substantial Completion of the Project. However, the parties agree that Developer can and will make leases to its tenants in the ordinary course of business without the UG's consent. Additionally, after Substantial Completion of the Project, Developer has fairly broad rights to assign the Project or its rights in the Agreement, or to terminate the Agreement.
8. **MBE/WBE/LBE.** Developer has agreed to the following participation goals for construction of the Public Infrastructure Improvements: LBE – 12%; MBE – 6% and (iii) WBE – 4%. As discussed above, failure to meet these goals will result in forfeiture of the \$267,014 of Reimbursable Project Costs for Delaware Parkway and an increase in the PILOTs as set forth in **Exhibit D**.

**DEVELOPMENT AGREEMENT
FOR
VILLAGE WEST APARTMENTS III**

between the

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

and

VILLAGE WEST APARTMENTS III, LLC

DATED AS OF _____, 2020

DEVELOPMENT AGREEMENT (Village West Apartments III)

THIS DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III (the "Agreement") is made as of the ____ day of _____, 2020 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and Village West Apartments III, LLC, a Kansas limited liability company ("Developer").

RECITALS:

A. The Developer wishes to design, develop, and construct a luxury apartment complex and related amenities (the "Project," as further defined in Section 2.2 below), on certain real property generally located north of Delaware Parkway, west of 110th Street, and south of Parallel Parkway in Kansas City, Kansas (the "Project Site"), as legally described on Exhibit A-1 and generally depicted on Exhibit A-2, as attached hereto.

B. The Developer does not yet own the Project Site, but has right to acquire the Project Site pursuant to a contribution agreement with the current owner dated _____, 2020 (the "Contribution Agreement"), and Developer shall, upon closing, have all rights to occupy and develop the same as set forth herein.

C. The UG recognizes that Wyandotte County's consumer demand for luxury rental living units is currently underserved by the existing inventory, particularly in western Wyandotte County, and the lack of sufficient high-end living units causes many people who work and play in Wyandotte County to live outside Wyandotte County, which limits the County's ability to capitalize on the opportunity to attract residents to the County from other parts of the Kansas City metropolitan area.

D. Development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses, and provide a work force for Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County.

E. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;

(f) each of the items or agreements identified on the attached Index of Exhibits are deemed part of this Agreement to the same extent as if set forth herein;

(g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1 attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2 THE PROJECT

2.1 Undertaking of Developer. Developer hereby agrees, subject to the terms and conditions hereinafter provided, to develop, construct, complete, and operate the Project. The performance of all activities by Developer hereunder shall not be as an agent of the UG, except as otherwise specifically provided herein.

2.2 Development of the Project Site. The UG and Developer hereby agree that the Project shall be as described below. Developer hereby contemplates that all buildings, parking structures and other improvements constituting the Project, as specifically described in this Section 2.2 (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in substantial accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approval from the UG's

Planning Commission (the "Development Plan"). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree as follows:

(a) The Project shall be designed, developed and constructed as Class A luxury apartment buildings and shall, at minimum, include the following Improvements: two (2) or more high-end apartment buildings, of the same or better quality than the Village West Luxury Apartments, renting for a blended rate of approximately \$1.42 per square foot, and consisting of approximately 330 total units, approximately forty percent (40%) of which shall be one bedroom units, including site amenities and related infrastructure. Project amenities shall also include (i) a centrally located clubhouse with a swimming pool, health and fitness facilities, theatre room, common outdoor grills, and patio space; (ii) in-unit washer/dryer, refrigerator, oven/range, and microwave; (iii) elevator-serviced buildings with secure access and conditioned interior corridors; (iv) centrally located common green space with walking trails; and (v) a bicycle sharing station and the establishment of a bike sharing program. Developer shall also design, develop and construct the extension of Delaware Parkway, pursuant to the plans and the specifications approved by the UG and as set forth on Exhibit B, to provide access to the entrance of the Project. Developer shall pay for the costs of designing and constructing the extension of Delaware Parkway; provided, however, that the UG will contribute certain financing towards the cost of the road as more particularly described herein. Additionally, Developer is responsible for the plantings and the ongoing maintenance of all public rights-of-way for Delaware Parkway until such time as certain property which is located west and/or south of the Project Site which requires the extension and completion of Delaware Parkway. The maintenance requirements in this subsection may be assigned by the Developer, upon prior written notice to the UG, to an owners association which is responsible for this and other common area maintenance functions. However, the parties understand and agree that any such assignment shall not relieve Developer of its obligations therefor if and to the extent that any such owners association shall fail to perform such obligations. All references to maintenance of public right-of-way within this subsection shall mean the maintenance of landscape areas and sidewalks (including snow and ice removal) but shall not require that the Developer maintain streets (including snow and ice removal) and utility infrastructure. Developer understands and agrees that the UG shall not undertake or have any obligation for snow or ice removal on the sidewalks.

(b) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Commission. The UG hereby agrees that it will, to the extent possible, expedite the consideration of Developer's proposed signage and cooperate with Developer to reasonably accommodate Developer's signage requirements.

(c) The Project shall include parking improvements (the "Parking Improvements") containing the number of spaces required by the Applicable Laws and Requirements.

(d) Developer's plans for landscaping on the Project Site shall be considered in accordance with all Applicable Laws and Requirements and approval thereof by the UG will not be unreasonably withheld.

(e) Developer's design, development and construction of the Improvements shall in all respects comply with the Plans and Specifications (as defined in Section 6.2).

- (f) The Project described in this Section 2.2 shall not be amended or modified without
- (i) the prior written consent of the UG, which consent shall not be unreasonably withheld, and
 - (ii) full compliance with all Applicable Laws and Requirements.

2.3 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents. The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

2.4 Public Infrastructure Improvements. Developer agrees to cause the design, construction and completion of an extension of Delaware Parkway as detailed on **Exhibit B** attached hereto (the "Public Infrastructure Improvements"), according to plans and specifications delivered by the UG as described in Section 2.2(a) above. Developer shall be responsible for all costs associated with the Public Infrastructure Improvements, subject to reimbursement by the UG as set forth in Section 4.2 hereof.

ARTICLE 3 CONDITIONS

3.1 Conditions. The issuance and delivery to Developer of any public financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the "Public Financing Conditions"):

- (a) Developer shall close on its acquisition of the Project Site pursuant to the Contribution Agreement;
- (b) Developer shall have obtained preliminary site plan and final plan approval for the Development Plan and any other required approvals for the Project as required by all Applicable Laws and Requirements; and
- (c) The governing body of the UG shall have approved a Resolution of Intent for the IRB Financing described in Section 4.1 below.

3.2 Termination. In the event that Developer fails to meet the Public Financing Conditions set forth in Section 3.1 above on or prior to January 1, 2021, then either party hereto shall have the right to terminate this Agreement, but any failure to meet any such conditions shall not be an event of default hereunder. Upon any such termination of this Agreement, (i) this Agreement shall terminate, and (ii) except as specifically set forth herein, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of December 18, 2019, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

3.3 Satisfaction of Conditions. Upon satisfaction of the Public Financing Conditions set forth in Section 3.1 above, the UG shall, at the request of Developer, issue a certificate or a letter confirming and agreeing the Public Financing Conditions have been fully satisfied for purposes of this Agreement, and the parties agree that such Public Financing Conditions shall be deemed to be fully satisfied for all purposes of this Agreement thereafter.

ARTICLE 4 FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Costs and the Total Project Budget attached hereto as **Exhibit C**, and by this reference made a part hereof. The Total Project Costs shall be paid in accordance with the procedures and requirements set forth herein.

(a) Industrial Revenue Bonds. Developer has requested industrial revenue bond ("IRB") financing in order to pay certain project costs pursuant to K.S.A. 12-1741 *et seq.* Subject to all Applicable Laws and Requirements and subject further to compliance by Developer with all of the UG's requirements for the issuance of IRBs, the parties hereby agree that Developer may use IRB financing to obtain an exemption on sales taxes for construction materials for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem property taxes for the Project or the Project Site, subject to the terms set forth in Section 4.1(b) below.

(b) The parties hereby understand and agree that the IRBs shall be issued on or after the date of Substantial Completion of the Improvements and the Public Infrastructure Improvements (but in no event later than January 1, 2022) and shall mature and be redeemed ten (10) years after such issuance, and that during the term of the IRBs, Developer shall pay a 100% payment-in-lieu-of-tax ("PILOT") pursuant to the schedule attached hereto as **Exhibit D**. The parties acknowledge that the PILOT was determined based on a projected per-unit value of \$53,719.19, with a minimum of 330 units. If the ultimate number of units in the Project shall be greater than 330, then the amount of the PILOT payment shall necessarily increase based on the per unit value of \$53,719.19. Additionally, the parties hereby understand and agree that the amount of the PILOT for years 2 through 10 of the IRB term may be increased in accordance with **Exhibit D** based on whether or not the Developer fully complies with the terms and conditions of Section 8.2 (LBE/MBE/WBE Employment Opportunity Goals) hereof, with respect to the Improvements.

4.2 Reimbursable Project Costs for Public Infrastructure Improvements. In consideration for the Developer's agreement to construct the Project and the Public Infrastructure Improvements, the UG agrees to reimburse the Developer for a portion of the costs of the Public Infrastructure Improvements (the "Reimbursable Project Costs"), subject to the Reimbursable Project Costs Cap (as defined below), and subject to all of the terms and conditions of this Agreement, including the Public Financing Conditions set forth in Section 3.1 above. The parties anticipate that the Developer will be reimbursed for a portion of the Reimbursable Project Costs on a pay-as-you-go basis as further set forth in this Section 4.2.

(a) The UG agrees to reimburse Developer for an amount equal to Two Hundred Sixty Seven Thousand Fourteen Dollars (\$267,014) (the "Reimbursable Project Costs Cap").

(b) In order to receive reimbursement for Reimbursable Project Costs from the UG, Developer shall submit a Certificate of Expenditure in a form reasonably approved by the UG evidencing Developer's incurring such Reimbursable Project Costs in accordance with the procedure set forth herein. The Developer shall provide itemized invoices, lien waivers, receipts or other information reasonably requested, if any, to confirm that any such construction costs has been paid and qualifies as a Reimbursable Project Cost. Developer shall further provide a summary sheet detailing the costs requested to be reimbursed. Such summary sheet shall show the date such cost was paid, the payee, a brief description of the type of cost paid, and the amount paid. The Developer shall provide such additional information as reasonably requested by the UG (or its designated representatives) to confirm that such costs have been paid and qualify as Reimbursable Project Costs. If the submitted Certificate of Expenditure and supporting documentation appropriately

demonstrates that: (1) the request sufficiently documents the Reimbursable Project Costs; (2) the expenses have been paid; (3) Developer is not in default under this Agreement; and (4) there is no fraud on the part of Developer, then the UG shall within sixty (60) days after receipt of the Certificate of Expenditure, will either (i) approve the Certificate of Expenditure, or (ii) disapprove the Certificate of Expenditure and if the UG disapproves of the Certificate of Expenditure, the UG shall notify the Developer in writing of the reason for such disapproval within such 60-day period. Approval of any Certificate of Expenditure will not be unreasonably withheld.

(c) Subject to the terms of this Agreement and the conditions in this Section 4.2, and provided that Developer shall not be in default under the terms and conditions of this Agreement, then the UG hereby agrees to reimburse Developer for Reimbursable Project Costs on a "pay-as-you-go" basis in a total amount not to exceed the Reimbursable Project Costs Cap, which payments shall be made exclusively from the UG's portion of the PILOTs. Such payments shall be made on an annual basis within sixty (60) days after the UG receives the PILOT from the Developer for such year. Such payments shall be made for a period of three (3) years; provided, however that the Reimbursable Project Cost payment for any one (1) year shall be limited to an amount not to exceed \$100,000. If the UG's portion of the PILOT which is available for reimbursement of the Reimbursable Project Costs for any one year is less than \$100,000 (for any reason other than non-payment of the PILOT by Developer), then the UG agrees to continue to reimburse the Developer in subsequent years, up to the Reimbursable Project Costs Cap. The parties hereby understand and agree that nothing in this Agreement shall in any way obligate the UG to reimburse Developer for (i) any cost that is not a Reimbursable Project Cost, (ii) any Reimbursable Project Costs in excess of the Reimbursable Project Costs Cap, or (iii) any Reimbursable Project Cost in excess of the UG's portion of the PILOTs made by the Developer to the UG. Further, Developer specifically understands and agrees that all such reimbursement payments shall be made solely from the PILOTs paid by Developer. The parties agree that all such reimbursement to the Developer shall be made only on a pay-as-you-go basis, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer, except the IRB's contemplated herein.

(d) Developer understands and agrees that if Developer shall fail to comply with Section 8.2 (LBE/MBE/WBE Employment Opportunity Goals) for the Public Infrastructure Improvements, then Developer shall forfeit and have no rights to the reimbursement of the Reimbursable Project Costs as set forth in this Section 4.2, which shall be the UG's sole and exclusive remedy for such failure.

ARTICLE 5

Reserved.

ARTICLE 6

CONSTRUCTION OF IMPROVEMENTS AND INFRASTRUCTURE IMPROVEMENTS

6.1 Architect. Developer shall select such architects, engineers and other design professionals and consultants as are necessary to provide construction documents and construction oversight services for the Improvements. All agreements respecting architectural and engineering services shall be between Developer and such Persons, and a copy of each such agreement shall be timely provided to the UG upon a request for the same.

6.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements, and the UG shall provide Developer with the plans and specifications for the Public Infrastructure Improvements (collectively, the "Plans and Specifications"),

which Plans and Specifications shall include cost estimates for the Improvements and the Public Infrastructure Improvements, the design of which is compatible with the Development Plan, and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes to the Plans and Specifications subsequent to the initial approval.

6.3 General Contractor and Construction Documents. Developer shall select a general contractor (the "General Contractor") for the Public Infrastructure Improvements. Developer represents that its construction documents relative to the Public Infrastructure Improvements (the "Construction Documents") will require and provide for: (a) the design, development, construction, equipping and completion of the Public Infrastructure Improvements in accordance with the Development Plan, the Plans and Specifications and all Applicable Laws and Requirements; (b) a guaranteed maximum price; (c) guaranteed Substantial Completion not later than the Completion Date set forth in Section 6.10 (with liquidated damages for failure); and (d) surety of performance and labor and material payment bonds in the full amount of the Construction Documents. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents. Developer agrees with the UG that (a) it will perform its duties and obligations under the Construction Documents and (b) enforce the obligations of all other parties thereunder.

6.5 Terms and Requirements for Public Infrastructure Improvements.

(a) The Public Infrastructure Improvements Contract shall comply with all Applicable Laws and Requirements and the details of such Public Infrastructure Improvements described on **Exhibit B**. Any Material Changes to the Public Infrastructure Improvements or the Public Infrastructure Improvements Contract require the prior written consent of the UG.

(b) The UG shall assist the Developer with the acquisition of any necessary right-of-way to construct the Public Infrastructure Improvements.

(c) The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Public Infrastructure Improvements in order to ascertain and determine that the standards of the UG have been met. Developer shall obtain the UG's approval of all change orders relating to the Public Infrastructure Improvements.

(d) Upon the completion, inspection and approval of the Public Infrastructure Improvements by the UG, Developer will dedicate the Public Infrastructure Improvements to the UG. The UG shall be under no obligation to accept the dedication or conveyance of any Public Infrastructure Improvements constructed pursuant to this Agreement until it has been inspected and approved to the satisfaction of the UG. Upon written notice of the inspection and approval of the Director of Public Works, Developer agrees to convey all the Public Infrastructure Improvements to the UG free and clear of any liens and encumbrances or other obligations.

6.6 Responsibility for Design and Construction. Developer shall, subject to the terms of this Agreement and the Development Plan, have the sole right, and the responsibility, to design, manage, operate and construct the Project. Developer shall receive no separate fee from the UG for acting as construction manager or developer of the Project.

