

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, March 2, 2020**

The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 2, 2020, at 5:13 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend (via telephone), Johnson, Bynum for Walters; and BPU Board Member Jeff Bryant. Commissioner Walters was absent. The following officials were also in attendance: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze; Assistant County Administrators; Jeff Conway, Assistant Counsel; Katherine Carttar, Director of Economic Development; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; and Jay Doleshal, Sergeant-at-Arms.

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

Approval of standing committee minutes from January 21, 2020. **On motion of Commissioner McKiernan, seconded by Commissioner Johnson, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 2026...REPORT: COMPREHENSIVE FEE SCHEDULE

Synopsis: 2020 Comprehensive Fee Schedule of the Unified Government, submitted by Kathleen VonAchen, Chief Financial Officer.

COMPREHENSIVE FEE SCHEDULE

Economic Development & Finance Committee
Unified Government of Wyandotte County /
Kansas City, Kansas
March 2, 2020



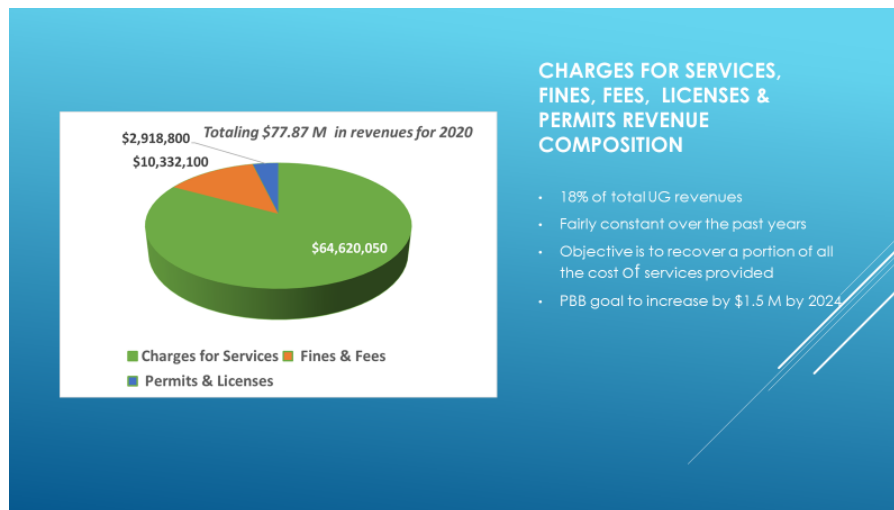
OBJECTIVE: HAVE A COMPLETE LIST OF ALL FEES AND CHARGES FOR SERVICES

- Finance staff interviews each department to collect information on all the fees currently being collected
- Any changes to current fees or new fees are reviewed by the County Administrator and if approved added to the list.
- Present to ED&F Committee March 2nd as *information only* item
- The 2020 list includes all departments, including Neighborhood Resource Center that was excluded in the prior year's schedule

Kathleen VonAchen, Chief Financial Officer, said we are talking about the Comprehensive Fee Schedule. We initially put this together for the first time back in 2017. It basically is just a complete list of all our fees, our charges for services, our licenses, permits, and fines. Basically, all the revenue that's collected through these mechanisms are collected in order to recover the cost of providing various services, or to provide the penalty for doing something against our code.

The intention of this report is to be more transparent about what fees and fines and permits we collect and what the charge is. This year we are updating it because it's been a couple of years. We want to keep things current. The one we did back in 2017 did not include the Neighborhood Resource Center fees and fines which include Public Works, various inspection fees and permitting. The reason it wasn't in that report because their list was comprehensive, we needed more time to compile it. This year has every fine. All of the charges, permits, fees across all of the UG's departments included. Now we're presenting this as information only because these fees have been approved as part of the budget process. There's no need for action, just for information only.