6.7 Payment and Performance Bonds. The General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the Total Project Costs, as set forth in the Construction Documents. Said bonds shall be in form and substance and issued by a corporate surety satisfactory to Developer and the UG.

6.8 Permits and Reviews. Developer hereby recognizes, stipulates and agrees (a) that in the design, construction, completion, use or operation of the Improvements and Public Infrastructure Improvements, Developer, or its General Contractor, shall procure and pay for any and all permits, licenses or other forms of authorizations that are, from time to time, required; and (b) that nothing herein shall be construed as any release by the UG of the responsibility of Developer to comply with, and satisfy the requirements of, all Applicable Laws and Requirements.

6.9 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Improvements and Public Infrastructure Improvements, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project.

6.10 Completion Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall Substantially Complete construction of the Improvements described in Section 2.2(a) and the Public Infrastructure Improvements on or before December 31, 2022.

ARTICLE 7 USE AND OPERATION

7.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is ten (10) years after the Effective Date (the "Term").

7.2 Use and Operation. Developer covenants that at all times during the Term, it will, at its expense:

(a) Use the Project only for the Permitted Uses.

(b) Conduct its business at all times in a dignified quality manner and in conformity with the first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

7.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

7.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other first-class apartment space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements and the Development Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this

Agreement. Developer agrees to set aside on its books such reserves for future maintenance and capital expenditures.

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon Developer or the Project or any part thereof or upon any income therefrom, including, but not limited to, any taxes, assessments, PILOTs or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property on the Project Site. Notwithstanding the foregoing, Developer hereby covenants and agrees not to contest the assessed value of the properties, Improvements or the taxes on the Project, the Project Site and/or Improvements during the Term of this Agreement. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes as set forth herein, that Developer's access to the IRB financing and reimbursement of Reimbursable Project Costs identified in Article 4 hereof shall be suspended until such taxes are paid in full.

7.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

7.8 Liens and Encumbrances. During the Term, except for a Permitted Mortgage, Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

7.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project;

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the Project and operations covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of the UG, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as Exhibit E, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars (\$500,000)), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

7.11 Damage, Destruction or Condemnation.

(a) In the event of damage to or destruction of any portion of the Improvements resulting from fire or other Casualty during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking or the net proceeds of any realization on title insurance shall be paid into, and used in accordance with a construction escrow agreement satisfactory to the UG, Developer and any Permitted Mortgagee ("Casualty Escrow"). If at any time during the Term, title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 7.11(a), "substantially all of the Improvements" shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

(b) In the event of condemnation of less than the whole or substantially all of the Improvements during the Term, Developer, at its sole cost and expense, shall commence and thereafter proceed as promptly as possible to repair, restore and replace the remaining part of the Project, as nearly as possible, to their former condition, and shall be entitled to draw upon the Casualty Escrow for payment of said costs.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement; and (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer or pursued for the benefit of or on behalf of Developer. Developer shall also pay and indemnify and save the UG and its governing body members,

directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by the said party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 7.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument.

7.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage and as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG, (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee." The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree as follows:

(a) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of the residential units within the Project.

(b) The Developer may freely sell, assign, transfer or mortgage the Project (and this Agreement in connection with the same) without the consent of the UG once all relevant certificate of Substantial Completion and occupancy permits have been issued for the Project.

(c) The Developer may terminate this Agreement, and thereafter freely sell, assign, transfer or mortgage.

7.14 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.14 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.15 Environmental Matters. Developer hereby agrees that by Closing on the transactions contemplated by this Agreement, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate,

produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 7.15 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

7.16 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 8 SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise the Project in the Kansas City Metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to comply with the goals set forth on **Exhibit E**, attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. In the event Developer shall fail to meet the LBE/MBE/WBE goals set forth on **Exhibit F** for the construction of the Public Infrastructure Improvements, then Developer shall forfeit the right to reimbursement of Reimbursable Project Costs as otherwise set forth in Section 4.2 hereof. Additionally, Developer hereby understands and agrees that if it shall fail to meet the LBE/MBE/WBE goals for the Project set forth on **Exhibit F** for the construction of the Improvements, then the PILOTs shall be increased as set forth in **Exhibit D** hereof.

ARTICLE 9

DEFAULT AND REMEDIES

9.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer's part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliates of Developer shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliates of Developer generally is not paying its debts as such debts become due; or Developer or any Affiliate of Developer makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer, or any Affiliates of Developer and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement); or

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within fifteen (15) days of notice from the UG.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of Reimbursable Project Costs unless and until such default is cured by the Developer, and/or (ii) terminate the IRB financing set forth in Section 4.1, and/or (iii) terminate this Agreement, and/or (iv) exercise any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default. Without limiting the foregoing, the Developer shall not be compelled by specific performance to construct the Project, the Improvements, or the Public Infrastructure Improvements.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

9.3 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by the UG of any provision of this Agreement, however, the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question, and under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity. Under no circumstances shall the UG be liable for remote or consequential damages.

In the event of such default, Developer may take such actions, or pursue such remedies, as exist hereunder or at law or in equity; and if Developer is the prevailing party in an action to enforce its remedies hereunder, Developer shall be entitled, subject to Applicable Laws and Requirements, to reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of Developer in connection with the enforcement of such actions or remedies.

ARTICLE 10 MISCELLANEOUS

10.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 10.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is a Kansas limited liability company duly formed and validly existing under the laws of the State. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall (1) preserve and keep in full force and effect its corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

(iii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other Government Authorities.

(v) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) Representations and Warranties of the UG. The UG represents and warrants to the Developer as follows:

(i) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) No Consents. Other than the Commission's approval of this Agreement on or before the Effective Date, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. Except as set forth in Section 3.1(c) hereof, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(iv) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

10.4 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

10.5 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

10.6 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.7 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10.9 Time. Time is of the essence in this Agreement.

10.10 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within one (1) business day by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: 913-573-5260
Email: bcobbins@wycokck.org

with a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: 913-573-5060
Email: kjmoore@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, 9th Floor
Kansas City, Kansas 66101
Telephone: 913-573-5030
Email: dbach@wycokck.org

And a copy to:

Todd A. LaSala, Esq.
Stinson LLP
1201 Walnut Street, Suite 2900

Kansas City, Missouri 64106
Telephone: 816-842-8600
Email: todd.lasala@stinson.com

and to Developer at:

Nathaniel Hagedorn, CEO
NorthPoint Development
4825 NW 41st Street, Suite 500
Riverside, Missouri 64150
Telephone: 816-888-7380
Email: nhagedorn@northpointkc.com

with a copy to:

Evan Fitts
NorthPoint Development
4825 NW 41st Street, Suite 500
Riverside, Missouri 64150
Telephone: 816-888-7380
Email: efitts@northpointkc.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

10.12 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

10.13 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 7.8 and 7.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

10.14 Electronic Storage. The parties agree that the transactions described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

VILLAGE WEST APARTMENTS III, LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020 by _____, as _____ of Village West Apartments III, LLC, a Kansas limited liability company.

Printed Name: _
Notary Public in and for said State
Commissioned in _____ County

My commission expires:

INDEX OF EXHIBITS

Exhibit A-1	The Project Site - Legal Description
Exhibit A-2	The Project Site – Map
Exhibit B	Public Infrastructure Improvements
Exhibit C	Total Project Budget
Exhibit D	PILOT Schedule
Exhibit E	Insurance Specifications
Exhibit F-1	LBE/MBE/WBE Goals and Requirements (Construction of Public Infrastructure Improvements)
Exhibit F-2	LBE/MBE/WBE Goals and Requirements (Construction of Improvements)

EXHIBIT A-1

The Project Site - Legal Description

Preliminary Legal Description - This description is intended to facilitate planning and negotiation of land to be platted as Village West Apartments Phase 3. No ground survey has been performed and all bearings and distances are based on record dimensions.

A tract of land lying South of and adjoining Parallel Parkway, West of and adjoining Lot 1 of Village West Apartments and North of the proposed location of Delaware Avenue, all in Kansas City, Wyandotte County, Kansas and more particularly described as follows:

Commencing at the Northeast corner of Fractional Section 3, Township 11 North, Range 23 East;

Thence South 02°16'58" East, a distance of 1181.20 feet along the East side of said section;

Thence South 87°43'10" West, a distance of 1614.54 feet along the South right of way of the existing Delaware Avenue to the end of Delaware Avenue as it is currently constructed;

Thence North 02°16'50" West, a distance of 100.00 feet to the North line of Delaware Avenue and the South Line of said Lot 1;

Thence South 87°43'10" West, a distance of 394.98 feet along the South line of Lot 1;

Thence westerly a distance of 12.85 feet along a tangential curve concave to the south, having a radius of 1050.00 feet and a central angle of 00°43'10" to the Southwest corner of said Lot 1 and the POINT OF BEGINNING of the tract herein described;

Thence continuing along said curve from which the radius point bears South 02°58'54" East, westerly a distance of 93.19 feet along the curve concave to the south, having a radius of 1050.00 feet and a central angle of 05°05'07" to a point of cusp;

Thence North 01°56'36" West, a distance of 207.63 feet;

Thence South 88°03'24" West, a distance of 374.16 feet to the beginning of a curve tangent to said line;

Thence westerly a distance of 25.98 feet along the curve concave to the northeast, having a radius of 25.00 feet and a central angle of 59°32'01";

Thence North 32°24'36" West tangent to said curve, a distance of 61.71 feet;

Thence North 01°56'36" West, a distance of 766.48 feet;

Thence North 88°03'24" East, a distance of 508.92 feet;

Thence South 02°16'35" East, a distance of 352.95 feet;

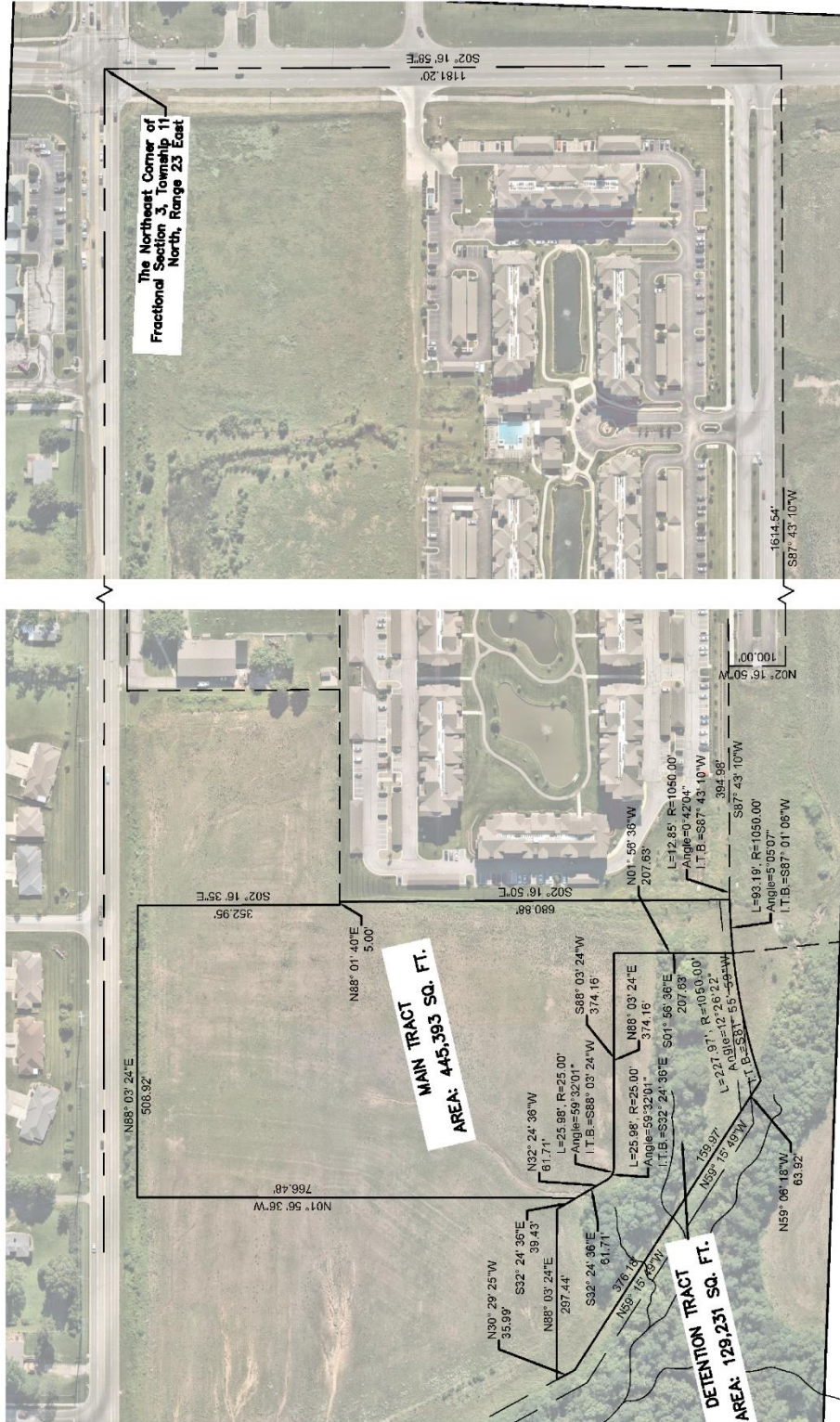
Thence North 88°01'40" East, a distance of 5.00 feet;

Thence South 02°16'50" East, a distance of 680.88 feet to the true POINT OF BEGINNING.

Said Main Tract containing 445,393 square feet or 10.22 acres more or less.

EXHIBIT A-2

The Project Site – Map



PRELIMINARY
NO BOUNDARY SURVEY CONDUCTED

VILLAGE WEST II (KANSAS CITY, KS) • LEGAL DESCRIPTION EXHIBIT • 2020.01.20 • 1" = 150'

NorthPoint
SURVEYING

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EXHIBIT B

Public Infrastructure Improvements

- The Public Infrastructure Improvements consists of the extension of Delaware Parkway approximately 442 linear feet to the West to provide access to the Project from Delaware Parkway, in accordance with the Plans and Specifications.

EXHIBIT C**Total Project Budget**

Land Costs		Budget
Land Costs		\$ 2,700,000
Professional Fees		Budget
Architect Costs - Preliminary Design		\$ 80,000
Architect Costs - CD's		\$ 160,000
Structural Engineer - Preliminary Design		\$ 30,000
Structural Engineer - CD's		\$ 55,000
MEP - Preliminary Design		\$ 20,000
MEP - CD's		\$ 45,120
Total Bidding & Negotiating		\$ 47,500
Total Construction Administration		\$ 120,000
Landscape Design		\$ 15,000
Civil Engineering Costs - Preliminary Development Plan		\$ 50,000
Civil Engineering - CD's Final Development Plan		\$ 200,000
Interior Design - Lowery		\$ 101,000
Surveying (ALTA TOPO PLAT)		\$ 7,500
Geotech		\$ 7,540
NAHB Verification/Expense Fee		\$ -
Storm Water Study		\$ -
Special Inspections		\$ 85,000
Phase I Study		\$ 5,500
Reimbursable Expenses		\$ 20,000
Professional Fees		\$ 1,049,160
FF&E		Budget
Office Supply Inventory		\$ 5,000
Fitness Room Equipment / Other		\$ 55,000
TVs, Copier, Keytrack, Telephone System		\$ 15,000
Clubhouse Security & Sound		\$ 20,000
Lobbies in Buildings		\$ 18,000
Model Units Décor 1-Bedroom		\$ 28,000
Model Units Décor 2-Bedroom		\$ 35,000
Club House Décor / Pool Deck		\$ 275,000
Marketing - Job Trailer / Marketing Collateral / Website		\$ 60,000
Total FF&E Costs		\$ 511,000
Permitting / Indirect Costs		Budget
Excise Tax / Street Impact Fee		\$ -
Platting / Planning Fees		\$ 60,000
Parkland Dedication Fee		
Plan Review Fee		
Permit Costs		\$ 100,000
Sewer Fee		\$ 305,000

	BPU Water Main Extension	\$	75,000
	BPU Water Tap Fees	\$	85,000
	BPU Electric	\$	160,000
	Bond Issuance Cost Fees	\$	140,000
	Recording Fee's	\$	6,000
	Title Insurance Costs	\$	60,000
	Loan Fee	\$	150,000
	Financing Appraisal	\$	5,000
	Financing Construction Inspections	\$	30,000
	Legal Closing Costs	\$	75,000
	Legal Services	\$	100,000
Total Start Up Costs		\$	1,351,000
Construction Costs		Budget	
	FINAL CONSTUCTION CONTRACT	\$	40,920,000
	Allocated Contingency		
	Infrastructure Costs - Street Extension / Trails	\$	600,000
Construction Costs		\$	41,520,000
Contingency / Development Fees / Interest Costs		Budget	
	Interest Carry	\$	700,000
	Start Up Loses	\$	250,000
	PILOT During Construction	\$	60,000
	Contingency (2% of Construction Costs)	\$	830,400
Total Contingency / Development Fees / Interest Costs		\$	1,840,400
Total Development Costs		\$	48,971,560

EXHIBIT D

PILOT Schedule

Value/Unit	# Units	Projected Value	2019 Mill Rate	PILOT	Per Door Taxes
\$53,719.19	330	\$17,727,331.48	169.965992	\$346,500.00	\$1,050.00

With L/M/W		Without L/M/W		
Year	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	\$1,050.00	\$346,500.00	\$1,050.00	\$346,500.00
2	\$1,060.50	\$349,965.00	\$1,071.00	\$353,430.00
3	\$1,092.32	\$360,463.95	\$1,119.20	\$369,334.35
4	\$1,125.08	\$371,277.87	\$1,169.56	\$385,954.40
5	\$1,158.84	\$382,416.20	\$1,222.19	\$403,322.34
6	\$1,193.60	\$393,888.69	\$1,277.19	\$421,471.85
7	\$1,229.41	\$405,705.35	\$1,334.66	\$440,438.08
8	\$1,266.29	\$417,876.51	\$1,394.72	\$460,257.80
9	\$1,304.28	\$430,412.81	\$1,457.48	\$480,969.40
10	\$1,343.41	\$443,325.19	\$1,523.07	\$502,613.02
Total:		\$3,901,831.58		\$4,164,291.23

EXHIBIT E

Insurance Specifications

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.
2. Comprehensive General Liability. Developer will purchase and maintain with primary limits of \$3,000,000.
3. Automobile Liability. Developer will purchase and maintain with primary limits of \$1,000,000.
4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than \$5,000,000.
5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance (if required and if available at a reasonable cost), along with fired vessel, boiler and machinery, and underground collapse may be required by the UG as additional perils.

EXHIBIT F-1

LBE/MBE/WBE PARTICIPATION AGREEMENT – VILLAGE WEST APARTMENTS III (CONSTRUCTION OF PUBLIC INFRASTRUCTURE)

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the “**Agreement**”), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the “**UG**”) and Village West Apartments III, LLC (the “**Developer**”), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of a 330 unit, multifamily residential project in Kansas City, Kansas (“**Project**”), as defined below.

I. SCOPE

A. These procedures are applicable to the construction of the Public Infrastructure Improvements as defined in that certain Development Agreement between the UG and Developer, dated _____, 2020 (the “**Development Agreement**”), whether performed by or on behalf of Developer, including, design, development, and Construction of the Public Infrastructure Improvements as detailed on **Exhibit B** to the Development Agreement, including, but not limited to, all aspects of Construction of the improvements and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer.

II. DEFINITIONS

A. “**Construction**” means all aspects of the construction including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer.

B. “**Contractor**” means the Proposer selected by the Developer for the Project.

C. “**Local Business Enterprise**” (or “**LBE**”) means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. “**Minority Business Enterprise**” (or “**MBE**”) means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. “**Project**” means the Construction of the Public Infrastructure Improvements as detailed on **Exhibit B** to the Development Agreement.

F. “**Proposer**” means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. “**Specialized Services**” means expertise, services, or products that are only available through sole source providers or national vendors, or are unique to the business of the Project.

H. “Substantial Local Office” means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. “Women Business Enterprise” (or “WBE”) means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. GOALS FOR LBE/MBE/WBE PARTICIPATION.

Developer and its Contractor will meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. ELIGIBILITY FOR CREDIT

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women’s Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an “approved” business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

B. A joint venture involving an approved LBE, MBE, and/or WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount for which the approved LBE, MBE, and/or WBE is responsible; provided that if the LBE, MBE, and/or WBE is the majority partner in such joint venture, then the entire joint venture contract amount shall be counted, less any work subcontracted to the non LBE, MBE, and/or WBE joint venture partner. To receive credit, the approved LBE, MBE, and/or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

C. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE may also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE and the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. Solicitation Documents. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. Subcontractor Relations - Documentation of Subcontracting Agreements. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for its efforts in meeting the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

A. providing information and technical assistance regarding this Project to the Developer and its agents including the Contractor and any other contractors, subcontractors, LBEs, MBEs, WBEs, officials and other interested persons;

B. developing and maintaining a registry of approved LBE, MBE and WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating the Developer and its agents on current or proposed affirmative action legislation enacted by the UG that may affect the Project;

- E.** frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;
- F.** providing advice relative to utilization and compliance matters;
- G.** conducting compliance reviews and audits of LBE, MBE, and WBE and participation;
- H.** assisting the Developer and its agents in addressing issues related to the goals and procedures set forth in this Agreement;
- I.** reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and
- J.** assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. Records. Developer shall maintain those records as may reasonably be required to demonstrate compliance with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. Construction Utilization Plan Reports. Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include for each LBE, MBE, or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE, and/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. Remedies. If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement have not been met, then the UG shall have such remedies set forth in Section 8.2 of the Development Agreement. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

**UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY,
KANSAS**

VILLAGE WEST APARTMENTS III, LLC

By: _____
Douglas G. Bach
County Administrator
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 1
Legal Description -- Link

EXHIBIT 2
Construction Utilization Plan

EXHIBIT F-2

LBE/MBE/WBE PARTICIPATION AGREEMENT – VILLAGE WEST APARTMENTS (CONSTRUCTION OF IMPROVEMENTS)

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the “**Agreement**”), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the “**UG**”) and Village West Apartments III, LLC (the “**Developer**”), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of a 330 unit, multifamily residential project in Kansas City, Kansas (the “**Project**”), as defined below.

I. SCOPE

A. These procedures are applicable to the construction of the Project, as further described in that certain Development Agreement between the UG and Developer, dated _____, 2020 (the “**Development Agreement**”), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. DEFINITIONS

A. “**Construction**” means all aspects of the construction including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer.

B. “**Contractor**” means the Proposer selected by the Developer for the Project.

C. “**Local Business Enterprise**” (or “**LBE**”) means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. “**Minority Business Enterprise**” (or “**MBE**”) means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. “**Project**” means the Construction of a new apartment complex and as legally described in Exhibit 1 to this Agreement.

F. “**Proposer**” means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. “**Specialized Services**” means expertise, services, or products that are only available through sole source providers or national vendors, or are unique to the business of the Project.

H. “Substantial Local Office” means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. “Women Business Enterprise” (or “WBE”) means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. GOALS FOR LBE/MBE/WBE PARTICIPATION.

Developer and its Contractor will meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. ELIGIBILITY FOR CREDIT

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women’s Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an “approved” business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers,

and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

B. A joint venture involving an approved LBE, MBE, and/or WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount for which the approved LBE, MBE, and/or WBE is responsible; provided that if the LBE, MBE, and/or WBE is the majority partner in such joint venture, then the entire joint venture contract amount shall be counted, less any work subcontracted to the non LBE, MBE, and/or WBE joint venture partner. To receive credit, the approved LBE, MBE, and/or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

C. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE may also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE and the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the agreement with such LBE, MBE or WBE. Brokering is not credited.

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E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

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**UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY,
KANSAS**

By: _____

Douglas G. Bach
County Administrator

Date: _____

VILLAGE WEST APARTMENTS III, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 1
Legal Description -- Link

EXHIBIT 2
Construction Utilization Plan

ANNEX 1
DEFINITIONS

"Affiliate" means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Development Agreement for Village West Apartments III by and between the UG and Developer.

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Government Authorities, and all requirements of any insurers. Applicable Laws and Requirements shall include, without limitation, the Development Plan, the Kansas Cash Basis Law (K.S.A. 10-1100 *et seq.*) and Budget Law (K.S.A. 75-2935 *et seq.*).

"Approved Assignment" means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG pursuant to Section 7.13.

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment pursuant to Section 7.13.

"Casualty" means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction.

"Casualty Escrow" means the net proceeds of any insurance relating to damage or destruction of any portion of the Improvements, the net proceeds of condemnation or taking of any portion of the Improvements, or the net proceeds of any realization on title insurance paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG, Developer, and Permitted Mortgagee, as described in Section 7.11(a).

"Closing" means the date on which Developer shall close on the acquisition of the Project Site.

"Completion Dates" means the applicable date(s) identified for completion of construction of the Improvements and Public Infrastructure Improvements, as described in Section 6.10.

"Construction Documents" means the Developer's construction documents relative to the Improvements and the Public Infrastructure Improvements, as described in Section 6.3.

"Contribution Agreement" means that certain contribution agreement between Developer and the current owner of Project Site, as described in Recital B.

"Developer" means Village West Apartments III, LLC, a Kansas limited liability company.

"Development Plan" means the plan for the Improvements agreed to by Developer and the UG, as described in Section 2.2.

"Effective Date" means the date of this Agreement first above written.

"Environmental Regulation" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any Government Authorities having jurisdiction over the parties hereto or any portion of the Project Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (hereinafter collectively called "CERCLA").

"Force Majeure" is defined in Section 10.2.

"GAAP" means generally accepted accounting principles.

"General Contractor" means the general contractor(s) selected by Developer for the Improvements and the Public Infrastructure Improvements, as described in Section 6.3.

"Government Authorities" shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence.

"Hazardous Substance" means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulations, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulations because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a "hazardous substance" under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

"Improvements" means those certain improvements to be constructed in the Project, as described in Section 2.2.

"Insurance Specifications" means the insurance requirements on Developer in connection with the Project as generally described in Section 7.10 and more fully set forth in **Exhibit E**.

"IRB" means industrial revenue bond financing pursuant to K.S.A. 12-1741 *et seq.*

"Material Changes" means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer's permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

"Parking Improvements" means any parking improvements provided for in Section 2.2(c).

"Permitted Encumbrances" means any liens, restrictions, claims, easements, rights-of-way, encroachments, reservations, or other matters or encumbrances affecting the Project Site, which are acceptable to Developer in its sole discretion.

"Permitted Mortgage" means any mortgage placed on the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

"Permitted Mortgagee" means the holder of the Permitted Mortgage.

"Permitted Uses" means multi-family residential apartment buildings, including amenities and related infrastructure, as described in Section 2.2.

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"PILOT" means payment-in-lieu-of-taxes, as described in Section 4.1(b) and to be paid by Developer pursuant to the schedule attached hereto as **Exhibit D**.

"Plans and Specifications" means those plans and specifications for the Improvements and the Public Infrastructure Improvements, as described in Section 6.2.

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Project" means the design, development, and construction of certain Improvements on the Project Site for use as apartment buildings and related amenities, as described in Recital A and Section 2.2.

"Project Site" means that property described in Recital A, legally described on **Exhibit A-1** and depicted on **Exhibit A-2**.

"Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing contemplated under the terms of the Agreement, as described in Section 3.1.

"Public Infrastructure Improvements" means the design, construction and completion of an extension of Delaware Parkway, as described in Section 2.4 and **Exhibit B**.

"Public Infrastructure Improvements Contract" means the Construction Documents for the Public Infrastructure Improvements.

"Reimbursable Project Costs" means a portion of the costs of construction for the Public Infrastructure Improvements to be reimbursed to the Developer by the UG pursuant to the terms and conditions set forth in Section 4.2.

"Reimbursable Project Costs Cap" means an amount equal to Two Hundred Sixty Seven Thousand Fourteen Dollars (\$267,014), as described in Section 4.2(a).

"State" means the State of Kansas.

"Substantial Completion" or **"Substantially Complete"** means the stage in the progress of the construction of the Project, or as to any particular portion thereof, when construction is sufficiently complete so that the Project or such particular portion can be occupied or utilized for its intended use (which shall be evidenced by the receipt a temporary certificate of occupancy).

"Term" means the term of this Agreement as set forth in Section 7.1.

"Transaction Documents" means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

"Total Project Budget" means the budget attached hereto as **Exhibit C**.

"Total Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as more particularly set forth in the Total Project Budget attached hereto as **Exhibit C**.

"UG" means the Unified Government of Wyandotte County/Kansas City, Kansas.

A Tax Abatement Cost-Benefit Analysis of Village West Apartments III, LLC for the Unified Government of Kansas City/Wyandotte County

Completed by
Municipal Consulting, LLC
1/24/2020

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ABOUT THIS REPORT:

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

DEFINITIONS USED:

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

DISCLAIMER:

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

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	3.03	20%
Wyandotte County	2.65	17%
Piper-Kansas City USD 203	5.00	40%
KC Community College	2.98	20%
Wyandotte County Library	2.38	9%
State of Kansas	1.54	5%

Each of the taxing entities has a positive benefit-to-cost ratio in excess of the desired 1.3. This report assumes that the Unified Government will approve a 100% property tax abatement for 10 years. A graduated PILOT payment has been considered in this analysis. This report assumes that the firm will obtain a sales tax exemption on construction materials and that the existing sales tax rates for the city, county and state will remain the same. We point out that the main economic benefits of this project are from new residents rather than new jobs.

We used conservative assumptions that the apartments would be 50% leased in Year 1, 75% in Year 2 and 95% in Year 3, and that only 50% of the new residents would come from outside the city.