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Just to give you a little context across the entire Unified Government, all of the charges for services, fines and fees total \$77.8M. That includes, of course, sewer system and stormwater and everything. The charges for services category total \$64M. The Fines and Fees amount to \$10M. Permits and Licenses amount to \$2.9M. That basically is 18% of all UG revenues. These amounts stayed fairly constant over the past years. Of course, the intention of collecting these, especially the charges for services, is to recover the cost of providing the service. With our priority-based budgeting our goal is to enhance our charges for service revenue collection by \$1.5M in the coming year or two.

NEXT STEPS

- ▶ **MGT Consulting Group** has been awarded the Notice of Need to conduct User Fee/Charges for Services Revenue Studies during 2017 thru 2022
- ▶ Department completed: Parks and Recreation fee study
- ▶ Departments planned during 2020:
 - ▶ Police, Fire and Sheriff
 - ▶ Public Works
 - ▶ Other departments (such as NRC) to be conducted in 2021
- ▶ User Fee Study Steps:
 - ▶ Schedule kick-off meetings with departments to explain the fee study process
 - ▶ Develop schedule of meeting to acquire data from departmental staff on time spent performing various services
 - ▶ Collect data from neighboring or comparative government entities

MGT CONSULTING GROUP

We hope to do that by doing the following items. A couple of years ago we did an RFP and selected MGT Consulting Group. MGT Group has been our indirect costs allocation consultant for many years, but they also do fee studies. What they do, they review the costs, they review all the services, determine what the costs are and then make a recommendation on what kind of charge we should be charging based on different

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perimeters for what the Commissions tolerance for is for recovering costs. We've done that with the Parks and Recreation Department. Now, we're going to do, we're going to look at the Police, Fire, and Sheriff and Public Works as well as some other departments like the Neighborhood Resource Center. The Neighborhood Resource Center charges for services are pretty complex. This all kind of dovetails with the implementation of the Accela Software System for our Building Inspection and Permitting Divisions over there. What we're planning to do is an RFP separate permit specializing in fee permit studies, and then proceed with doing that study during 2021.

Just so you know the steps in doing a fee study include: a kick-off meeting with all the departments involved. Then go straight into interviewing the department management, the individual staff members to ask people how much time they spend on each service and then there's a determination of the costs, and they also look at other cities to determine how much money those cities charge for the same service to do some comparisons.

That's all we have for you tonight. We just want to make you aware that it is going to be posted on our website, the Finance Department website, this fee study. We hope to update it every year. We have a process. Every year we ask departments to submit their fee requests and then we incorporate into this book, we evaluate it, the reviews, the fee adjustments and that becomes part of that budget process that I talked about.

Commissioner McKiernan said I appreciate the fact that the fees are all collected together in our agenda packet tonight. I just want to confirm how I find that. For example, if I wanted to investigate renting the ballroom at Memorial Hall, where would I go on our website to find that information? **Ms. VonAchen** said you go to the UG, and probably go to the departments, and then you select Finance, and then down below under, I think it's Financial Reports—there's a section for Financial Reports over on the left. **Commissioner McKiernan** said I see Comprehensive Fee Schedules are then linked down below where it says 2017, that will be updated to 2020 Comprehensive Fee Schedule. **Ms. VonAchen** said that's right.

Commissioner McKiernan said just a suggestion for the folks that put together the website. Intuitively, I as a novice, website don't think the Financial Reports is where I go to look for how much is it going to cost me to rent Memorial Hall. I think we need to think about how people will be accessing this, and I don't want to overstep my boundaries here, but I might have a little bit of sophistication and that was not intuitive to me on how to find that, just a suggestion. **Ms. VonAchen** said we'll put it where it's more intuitive. Absolutely.