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

R. Steven Robb

Digitally signed by R. Steven Robb
DN: cn=R. Steven Robb, o=Municipal Consulting,
LLC, ou, email=steverobb@ckt.net, c=US
Date: 2020.01.24 12:03:49 -06'00'

R. Steven Robb
Sole Owner
Municipal Consulting, LLC
Cell: 620-704-6495 E-Mail: steverobb@ckt.net
www.municipalconsulting.biz
2207 N. Free King Hwy, Pittsburg, KS 66762-8418

Column1	Column2	Column3	Column4	Column5	Column6
COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:	Village West Apartments III, LLC			(Without L/M/W)	
DATE:			1/24/2020		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			City of Kansas City		
COUNTY:			Wyandotte County		
SCHOOL DISTRICT:			Piper-Kansas City USD 203		
SPECIAL TAXING DISTRICT #1				KC Community College	
SPECIAL TAXING DISTRICT #2				Wyandotte County Library	
STATE:			State of Kansas		
INFLATION RATE:		1.50%	DISCOUNT RATE:		2.50%

Village West Apartments III, LLC

Column1	Column2	Column3	Column4	Column6	Column7	Column11
Community Data Inputs:						
	City of Kansas City	Wyandotte County	Piper-Kansas City USD 203	KC Community College	Wyandotte County Library	State
Mill Levy	38.398337	39.263448	57.122464	27.559729	6.122014	1.500
Market Value New Home	\$136,000	\$142,800	\$270,300	\$142,800	\$136,000	\$239,700
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	n/a
Utility Revenue/HsHld	\$0.93	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	\$512.25	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	\$71.20	\$72.13	n/a	\$250.15	\$37.09	\$1,078.69
Marg. Cost/Res./Student	\$103.74	\$36.48	\$1,204.72	\$23.09	\$10.49	\$555.12
Other Revenues/Worker	\$66.26	\$67.12	n/a	\$232.78	\$34.51	\$936.49
Marginal Cost/New Worker	\$96.54	\$33.95	n/a	\$21.49	\$9.76	\$481.94
State Funding/Pupil	n/a	n/a	\$7,438.47	n/a	n/a	n/a
Federal Funding/Pupil	n/a	n/a	\$218.62	n/a	n/a	n/a
Visitor Daily Spending	\$50.00	\$50.00				\$75.00
Average Hotel Room Rate	\$100	\$100				n/a
Retail Pull Factor	0.95	0.96				n/a
Percent of County Share	90.90%	100.00%				n/a
Ann. Local Per Capita Sales Tax	\$211	\$158				n/a
Ann. State Per Capita Sales Tax	\$835	\$919				\$952
Annual Per Capita Retail Sales	\$12,840	\$14,142				\$14,654
Average Household Size	2.68	2.67				2.49
Avg. Wage-All Occupations	\$50,200	\$50,200				\$45,277

Village West Apartments III, LLC

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:			First Expansion- Year 1											
			Land	Building	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Investment in Land & Building			\$2,700,000	\$43,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,700,000
Investment in Fixtures, etc.				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Incentives														\$0
		Growth	Const. Per.	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Total
Sales		0.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchases		0.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net City Util. Revenue		3.00%	\$0	\$139	\$209	\$265	\$269	\$273	\$277	\$281	\$285	\$294	\$302	\$2,592
Franchise Fees		3.00%	\$0	\$42,261	\$63,391	\$80,295	\$81,500	\$82,722	\$83,963	\$85,222	\$86,501	\$89,096	\$90,432	\$785,382
PILOT- City			\$0	\$78,281	\$79,846	\$83,439	\$87,194	\$91,118	\$95,218	\$99,503	\$103,980	\$108,660	\$113,549	\$940,787
PILOT - County			\$0	\$80,044	\$81,645	\$85,319	\$89,158	\$93,171	\$97,363	\$101,745	\$106,323	\$111,108	\$116,107	\$961,983
PILOT - State			\$0	\$3,058	\$3,119	\$3,259	\$3,406	\$3,559	\$3,720	\$3,887	\$4,062	\$4,245	\$4,436	\$36,751
PILOT - School			\$0	\$116,452	\$118,781	\$124,127	\$129,712	\$135,549	\$141,649	\$148,023	\$154,684	\$161,645	\$168,919	\$1,399,542
PILOT - Comm. Coll.			\$0	\$56,184	\$57,308	\$59,887	\$62,582	\$65,398	\$68,341	\$71,416	\$74,630	\$77,988	\$81,498	\$675,234
PILOT- Library			\$0	\$12,481	\$12,730	\$13,303	\$13,902	\$14,527	\$15,181	\$15,864	\$16,578	\$17,324	\$18,104	\$149,994
New Resident Households ²			0	165	83	66	0	0	0	0	0	0	0	314
Households new to the city			50%	82.5	41.3	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	157.0
Households new to the county			30%	49.5	24.8	19.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.0
Households new to the state			5.0%	8.3	4.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7
New students in K-12				82.5	41.3	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	156.8
New Employees				7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
New employee average salary			1.50%	\$38,905	\$39,488	\$40,081	\$40,682	\$41,292	\$41,912	\$42,540	\$43,178	\$43,826	\$44,483	N/A
Tax Abatement-Land				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Tax Abatement-Bldg.				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Visitors		0.0%	0	0	0	0	0	0	0	0	0	0	0	0
			City	County	State									
Percentage of sales taxable in the			0%	0%	0%									
Percentage of purchases taxable in the			80%	80%	80%									
Assumed Inflation Rate			1.50%											

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

² Assumption is that apartments will be 50% leased in Year 1, 75% in Year 2 and 95% by Year 3 and thereafter.

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY								
PROJECT NAME:	Village West Apartments III, LLC					Ratio of		
DATE:		1/24/2020				NPV of Net		
				Net	NPV	Benefits to	Actual	Avg.
				Present	of	NPV of	Benefit to	Annual
		Total		Value	Incentives	Incentives	Actual	Rate
	Total	Costs &	Net	of Net	& Taxes	and Taxes	Cost	of
Entity	Benefits	Incentives	Benefits	Benefits	Abated	Abated	Ratio	Return
City of Kansas City	\$3,976,784	\$1,314,536	\$2,662,248	\$2,322,943	\$731,041	3.18	3.03	20%
Wyandotte County	\$2,545,835	\$960,074	\$1,585,761	\$1,385,553	\$747,511	1.85	2.65	17%
Piper-Kansas City USD 203	\$14,847,133	\$2,968,708	\$11,878,425	\$10,290,012	\$940,097	10.95	5.00	40%
KC Community College	\$1,986,137	\$666,835	\$1,319,302	\$1,143,433	\$524,692	2.18	2.98	20%
Wyandotte County Library	\$388,770	\$163,329	\$225,441	\$195,454	\$116,553	1.68	2.38	9%
State of Kansas	\$2,261,952	\$1,466,067	\$795,885	\$819,697	\$28,558	28.70	1.54	5%

SUMMARY OF COSTS AND BENEFITS FOR:

City of Kansas City

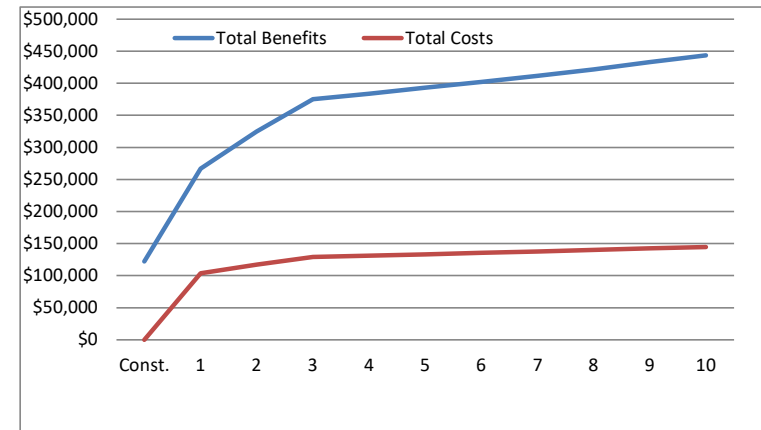
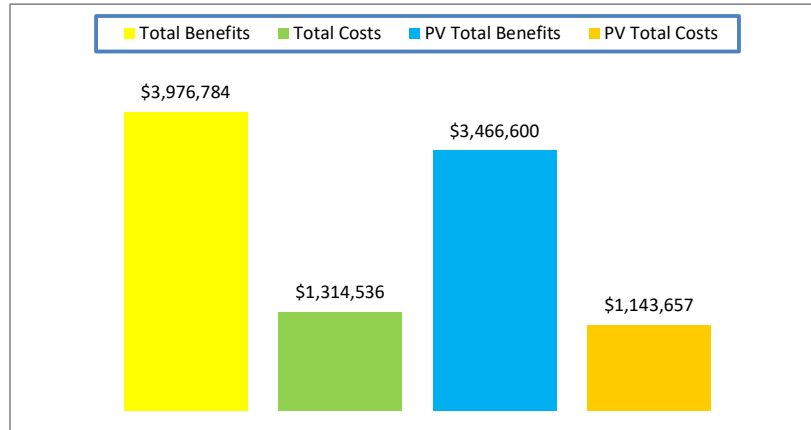
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 3.03
Ratio of Present Value of Total Benefits to Present Value of Total Costs: 3.03
(Typical desired ratio would be 1.3 to 1) Average ROI 20.25%

Year	Sales and Transient Guest Taxes	New Property Taxes	Utilities and Franchise Fees	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Incentives and Cost of Various City Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	\$121,951	\$0	\$0	\$0	\$0	\$121,951	\$121,951	\$0	\$0	\$0	\$0	\$121,951	\$121,951	\$121,951	\$0
1	\$50,699	\$78,281	\$42,400	\$78,281	\$17,378	\$267,037	\$260,524	\$25,320	\$78,281	\$103,600	\$101,073	\$163,437	\$285,389	\$159,451	\$76,371
2	\$75,966	\$79,455	\$63,600	\$79,846	\$25,908	\$324,774	\$309,125	\$37,748	\$79,455	\$117,203	\$111,555	\$207,571	\$492,960	\$197,569	\$75,626
3	\$97,272	\$80,647	\$80,560	\$83,439	\$33,101	\$375,019	\$348,242	\$48,229	\$80,647	\$128,876	\$119,674	\$246,143	\$739,103	\$228,568	\$74,888
4	\$99,202	\$81,856	\$81,768	\$87,194	\$33,757	\$383,777	\$347,683	\$49,184	\$81,856	\$131,040	\$118,716	\$252,736	\$991,839	\$228,967	\$74,158
5	\$101,169	\$83,084	\$82,995	\$91,118	\$34,425	\$392,791	\$347,170	\$50,158	\$83,084	\$133,242	\$117,766	\$259,549	\$1,251,388	\$229,403	\$73,434
6	\$103,176	\$84,330	\$84,240	\$95,218	\$35,106	\$402,070	\$346,704	\$51,151	\$84,330	\$135,481	\$116,825	\$266,589	\$1,517,978	\$229,879	\$72,718
7	\$105,223	\$85,595	\$85,503	\$99,503	\$35,801	\$411,626	\$346,286	\$52,163	\$85,595	\$137,759	\$115,892	\$273,867	\$1,791,845	\$230,395	\$72,008
8	\$107,310	\$86,879	\$86,786	\$103,980	\$36,510	\$421,466	\$345,917	\$53,196	\$86,879	\$140,075	\$114,966	\$281,391	\$2,073,235	\$230,950	\$71,306
9	\$109,439	\$88,182	\$89,389	\$108,660	\$37,233	\$432,904	\$346,638	\$54,249	\$88,182	\$142,432	\$114,049	\$290,472	\$2,363,707	\$232,589	\$70,610
10	\$111,611	\$89,505	\$90,734	\$113,549	\$37,970	\$443,370	\$346,360	\$55,323	\$89,505	\$144,829	\$113,140	\$298,541	\$2,662,248	\$233,220	\$69,921
Total	\$1,083,019	\$837,814	\$787,974	\$940,787	\$327,190	\$3,976,784	\$3,466,600	\$476,722	\$837,814	\$1,314,536	\$1,143,657	\$2,662,248	\$2,662,248	\$2,322,943	\$731,041



SUMMARY OF COSTS AND BENEFITS FOR:

PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

Wyandotte County

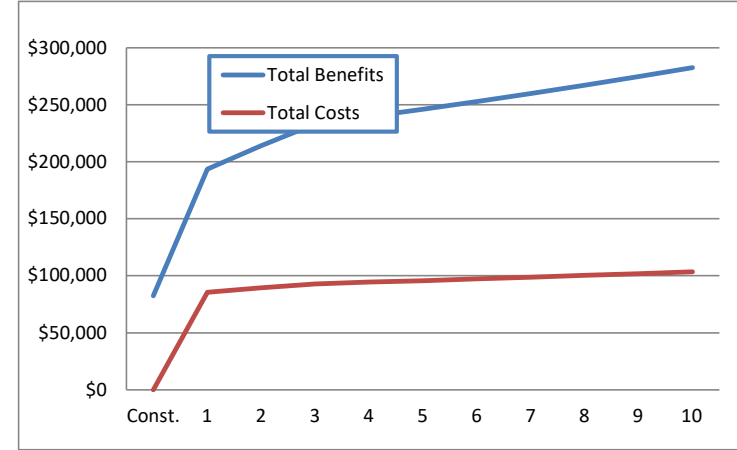
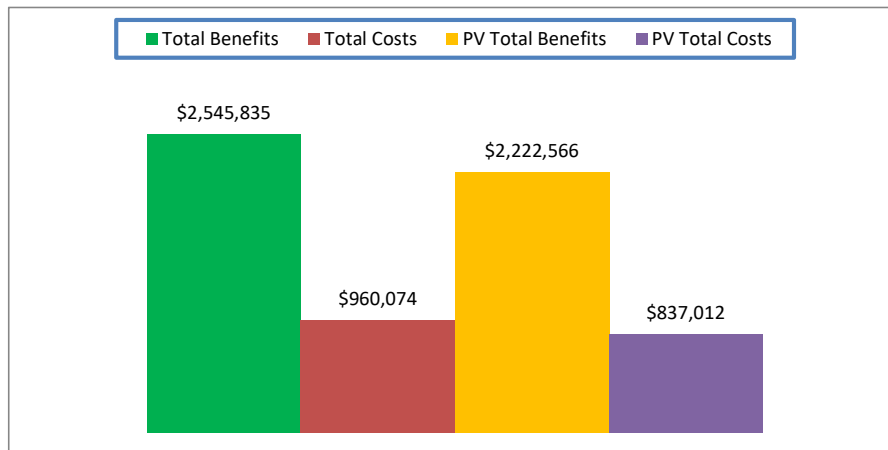
DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.65

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.66

Average ROI 16.52%

Year	Sales and Transient Guest Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	\$82,560	\$0	\$0	\$0	\$82,560	\$82,560	\$0	\$0	\$0	\$0	\$82,560	\$82,560	\$82,560	\$0
1	\$23,708	\$80,044	\$80,044	\$9,760	\$193,556	\$188,835	\$5,603	\$80,044	\$85,648	\$83,559	\$107,909	\$190,469	\$105,277	\$78,092
2	\$35,073	\$81,245	\$81,645	\$16,250	\$214,213	\$203,891	\$8,230	\$81,245	\$89,475	\$85,163	\$124,738	\$315,207	\$118,728	\$77,330
3	\$44,659	\$82,463	\$85,319	\$20,630	\$233,071	\$216,430	\$10,446	\$82,463	\$92,909	\$86,275	\$140,162	\$455,369	\$130,155	\$76,576
4	\$45,540	\$83,700	\$89,158	\$21,036	\$239,435	\$216,916	\$10,651	\$83,700	\$94,351	\$85,478	\$145,083	\$600,452	\$131,438	\$75,828
5	\$46,439	\$84,956	\$93,171	\$21,450	\$246,015	\$217,441	\$10,861	\$84,956	\$95,816	\$84,688	\$150,198	\$750,651	\$132,754	\$75,089
6	\$47,355	\$86,230	\$97,363	\$21,872	\$252,820	\$218,006	\$11,074	\$86,230	\$97,304	\$83,905	\$155,516	\$906,167	\$134,101	\$74,356
7	\$48,289	\$87,524	\$101,745	\$22,302	\$259,860	\$218,611	\$11,292	\$87,524	\$98,816	\$83,130	\$161,044	\$1,067,211	\$135,481	\$73,631
8	\$49,243	\$88,837	\$106,323	\$22,741	\$267,144	\$219,257	\$11,514	\$88,837	\$100,351	\$82,363	\$166,793	\$1,234,004	\$136,895	\$72,912
9	\$50,214	\$90,169	\$111,108	\$23,189	\$274,680	\$219,944	\$11,741	\$90,169	\$101,910	\$81,602	\$172,770	\$1,406,774	\$138,342	\$72,201
10	\$51,206	\$91,522	\$116,107	\$23,645	\$282,480	\$220,673	\$11,972	\$91,522	\$103,494	\$80,849	\$178,987	\$1,585,761	\$139,824	\$71,497
Total	\$524,285	\$856,690	\$961,983	\$202,876	\$2,545,835	\$2,222,566	\$103,384	\$856,690	\$960,074	\$837,012	\$1,585,761	\$1,585,761	\$1,385,553	\$747,511



SUMMARY OF COSTS AND BENEFITS FOR:

PROJECT: Village West Apartments III, LLC

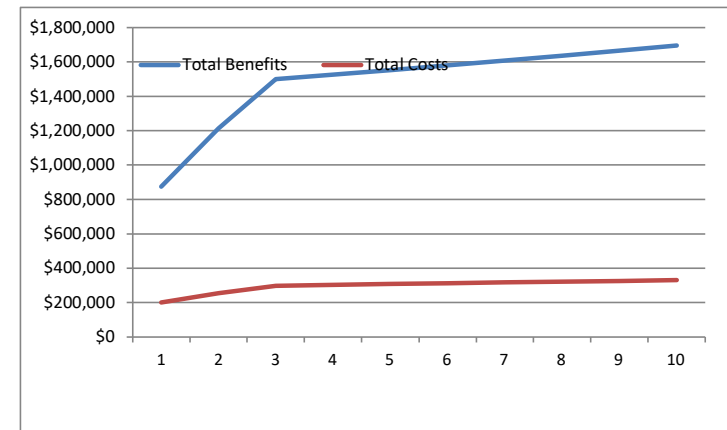
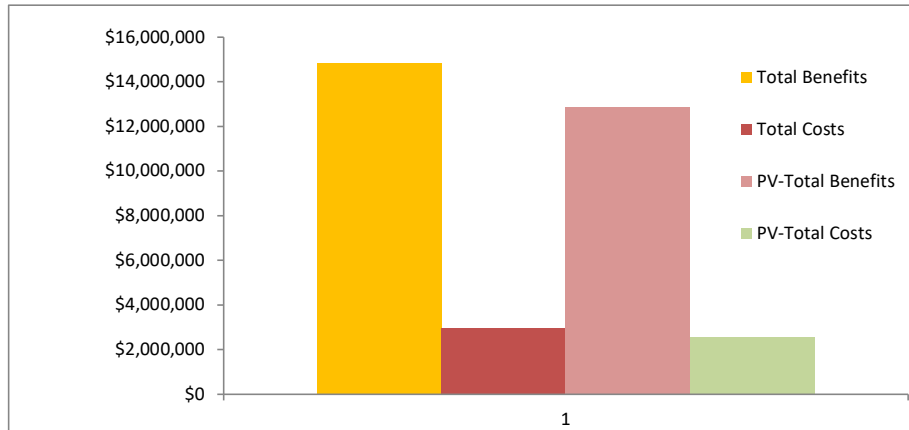
DATE: 1/24/2020

Piper-Kansas City USD 203

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	5.00
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	4.99
(Typical desired ratio would be 1.3 to 1)	Average ROI
	40.01%

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$100,666	\$116,452	\$15,786	\$641,186	\$874,090	\$852,771	\$99,390	\$100,666	\$200,056	\$195,177	\$674,034	\$674,034	\$657,594	\$98,211
2	\$102,176	\$118,781	\$16,023	\$976,205	\$1,213,186	\$1,154,728	\$151,321	\$102,176	\$253,497	\$241,282	\$959,689	\$1,633,723	\$913,445	\$97,253
3	\$103,709	\$124,127	\$16,263	\$1,255,075	\$1,499,173	\$1,392,131	\$194,548	\$103,709	\$298,257	\$276,961	\$1,200,916	\$2,834,639	\$1,115,170	\$96,304
4	\$105,265	\$129,712	\$16,507	\$1,273,901	\$1,525,385	\$1,381,923	\$197,466	\$105,265	\$302,731	\$274,259	\$1,222,654	\$4,057,293	\$1,107,664	\$95,365
5	\$106,844	\$135,549	\$16,755	\$1,293,009	\$1,552,157	\$1,371,880	\$200,428	\$106,844	\$307,272	\$271,584	\$1,244,885	\$5,302,178	\$1,100,297	\$94,434
6	\$108,446	\$141,649	\$17,006	\$1,312,404	\$1,579,506	\$1,362,003	\$203,435	\$108,446	\$311,881	\$268,934	\$1,267,625	\$6,569,802	\$1,093,069	\$93,513
7	\$110,073	\$148,023	\$17,261	\$1,332,091	\$1,607,448	\$1,352,290	\$206,486	\$110,073	\$316,559	\$266,310	\$1,290,888	\$7,860,691	\$1,085,980	\$92,601
8	\$111,724	\$154,684	\$17,520	\$1,352,072	\$1,636,000	\$1,342,741	\$209,584	\$111,724	\$321,308	\$263,712	\$1,314,692	\$9,175,383	\$1,079,029	\$91,697
9	\$113,400	\$161,645	\$17,783	\$1,372,353	\$1,665,181	\$1,333,357	\$212,727	\$113,400	\$326,127	\$261,139	\$1,339,053	\$10,514,436	\$1,072,218	\$90,803
10	\$115,101	\$168,919	\$18,050	\$1,392,938	\$1,695,008	\$1,324,137	\$215,918	\$115,101	\$331,019	\$258,592	\$1,363,989	\$11,878,425	\$1,065,546	\$89,917
Total	\$1,077,404	\$1,399,542	\$168,953	\$12,201,234	\$14,847,133	\$12,867,963	\$1,891,304	\$1,077,404	\$2,968,708	\$2,577,951	\$11,878,425	\$11,878,425	\$10,290,012	\$940,097



SUMMARY OF COSTS AND BENEFITS FOR:

KC Community College

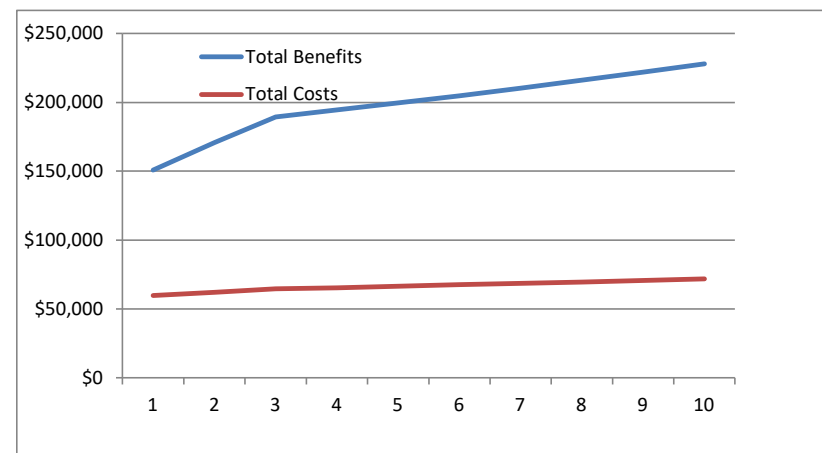
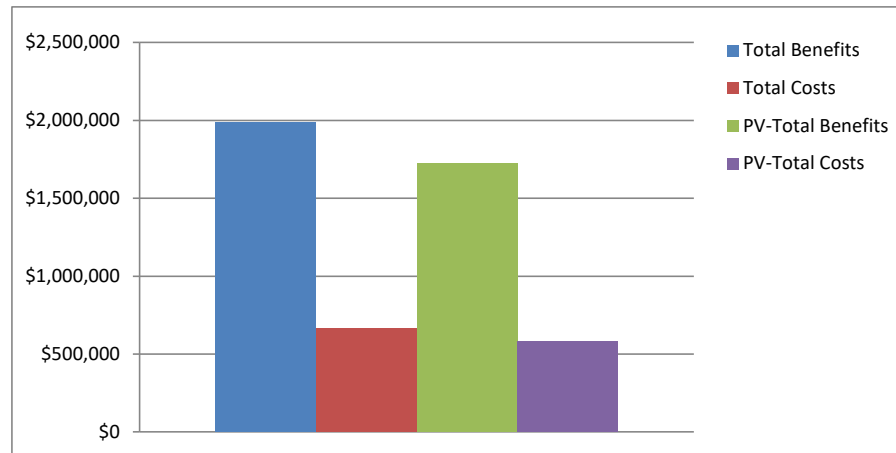
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.98
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.97
(Typical desired ratio would be 1.3 to 1)	
Average ROI	19.78%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$56,184	\$56,184	\$38,488	\$150,857	\$147,177	\$3,553	\$56,184	\$59,738	\$58,281	\$91,119	\$91,119	\$88,897	\$54,814
2	\$57,027	\$57,308	\$56,497	\$170,832	\$162,601	\$5,216	\$57,027	\$62,243	\$59,244	\$108,589	\$199,708	\$103,357	\$54,279
3	\$57,883	\$59,887	\$71,690	\$189,459	\$175,932	\$6,618	\$57,883	\$64,501	\$59,896	\$124,958	\$324,667	\$116,036	\$53,750
4	\$58,751	\$62,582	\$73,100	\$194,432	\$176,146	\$6,749	\$58,751	\$65,499	\$59,339	\$128,933	\$453,600	\$116,807	\$53,225
5	\$59,632	\$65,398	\$74,537	\$199,568	\$176,389	\$6,881	\$59,632	\$66,513	\$58,788	\$133,054	\$586,654	\$117,600	\$52,706
6	\$60,527	\$68,341	\$76,003	\$204,871	\$176,660	\$7,017	\$60,527	\$67,543	\$58,242	\$137,328	\$723,981	\$118,417	\$52,192
7	\$61,435	\$71,416	\$77,498	\$210,349	\$176,960	\$7,155	\$61,435	\$68,589	\$57,702	\$141,760	\$865,742	\$119,258	\$51,683
8	\$62,356	\$74,630	\$79,023	\$216,009	\$177,289	\$7,295	\$62,356	\$69,651	\$57,166	\$146,358	\$1,012,099	\$120,123	\$51,178
9	\$63,291	\$77,988	\$80,578	\$221,858	\$177,648	\$7,439	\$63,291	\$70,730	\$56,636	\$151,127	\$1,163,227	\$121,012	\$50,679
10	\$64,241	\$81,498	\$82,163	\$227,902	\$178,037	\$7,585	\$64,241	\$71,826	\$56,110	\$156,076	\$1,319,302	\$121,926	\$50,185
Total	\$601,327	\$675,234	\$709,577	\$1,986,137	\$1,724,837	\$65,508	\$601,327	\$666,835	\$581,404	\$1,319,302	\$1,319,302	\$1,143,433	\$524,692



SUMMARY OF COSTS AND BENEFITS FOR:

Wyandotte County Library

PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

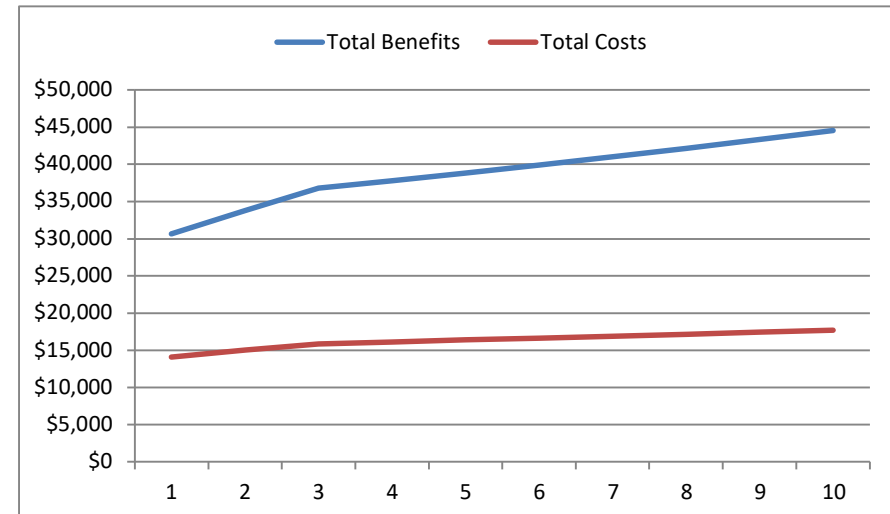
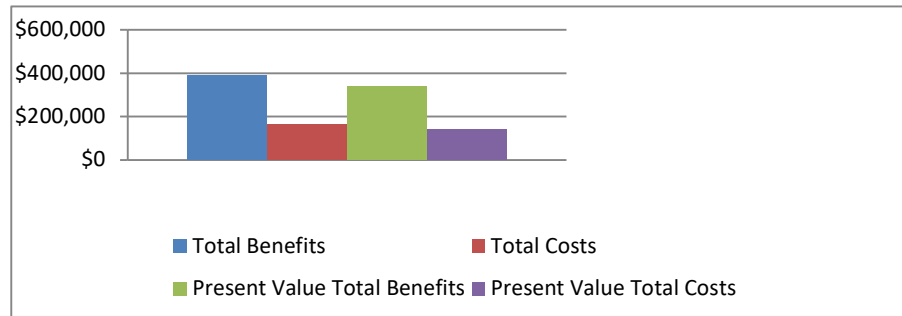
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.38

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.37

(Typical desired ratio would be 1.3 to 1)

Average ROI 9.20%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$12,481	\$12,481	\$5,706	\$30,667	\$29,919	\$1,614	\$12,481	\$14,094	\$13,751	\$16,573	\$16,573	\$16,169	\$12,176
2	\$12,668	\$12,730	\$8,376	\$33,774	\$32,147	\$2,369	\$12,668	\$15,037	\$14,312	\$18,737	\$35,310	\$17,835	\$12,057
3	\$12,858	\$13,303	\$10,628	\$36,789	\$34,163	\$3,006	\$12,858	\$15,864	\$14,731	\$20,926	\$56,236	\$19,432	\$11,940
4	\$13,051	\$13,902	\$10,837	\$37,790	\$34,236	\$3,065	\$13,051	\$16,116	\$14,600	\$21,674	\$77,910	\$19,636	\$11,823
5	\$13,246	\$14,527	\$11,051	\$38,824	\$34,315	\$3,125	\$13,246	\$16,372	\$14,470	\$22,453	\$100,363	\$19,845	\$11,708
6	\$13,445	\$15,181	\$11,268	\$39,894	\$34,401	\$3,187	\$13,445	\$16,632	\$14,342	\$23,262	\$123,625	\$20,059	\$11,594
7	\$13,647	\$15,864	\$11,490	\$41,001	\$34,492	\$3,249	\$13,647	\$16,896	\$14,214	\$24,104	\$147,729	\$20,278	\$11,481
8	\$13,852	\$16,578	\$11,716	\$42,145	\$34,591	\$3,313	\$13,852	\$17,165	\$14,088	\$24,980	\$172,710	\$20,503	\$11,369
9	\$14,059	\$17,324	\$11,946	\$43,330	\$34,695	\$3,379	\$14,059	\$17,438	\$13,963	\$25,892	\$198,601	\$20,732	\$11,258
10	\$14,270	\$18,104	\$12,181	\$44,555	\$34,806	\$3,445	\$14,270	\$17,715	\$13,839	\$26,840	\$225,441	\$20,967	\$11,148
Total	\$133,576	\$149,994	\$105,200	\$388,770	\$337,765	\$29,752	\$133,576	\$163,329	\$142,310	\$225,441	\$225,441	\$195,454	\$116,553



SUMMARY OF COSTS AND BENEFITS FOR:

State of Kansas

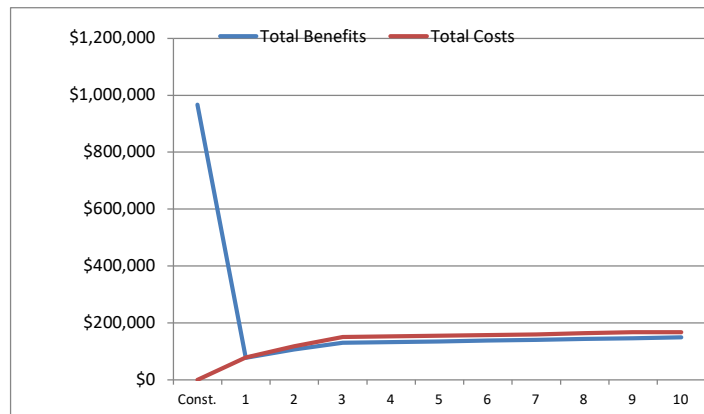
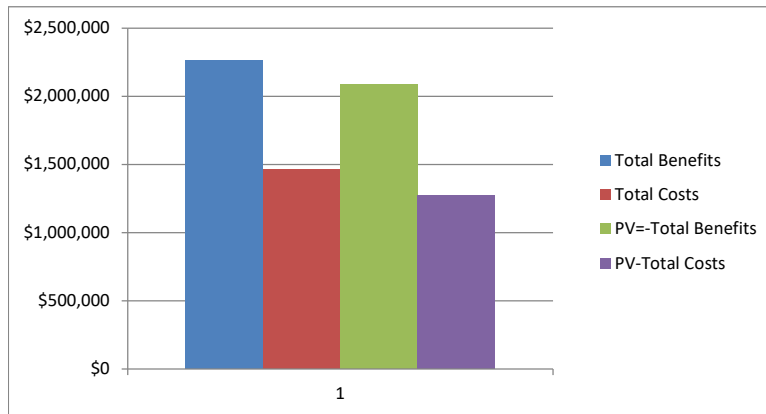
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.54
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	1.65
Average ROI	5.43%

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	\$536,640	\$0	\$430,000	\$0	\$0	\$966,640	\$966,640	\$0	\$0	\$0	\$0	\$0	\$0	\$966,640	\$966,640	\$966,640	\$0
1	\$31,137	\$3,058	\$15,545	\$3,058	\$24,327	\$77,125	\$75,244	\$12,519	\$62,288	\$3,058	\$0	\$77,865	\$75,966	-\$740	\$965,900	-\$722	\$2,983
2	\$41,298	\$3,104	\$20,838	\$3,119	\$37,220	\$105,579	\$100,492	\$19,155	\$94,833	\$3,104	\$0	\$117,092	\$111,450	-\$11,513	\$954,387	-\$10,958	\$2,954
3	\$49,894	\$3,150	\$25,315	\$3,259	\$48,088	\$129,707	\$120,446	\$24,748	\$121,924	\$3,150	\$0	\$149,822	\$139,125	-\$20,115	\$934,272	-\$18,679	\$2,925
4	\$50,828	\$3,198	\$25,792	\$3,406	\$49,050	\$132,274	\$119,834	\$25,243	\$123,753	\$3,198	\$0	\$152,193	\$137,879	-\$19,919	\$914,353	-\$18,046	\$2,897
5	\$51,780	\$3,246	\$26,278	\$3,559	\$50,031	\$134,894	\$119,227	\$25,747	\$125,609	\$3,246	\$0	\$154,602	\$136,646	-\$19,708	\$894,645	-\$17,419	\$2,869
6	\$52,751	\$3,294	\$26,773	\$3,720	\$51,032	\$137,569	\$118,626	\$26,262	\$127,493	\$3,294	\$0	\$157,050	\$135,424	-\$19,481	\$875,165	-\$16,798	\$2,841
7	\$53,739	\$3,344	\$27,278	\$3,887	\$52,053	\$140,300	\$118,030	\$26,788	\$129,406	\$3,344	\$0	\$159,537	\$134,213	-\$19,237	\$855,928	-\$16,183	\$2,813
8	\$54,747	\$3,394	\$27,792	\$4,062	\$53,094	\$143,088	\$117,439	\$27,323	\$133,317	\$3,394	\$0	\$164,034	\$134,631	-\$20,946	\$834,982	-\$17,192	\$2,786
9	\$55,773	\$3,445	\$28,316	\$4,245	\$54,155	\$145,934	\$116,854	\$27,870	\$135,317	\$3,445	\$0	\$166,631	\$133,426	-\$20,697	\$814,285	-\$16,573	\$2,758
10	\$56,820	\$3,496	\$28,850	\$4,436	\$55,239	\$148,840	\$116,274	\$28,427	\$135,317	\$3,496	\$0	\$167,240	\$130,648	-\$18,400	\$795,885	-\$14,374	\$2,731
Total	\$1,035,408	\$32,729	\$682,776	\$36,751	\$474,289	\$2,261,952	\$2,089,104	\$244,082	\$1,189,257	\$32,729	\$0	\$1,466,067	\$1,269,407	\$795,885	\$795,885	\$819,697	\$28,558



Village West Apartments III, LLC

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	7	7
Construction jobs created	259	259
Number of New Residents in the Community	221	420
Number of Additional Students in the Local School District	83	157
Increase in Local Personal Incomes	\$4,951,239	\$94,136,850
Increase in Local Retail Sales	\$29,351,565	\$84,748,850
Increase in the Community's Property Tax Base	\$17,727,332	\$17,727,332
Estimated new annual tax revenues after 10 years:		Property Taxes
	City	\$90,848
	County	\$92,895
	School	\$135,148
	Comm. Coll.	\$65,204
	Library	\$14,484
	State	\$3,549
	Totals	\$402,127

A Tax Abatement Cost-Benefit Analysis of Village West Apartments III, LLC for the Unified Government of Kansas City/Wyandotte County

Completed by
Municipal Consulting, LLC
1/24/2020

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ABOUT THIS REPORT:

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

DEFINITIONS USED:

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

DISCLAIMER:

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

COMMENTS SPECIFIC TO THIS PROJECT:

The overall costs and benefits for each taxing entity are:

Taxing Entity	Benefit to Cost Ratio	Average Return on Investment
City of Kansas City	2.98	20%
Wyandotte County	2.59	16%
Piper-Kansas City USD 203	4.97	40%
KC Community College	2.91	19%
Wyandotte County Library	2.32	9%
State of Kansas	1.54	5%

Each of the taxing entities has a positive benefit-to-cost ratio in excess of the desired 1.3. This report assumes that the Unified Government will approve a 100% property tax abatement for 10 years. A graduated PILOT payment has been considered in this analysis. This report assumes that the firm will obtain a sales tax exemption on construction materials and that the existing sales tax rates for the city, county and state will remain the same. We point out that the main economic benefits of this project are from new residents rather than new jobs.

We used conservative assumptions that the apartments would be 50% leased in Year 1, 75% in Year 2 and 95% in Year 3, and that only 50% of the new residents would come from outside the city.

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

R. Steven Robb

Digitally signed by R. Steven Robb
DN: cn=R. Steven Robb, o=Municipal
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Column1	Column2	Column3	Column4	Column5	Column6
COST-BENEFIT ANALYSIS PROJECT SUMMARY					
PROJECT NAME:	Village West Apartments III, LLC				(With L/M/W)
DATE:			1/24/2020		
GOVERNMENTAL ENTITIES INVOLVED:					
CITY:			City of Kansas City		
COUNTY:			Wyandotte County		
SCHOOL DISTRICT:			Piper-Kansas City USD 203		
SPECIAL TAXING DISTRICT #1			KC Community College		
SPECIAL TAXING DISTRICT #2			Wyandotte County Library		
STATE:			State of Kansas		
INFLATION RATE:		1.50%	DISCOUNT RATE:		2.50%

Village West Apartments III, LLC

Column1	Column2	Column3	Column4	Column6	Column7	Column11
Community Data Inputs:						
	City of Kansas City	Wyandotte County	Piper-Kansas City USD 203	KC Community College	Wyandotte County Library	State
Mill Levy	38.398337	39.263448	57.122464	27.559729	6.122014	1.500
Market Value New Home	\$136,000	\$142,800	\$270,300	\$142,800	\$136,000	\$239,700
Sales Tax	1.625%	1.000%	n/a	n/a	n/a	6.50%
Transient Guest Tax	8.00%	0.00%	n/a	n/a	n/a	n/a
Utility Revenue/HsHld	\$0.93	n/a	n/a	n/a	n/a	n/a
Franchise Fees/HsHld	\$512.25	n/a	n/a	n/a	n/a	n/a
Other Revenues/Res.	\$71.20	\$72.13	n/a	\$250.15	\$37.09	\$1,078.69
Marg. Cost/Res./Student	\$103.74	\$36.48	\$1,204.72	\$23.09	\$10.49	\$555.12
Other Revenues/Worker	\$66.26	\$67.12	n/a	\$232.78	\$34.51	\$936.49
Marginal Cost/New Worker	\$96.54	\$33.95	n/a	\$21.49	\$9.76	\$481.94
State Funding/Pupil	n/a	n/a	\$7,438.47	n/a	n/a	n/a
Federal Funding/Pupil	n/a	n/a	\$218.62	n/a	n/a	n/a
Visitor Daily Spending	\$50.00	\$50.00				\$75.00
Average Hotel Room Rate	\$100	\$100				n/a
Retail Pull Factor	0.95	0.96				n/a
Percent of County Share	90.90%	100.00%				n/a
Ann. Local Per Capita Sales Tax	\$211	\$158				n/a
Ann. State Per Capita Sales Tax	\$835	\$919				\$952
Annual Per Capita Retail Sales	\$12,840	\$14,142				\$14,654
Average Household Size	2.68	2.67				2.49
Avg. Wage-All Occupations	\$50,200	\$50,200				\$45,277

Village West Apartments III, LLC

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Firm Data Inputs:			First Expansion- Year 1											
			Land	Building	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
			\$2,700,000	\$43,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,700,000
Investment in Land & Building					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment in Fixtures, etc.				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Incentives			\$0											
	Growth	Const. Per.	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Total	
Sales	0.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchases	0.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net City Util. Revenue	3.00%	\$0	\$139	\$209	\$265	\$269	\$273	\$277	\$281	\$285	\$294	\$302	\$2,592	
Franchise Fees	3.00%	\$0	\$42,261	\$63,391	\$80,295	\$81,500	\$82,722	\$83,963	\$85,222	\$86,501	\$89,096	\$90,432	\$785,382	
PILOT- City		\$0	\$78,281	\$79,063	\$81,435	\$83,878	\$86,395	\$88,986	\$91,656	\$94,406	\$97,238	\$100,155	\$881,493	
PILOT - County		\$0	\$80,044	\$80,845	\$83,270	\$85,768	\$88,341	\$90,991	\$93,721	\$96,533	\$99,429	\$102,412	\$901,353	
PILOT - State		\$0	\$3,058	\$3,089	\$3,181	\$3,277	\$3,375	\$3,476	\$3,580	\$3,688	\$3,799	\$3,912	\$34,435	
PILOT - School		\$0	\$116,452	\$117,617	\$121,145	\$124,780	\$128,523	\$132,379	\$136,350	\$140,441	\$144,654	\$148,993	\$1,311,334	
PILOT - Comm. Coll.		\$0	\$56,184	\$56,746	\$58,449	\$60,202	\$62,008	\$63,868	\$65,785	\$67,758	\$69,791	\$71,885	\$632,676	
PILOT- Library		\$0	\$12,481	\$12,605	\$12,984	\$13,373	\$13,774	\$14,187	\$14,613	\$15,052	\$15,503	\$15,968	\$140,540	
New Resident Households²		0	165	83	66	0	0	0	0	0	0	0	314	
Households new to the city		50%	82.5	41.3	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	157.0	
Households new to the county		30%	49.5	24.8	19.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.0	
Households new to the state		5.0%	8.3	4.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7	
New students in K-12			82.5	41.3	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	156.8	
New Employees			7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	
New employee average salary		1.50%	\$38,905	\$39,488	\$40,081	\$40,682	\$41,292	\$41,912	\$42,540	\$43,178	\$43,826	\$44,483	N/A	
Tax Abatement-Land			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A	
Tax Abatement-Bldg.			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A	
Visitors	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	
			City	County	State									
Percentage of sales taxable in the			0%	0%	0%									
Percentage of purchases taxable in the			80%	80%	80%									
Assumed Inflation Rate			1.50%											

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

² Assumption is that apartments will be 50% leased in Year 1, 75% in Year 2 and 95% by Year 3 and thereafter.

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
COST-BENEFIT ANALYSIS PROJECT SUMMARY								
PROJECT NAME:	Village West Apartments III, LLC					Ratio of		
DATE:		1/24/2020				NPV of Net		
				Net	NPV	Benefits to	Actual	Avg.
				Present	of	NPV of	Benefit to	Annual
		Total		Value	Incentives	Incentives	Actual	Rate
	Total	Costs &	Net	of Net	& Taxes	and Taxes	Cost	of
Entity	Benefits	Incentives	Benefits	Benefits	Abated	Abated	Ratio	Return
City of Kansas City	\$3,917,490	\$1,314,536	\$2,602,954	\$2,273,717	\$731,041	3.11	2.98	20%
Wyandotte County	\$2,485,204	\$960,074	\$1,525,130	\$1,335,218	\$747,511	1.79	2.59	16%
Piper-Kansas City USD 203	\$14,758,925	\$2,968,708	\$11,790,217	\$10,216,781	\$940,097	10.87	4.97	40%
KC Community College	\$1,943,580	\$666,835	\$1,276,745	\$1,108,101	\$524,692	2.11	2.91	19%
Wyandotte County Library	\$379,316	\$163,329	\$215,988	\$187,606	\$116,553	1.61	2.32	9%
State of Kansas	\$2,259,636	\$1,466,067	\$793,568	\$817,774	\$28,558	28.64	1.54	5%

SUMMARY OF COSTS AND BENEFITS FOR:

PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

City of Kansas City

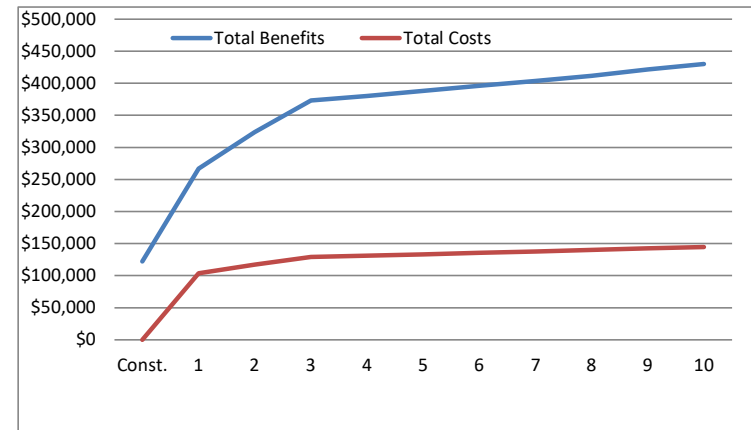
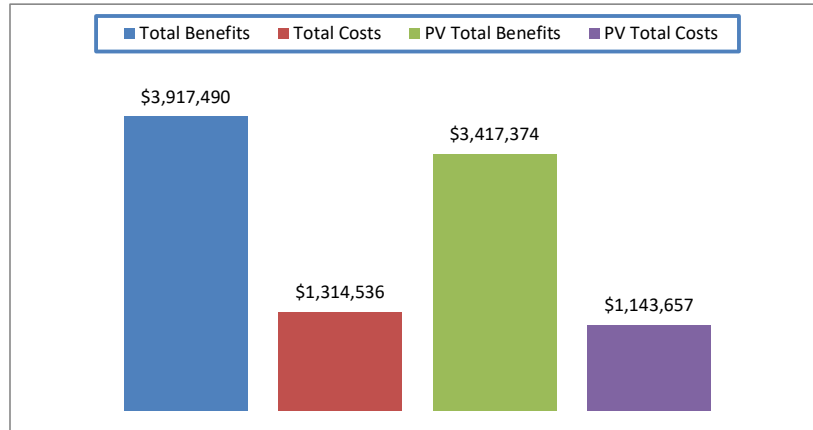
DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.98

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.99

(Typical desired ratio would be 1.3 to 1) **Average ROI** 19.80%

Year	Sales and Transient Guest Taxes	New Property Taxes	Utilities and Franchise Fees	PILOT Payment	Other City Revenues	Total Benefits	Net Present Value of Total Benefits	Incentives and Cost of Various City Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Incentives & Taxes Abated
Const.	\$121,951	\$0	\$0	\$0	\$0	\$121,951	\$121,951	\$0	\$0	\$0	\$0	\$121,951	\$121,951	\$121,951	\$0
1	\$50,699	\$78,281	\$42,400	\$78,281	\$17,378	\$267,037	\$260,524	\$25,320	\$78,281	\$103,600	\$101,073	\$163,437	\$285,389	\$159,451	\$76,371
2	\$75,966	\$79,455	\$63,600	\$79,063	\$25,908	\$323,991	\$308,379	\$37,748	\$79,455	\$117,203	\$111,555	\$206,788	\$492,177	\$196,824	\$75,626
3	\$97,272	\$80,647	\$80,560	\$81,435	\$33,101	\$373,015	\$346,382	\$48,229	\$80,647	\$128,876	\$119,674	\$244,139	\$736,316	\$226,707	\$74,888
4	\$99,202	\$81,856	\$81,768	\$83,878	\$33,757	\$380,461	\$344,679	\$49,184	\$81,856	\$131,040	\$118,716	\$249,421	\$985,737	\$225,963	\$74,158
5	\$101,169	\$83,084	\$82,995	\$86,395	\$34,425	\$388,068	\$342,995	\$50,158	\$83,084	\$133,242	\$117,766	\$254,826	\$1,240,563	\$225,229	\$73,434
6	\$103,176	\$84,330	\$84,240	\$88,986	\$35,106	\$395,839	\$341,331	\$51,151	\$84,330	\$135,481	\$116,825	\$260,358	\$1,500,921	\$224,506	\$72,718
7	\$105,223	\$85,595	\$85,503	\$91,656	\$35,801	\$403,779	\$339,685	\$52,163	\$85,595	\$137,759	\$115,892	\$266,020	\$1,766,941	\$223,794	\$72,008
8	\$107,310	\$86,879	\$86,786	\$94,406	\$36,510	\$411,891	\$338,058	\$53,196	\$86,879	\$140,075	\$114,966	\$271,816	\$2,038,757	\$223,092	\$71,306
9	\$109,439	\$88,182	\$89,389	\$97,238	\$37,233	\$421,482	\$337,493	\$54,249	\$88,182	\$142,432	\$114,049	\$279,050	\$2,317,807	\$223,443	\$70,610
10	\$111,611	\$89,505	\$90,734	\$100,155	\$37,970	\$429,976	\$335,896	\$55,323	\$89,505	\$144,829	\$113,140	\$285,147	\$2,602,954	\$222,756	\$69,921
Total	\$1,083,019	\$837,814	\$787,974	\$881,493	\$327,190	\$3,917,490	\$3,417,374	\$476,722	\$837,814	\$1,314,536	\$1,143,657	\$2,602,954	\$2,602,954	\$2,273,717	\$731,041



SUMMARY OF COSTS AND BENEFITS FOR:

Wyandotte County

PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

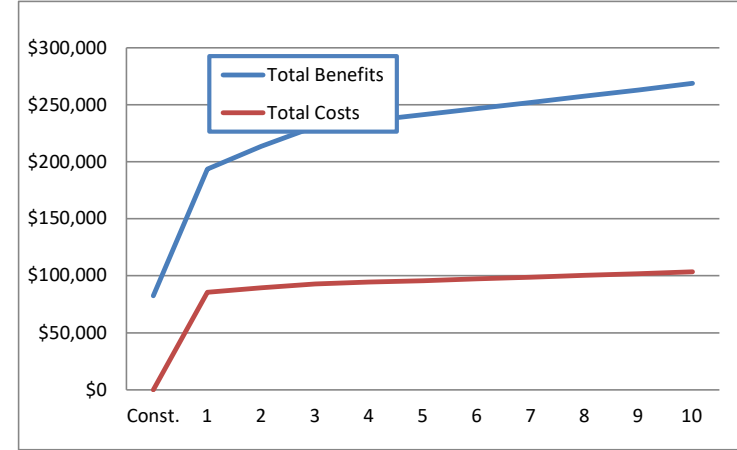
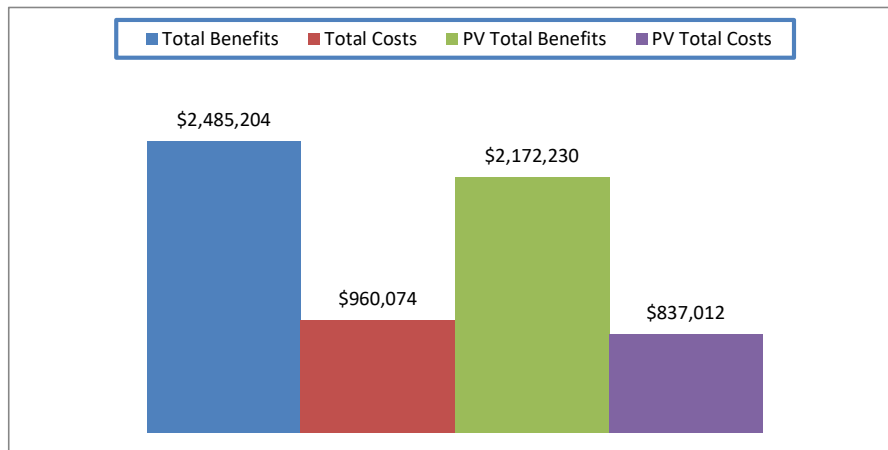
DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.59

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.60

Average ROI 15.89%

Year	Sales and Transient Guest Taxes	New Property Taxes	PILOT Payment	Other County Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various County Services	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
Const.	\$82,560	\$0	\$0	\$0	\$82,560	\$82,560	\$0	\$0	\$0	\$0	\$82,560	\$82,560	\$82,560	\$0
1	\$23,708	\$80,044	\$80,044	\$9,760	\$193,556	\$188,835	\$5,603	\$80,044	\$85,648	\$83,559	\$107,909	\$190,469	\$105,277	\$78,092
2	\$35,073	\$81,245	\$80,845	\$16,250	\$213,412	\$203,129	\$8,230	\$81,245	\$89,475	\$85,163	\$123,938	\$314,406	\$117,966	\$77,330
3	\$44,659	\$82,463	\$83,270	\$20,630	\$231,022	\$214,527	\$10,446	\$82,463	\$92,909	\$86,275	\$138,113	\$452,519	\$128,252	\$76,576
4	\$45,540	\$83,700	\$85,768	\$21,036	\$236,044	\$213,845	\$10,651	\$83,700	\$94,351	\$85,478	\$141,693	\$594,212	\$128,367	\$75,828
5	\$46,439	\$84,956	\$88,341	\$21,450	\$241,185	\$213,173	\$10,861	\$84,956	\$95,816	\$84,688	\$145,369	\$739,581	\$128,485	\$75,089
6	\$47,355	\$86,230	\$90,991	\$21,872	\$246,449	\$212,512	\$11,074	\$86,230	\$97,304	\$83,905	\$149,144	\$888,725	\$128,606	\$74,356
7	\$48,289	\$87,524	\$93,721	\$22,302	\$251,837	\$211,861	\$11,292	\$87,524	\$98,816	\$83,130	\$153,021	\$1,041,746	\$128,731	\$73,631
8	\$49,243	\$88,837	\$96,533	\$22,741	\$257,353	\$211,222	\$11,514	\$88,837	\$100,351	\$82,363	\$157,002	\$1,198,749	\$128,859	\$72,912
9	\$50,214	\$90,169	\$99,429	\$23,189	\$263,001	\$210,593	\$11,741	\$90,169	\$101,910	\$81,602	\$161,091	\$1,359,840	\$128,990	\$72,201
10	\$51,206	\$91,522	\$102,412	\$23,645	\$268,784	\$209,974	\$11,972	\$91,522	\$103,494	\$80,849	\$165,291	\$1,525,130	\$129,125	\$71,497
Total	\$524,285	\$856,690	\$901,353	\$202,876	\$2,485,204	\$2,172,230	\$103,384	\$856,690	\$960,074	\$837,012	\$1,525,130	\$1,525,130	\$1,335,218	\$747,511



SUMMARY OF COSTS AND BENEFITS FOR:

Piper-Kansas City USD 203

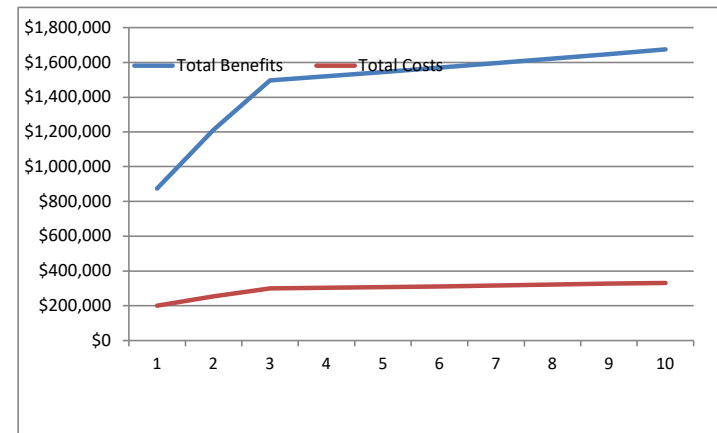
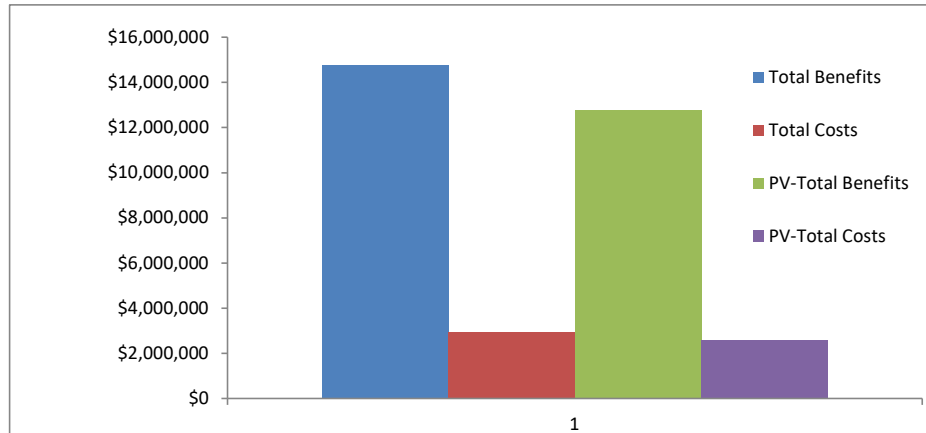
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 4.97
Ratio of Present Value of Total Benefits to Present Value of Total Costs: 4.96
(Typical desired ratio would be 1.3 to 1) **Average ROI** 39.71%

Year	New Property Taxes	PILOT Payment	District Capital Outlay Taxes	Additional State, Federal and Other Funding	Total Benefits	Net Present Value of Total Benefits	Additional Costs	Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$100,666	\$116,452	\$15,786	\$641,186	\$874,090	\$852,771	\$99,390	\$100,666	\$200,056	\$195,177	\$674,034	\$674,034	\$657,594	\$98,211
2	\$102,176	\$117,617	\$16,023	\$976,205	\$1,212,021	\$1,153,619	\$151,321	\$102,176	\$253,497	\$241,282	\$958,524	\$1,632,558	\$912,337	\$97,253
3	\$103,709	\$121,145	\$16,263	\$1,255,075	\$1,496,192	\$1,389,363	\$194,548	\$103,709	\$298,257	\$276,961	\$1,197,935	\$2,830,493	#####	\$96,304
4	\$105,265	\$124,780	\$16,507	\$1,273,901	\$1,520,452	\$1,377,455	\$197,466	\$105,265	\$302,731	\$274,259	\$1,217,721	\$4,048,215	#####	\$95,365
5	\$106,844	\$128,523	\$16,755	\$1,293,009	\$1,545,131	\$1,365,670	\$200,428	\$106,844	\$307,272	\$271,584	\$1,237,859	\$5,286,073	#####	\$94,434
6	\$108,446	\$132,379	\$17,006	\$1,312,404	\$1,570,235	\$1,354,009	\$203,435	\$108,446	\$311,881	\$268,934	\$1,258,354	\$6,544,428	#####	\$93,513
7	\$110,073	\$136,350	\$17,261	\$1,332,091	\$1,595,775	\$1,342,470	\$206,486	\$110,073	\$316,559	\$266,310	\$1,279,215	\$7,823,643	#####	\$92,601
8	\$111,724	\$140,441	\$17,520	\$1,352,072	\$1,621,757	\$1,331,051	\$209,584	\$111,724	\$321,308	\$263,712	\$1,300,449	\$9,124,092	#####	\$91,697
9	\$113,400	\$144,654	\$17,783	\$1,372,353	\$1,648,190	\$1,319,752	\$212,727	\$113,400	\$326,127	\$261,139	\$1,322,062	\$10,446,154	#####	\$90,803
10	\$115,101	\$148,993	\$18,050	\$1,392,938	\$1,675,082	\$1,308,572	\$215,918	\$115,101	\$331,019	\$258,592	\$1,344,063	\$11,790,217	#####	\$89,917
Total	\$1,077,404	\$1,311,334	\$168,953	\$12,201,234	\$14,758,925	\$12,794,732	\$1,891,304	\$1,077,404	\$2,968,708	\$2,577,951	\$11,790,217	\$11,790,217	#####	\$940,097



SUMMARY OF COSTS AND BENEFITS FOR:

KC Community College

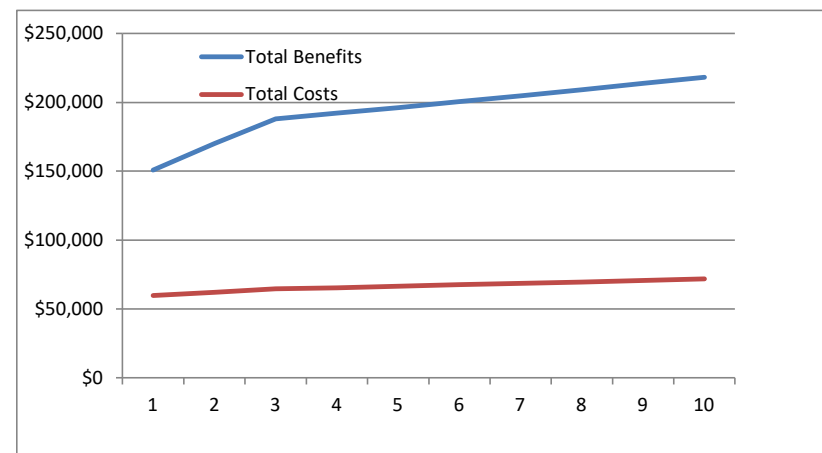
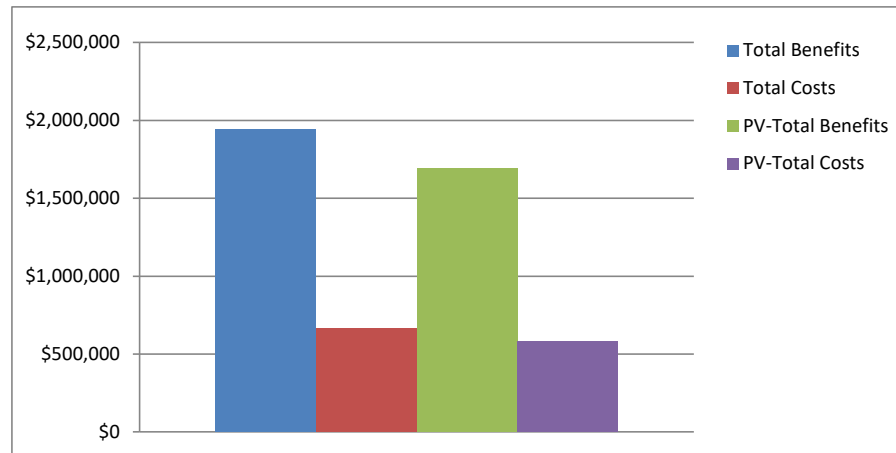
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	2.91
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	2.91
(Typical desired ratio would be 1.3 to 1)	
Average ROI	19.15%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$56,184	\$56,184	\$38,488	\$150,857	\$147,177	\$3,553	\$56,184	\$59,738	\$58,281	\$91,119	\$91,119	\$88,897	\$54,814
2	\$57,027	\$56,746	\$56,497	\$170,271	\$162,066	\$5,216	\$57,027	\$62,243	\$59,244	\$108,027	\$199,147	\$102,822	\$54,279
3	\$57,883	\$58,449	\$71,690	\$188,021	\$174,596	\$6,618	\$57,883	\$64,501	\$59,896	\$123,520	\$322,667	\$114,701	\$53,750
4	\$58,751	\$60,202	\$73,100	\$192,053	\$173,990	\$6,749	\$58,751	\$65,499	\$59,339	\$126,553	\$449,220	\$114,651	\$53,225
5	\$59,632	\$62,008	\$74,537	\$196,178	\$173,392	\$6,881	\$59,632	\$66,513	\$58,788	\$129,664	\$578,884	\$114,604	\$52,706
6	\$60,527	\$63,868	\$76,003	\$200,398	\$172,803	\$7,017	\$60,527	\$67,543	\$58,242	\$132,855	\$711,739	\$114,561	\$52,192
7	\$61,435	\$65,785	\$77,498	\$204,717	\$172,222	\$7,155	\$61,435	\$68,589	\$57,702	\$136,128	\$847,867	\$114,520	\$51,683
8	\$62,356	\$67,758	\$79,023	\$209,137	\$171,649	\$7,295	\$62,356	\$69,651	\$57,166	\$139,486	\$987,353	\$114,482	\$51,178
9	\$63,291	\$69,791	\$80,578	\$213,660	\$171,084	\$7,439	\$63,291	\$70,730	\$56,636	\$142,930	\$1,130,283	\$114,448	\$50,679
10	\$64,241	\$71,885	\$82,163	\$218,288	\$170,527	\$7,585	\$64,241	\$71,826	\$56,110	\$146,462	\$1,276,745	\$114,416	\$50,185
Total	\$601,327	\$632,676	\$709,577	\$1,943,580	\$1,689,505	\$65,508	\$601,327	\$666,835	\$581,404	\$1,276,745	\$1,276,745	\$1,108,101	\$524,692



SUMMARY OF COSTS AND BENEFITS FOR:

Wyandotte County Library

PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

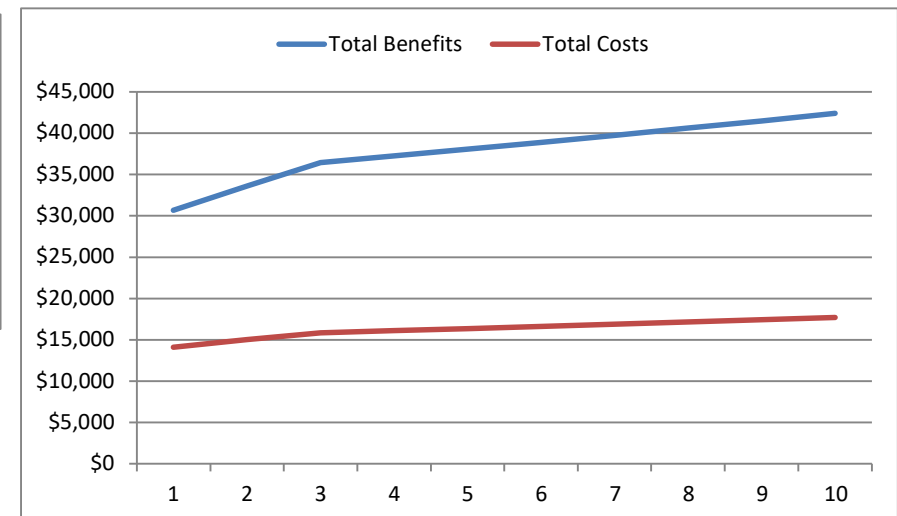
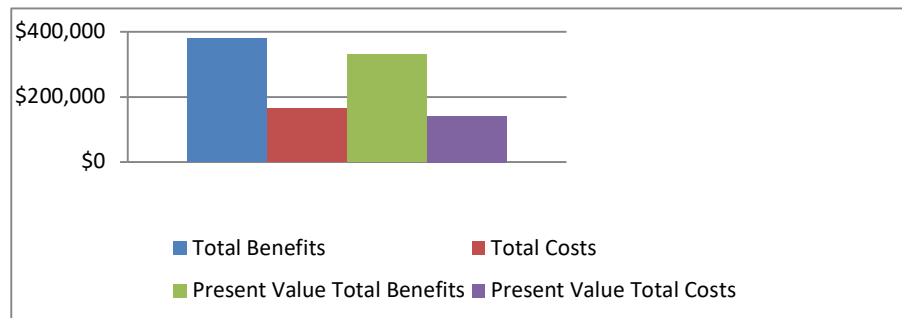
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.32

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.32

(Typical desired ratio would be 1.3 to 1)

Average ROI 8.82%

Year	New District Property Taxes	PILOT Payment	Other District Revenues	Total Benefits	Net Present Value of Total Benefits	Other District Costs	District Property Taxes Abated	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Net Present Value of Taxes Abated
1	\$12,481	\$12,481	\$5,706	\$30,667	\$29,919	\$1,614	\$12,481	\$14,094	\$13,751	\$16,573	\$16,573	\$16,169	\$12,176
2	\$12,668	\$12,605	\$8,376	\$33,649	\$32,028	\$2,369	\$12,668	\$15,037	\$14,312	\$18,613	\$35,185	\$17,716	\$12,057
3	\$12,858	\$12,984	\$10,628	\$36,470	\$33,866	\$3,006	\$12,858	\$15,864	\$14,731	\$20,606	\$55,792	\$19,135	\$11,940
4	\$13,051	\$13,373	\$10,837	\$37,261	\$33,757	\$3,065	\$13,051	\$16,116	\$14,600	\$21,146	\$76,937	\$19,157	\$11,823
5	\$13,246	\$13,774	\$11,051	\$38,071	\$33,650	\$3,125	\$13,246	\$16,372	\$14,470	\$21,700	\$98,637	\$19,179	\$11,708
6	\$13,445	\$14,187	\$11,268	\$38,901	\$33,544	\$3,187	\$13,445	\$16,632	\$14,342	\$22,269	\$120,906	\$19,202	\$11,594
7	\$13,647	\$14,613	\$11,490	\$39,750	\$33,440	\$3,249	\$13,647	\$16,896	\$14,214	\$22,853	\$143,759	\$19,226	\$11,481
8	\$13,852	\$15,052	\$11,716	\$40,619	\$33,338	\$3,313	\$13,852	\$17,165	\$14,088	\$23,454	\$167,213	\$19,250	\$11,369
9	\$14,059	\$15,503	\$11,946	\$41,509	\$33,237	\$3,379	\$14,059	\$17,438	\$13,963	\$24,071	\$191,283	\$19,274	\$11,258
10	\$14,270	\$15,968	\$12,181	\$42,420	\$33,138	\$3,445	\$14,270	\$17,715	\$13,839	\$24,704	\$215,988	\$19,299	\$11,148
Total	\$133,576	\$140,540	\$105,200	\$379,316	\$329,916	\$29,752	\$133,576	\$163,329	\$142,310	\$215,988	\$215,988	\$187,606	\$116,553



SUMMARY OF COSTS AND BENEFITS FOR:

State of Kansas

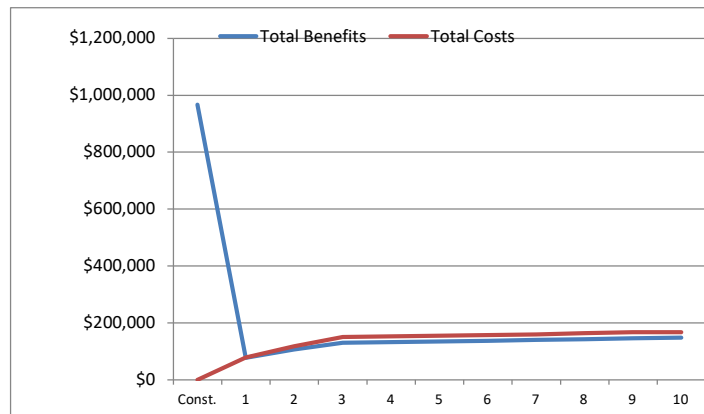
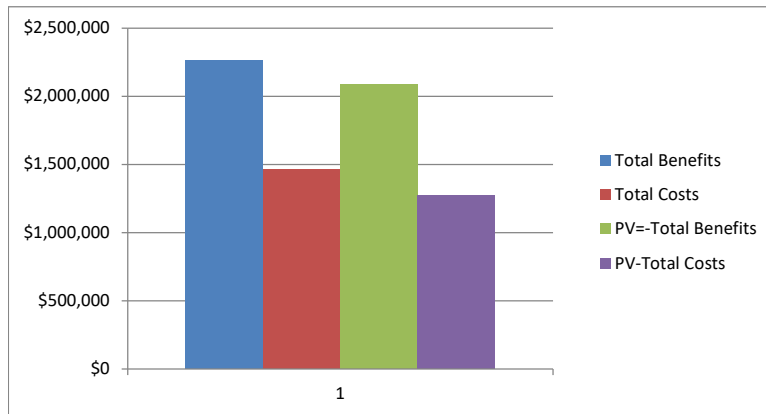
PROJECT: Village West Apartments III, LLC

DATE: 1/24/2020

DISCOUNT RATE: 2.50%

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:	1.54
Ratio of Present Value of Total Benefits to Present Value of Total Costs:	1.64
Average ROI	5.41%

Year	Sales Taxes	New Property Taxes	Corporate and Personal Income Taxes	PILOT Payment	Other State Revenues	Total Benefits	Net Present Value of Total Benefits	Cost of Various State Services	Cost of Educating New Students	Property Taxes Abated	Other Costs & Incentives	Total Costs	Net Present Value of Total Costs	Net Benefits or Costs	Cumulative Net Benefits or Costs	Net Present Value of Net Benefits	Present Value of Taxes Abated and Incentives
Const.	\$536,640	\$0	\$430,000	\$0	\$0	\$966,640	\$966,640	\$0	\$0	\$0	\$0	\$0	\$0	\$966,640	\$966,640	\$966,640	\$0
1	\$31,137	\$3,058	\$15,545	\$3,058	\$24,327	\$77,125	\$75,244	\$12,519	\$62,288	\$3,058	\$0	\$77,865	\$75,966	-\$740	\$965,900	-\$722	\$2,983
2	\$41,298	\$3,104	\$20,838	\$3,089	\$37,220	\$105,548	\$100,462	\$19,155	\$94,833	\$3,104	\$0	\$117,092	\$111,450	-\$11,543	\$954,357	-\$10,987	\$2,954
3	\$49,894	\$3,150	\$25,315	\$3,181	\$48,088	\$129,629	\$120,373	\$24,748	\$121,924	\$3,150	\$0	\$149,822	\$139,125	-\$20,193	\$934,163	-\$18,751	\$2,925
4	\$50,828	\$3,198	\$25,792	\$3,277	\$49,050	\$132,145	\$119,716	\$25,243	\$123,753	\$3,198	\$0	\$152,193	\$137,879	-\$20,049	\$914,115	-\$18,163	\$2,897
5	\$51,780	\$3,246	\$26,278	\$3,375	\$50,031	\$134,710	\$119,064	\$25,747	\$125,609	\$3,246	\$0	\$154,602	\$136,646	-\$19,892	\$894,223	-\$17,582	\$2,869
6	\$52,751	\$3,294	\$26,773	\$3,476	\$51,032	\$137,326	\$118,416	\$26,262	\$127,493	\$3,294	\$0	\$157,050	\$135,424	-\$19,724	\$874,499	-\$17,008	\$2,841
7	\$53,739	\$3,344	\$27,278	\$3,580	\$52,053	\$139,994	\$117,772	\$26,788	\$129,406	\$3,344	\$0	\$159,537	\$134,213	-\$19,543	\$854,955	-\$16,441	\$2,813
8	\$54,747	\$3,394	\$27,792	\$3,688	\$53,094	\$142,714	\$117,132	\$27,323	\$133,317	\$3,394	\$0	\$164,034	\$134,631	-\$21,320	\$833,635	-\$17,499	\$2,786
9	\$55,773	\$3,445	\$28,316	\$3,799	\$54,155	\$145,488	\$116,496	\$27,870	\$135,317	\$3,445	\$0	\$166,631	\$133,426	-\$21,143	\$812,492	-\$16,930	\$2,758
10	\$56,820	\$3,496	\$28,850	\$3,912	\$55,239	\$148,317	\$115,865	\$28,427	\$135,317	\$3,496	\$0	\$167,240	\$130,648	-\$18,923	\$793,568	-\$14,783	\$2,731
Total	\$1,035,408	\$32,729	\$682,776	\$34,435	\$474,289	\$2,259,636	\$2,087,181	\$244,082	\$1,189,257	\$32,729	\$0	\$1,466,067	\$1,269,407	\$793,568	\$793,568	\$817,774	\$28,558



Village West Apartments III, LLC

Other Economic Impacts of the Project

	In the First Year	Over 10 Years
Permanent jobs created	7	7
Construction jobs created	259	259
Number of New Residents in the Community	221	420
Number of Additional Students in the Local School District	83	157
Increase in Local Personal Incomes	\$4,951,239	\$94,136,850
Increase in Local Retail Sales	\$29,351,565	\$84,748,850
Increase in the Community's Property Tax Base	\$17,727,332	\$17,727,332
Estimated new annual tax revenues after 10 years:		Property Taxes
	City	\$90,848
	County	\$92,895
	School	\$135,148
	Comm. Coll.	\$65,204
	Library	\$14,484
	State	\$3,549
	Totals	\$402,127



FILED *208*

SEP 04 2019

UNIFIED GOVERNMENT CLERK

Unified Government Clerk's Office

Bridgette D. Cobbins
Unified Government Clerk

701 North 7th Street, Suite 323
Phone: 913-573-5260
Kansas City, Kansas 66101-3070
Fax: 913-573-5299

E-mail: bcobbins@wycokck.org

<http://www.wycokck.org>

REQUEST TO APPEAR FORM

Requestor will be given 5 minutes to speak to
committee

2-2020 JMI

9 Standing Committee: *Appearance preference*
9/9/2019

Name: Tscher Manck

First

Last

Address: (

Street

Kansas City, Kansas

Zip

Phone Number

E-mail address:

Brief description of topic to be discussed:

Development on the NorthEast
Side & Down town. I ~~have~~^{was} asked to Share
Some affordable ideas concerning
the Northeast area of Wyandotte
County. We the people of Wyandotte
would like to see our tax dollars
spent the way on the things we need &
Not what outsiders want.

Signature

Manck



Unified Government Clerk's Office

Bridgette D. Cobbins

Unified Government Clerk

701 North 7th Street, Suite 323
Kansas City, Kansas 66101-3070

Phone: 913-573-5260

Fax: 913-573-5299

<http://www.wycokck.org>

January 30, 2020

Tscher Manck

Ms. Manck:

Your request to appear before a standing committee regarding the development in the Northeast and Downtown areas has been approved for the following standing committee:

COMMITTEE: Economic Development and Finance Standing Committee

DATE: Monday, February 10, 2020

TIME: immediately upon adjournment of the 5:00 p.m. meeting

LOCATION: Municipal Office Building

701 North 7th Street, 5th floor conference room (Suite 515)

Kansas City, KS 66101

You will be given up to five minutes to make your comments. All comments must pertain to the subject matter.

If you have any questions, do not hesitate to contact me at 573-5263.

Sincerely,

Carol Godsil
Deputy UG Clerk