Alan Houze, Assistant County Administrator, said, Commissioner, just a reminder too, later this spring the Parks and Recreation software for online rentals for shelters and those sorts of things will be rolled out and embedded within that will be the fee schedules for those sorts of facilities. It's something

people wouldn't have to navigate through a fee schedule in order to understand or figure out the costs of certain facilities, but we are on path to make it much more intuitive and available for people across a range of different services. **Commissioner McKiernan** said I appreciate that very much, but I'm on the Parks and Recreation Department page now and I still in that left-hand menu bar column, I still don't see anything that says to me as a novice, reserve something. **Mr. Houze** said later this spring it will be there. **Commissioner McKiernan** said it will be there. **Mr. Houze** said we're still on the old software and as of April this spring, we should be on the new software with a new look and feel and more intuitive interface. **Commissioner McKiernan** said fantastic. **Ms. VonAchen** said we're really looking forward to that. **Commissioner McKiernan** said once again, the fewer clicks it takes me as a website user to get to the stuff I want, the better it is for all of us.

BPU Board Member Bryant said, Kathleen, you said the goal is to recover a part of the costs associated with it. Is there a threshold percentage that is set? Is there a minimum that we want to recoup? **Ms. VonAchen** said there isn't. Our webpage that has our financial policies, there's a revenue policy in there that talks about recovering costs through fees and charge for services. The reason we don't have a minimum threshold is because every service is unique in nature. Some of the services are provided to residents who, in effect, can afford to pay the full costs of services, whereas other services are typically directed at constituents that are lower income or don't have those means. We try to be sensitive to that. Every service is uniquely calibrated. Over the course of many years, many of these fees have not been adjusted upward and so our goal is to actually do fee studies comprehensively through all of our services to determine what the costs are and then have a conscious discussion about what the appropriate subsidy level should be. That's the goal of the administration with working closely with the elected officials to do that in the coming years. That is definitely part of priority-based budgeting. I can give you an example if that would help. **BPU Board Member Bryant** said no, it tells me that it's not just a static number that we are going after. It's fluid. **Ms. VonAchen** said yeah, it is.

Commissioner Johnson asked are we intending to go through all of the departments that are outlined in this report to be updated. If so, how long do you think that is going to take. I see other departments such as NRC to be conducted in 2021. Are we going to go beyond 2021 and how long do you think it's going to take to update all of our fees that's reflected in this report? **Ms. VonAchen** said I imagine it will take beyond 2021 because, for example, it took us a couple of years to get to the point where we are with Parks and Recreation. That was a challenging one. I think there's more momentum with adjusting the other fees in the other departments, especially priority-based budgeting. As you recall, we have a goal to collect more in the priority-based budgeting process. I'm thinking, I'm shooting for 2023 to get through all the

fees. That's my goal. I know it's going to take a while. **Commissioner Johnson** said I assumed that it would. **Ms. VonAchen** said the thing is, the Finance Department is engaged in issuing bonds and budget and CAFR for the first nine months of every year. The only time we really have to do special stuff is September through December. **Commissioner Johnson** said you could argue that by the time we get to 2023 and entering into 2024, it's almost time to start all over again. **Ms. VonAchen** said all over again, absolutely. **Commissioner Johnson** said it has to make sure that we are keeping up with trends as they are across our nation. **Ms. VonAchen** said one thing I would like to point out is going forward we are going to be incorporating CPI adjustments to our fees in the coming years that would take place annually. By doing that, we're at least keeping up with inflation which actually hasn't been done. **Commissioner Johnson** said that's good to know.

Chairman Burroughs asked, will the full Commission choose to vote on those fee increases collectively. Will they be presented individually or does the City Administrator have the authority to approve the fee increase without the action of the Commission. **Ms. VonAchen** said so the Charter, the Unified Charter authorizes the County Administrator to adjust fees periodically, so that's where that rests.

Chairman Burroughs said anybody from the public wish to address this item. No one stepped forward.

Action: Information only.

Item No. 2 – 2027...RESOLUTION: AMEND MASTER EQUIPMENT LEASE PURCHASE AGREEMENT WITH BANK OF AMERICA

Synopsis: A resolution authorizing the Unified Government of Wyandotte County/Kansas City, Kansas, to amend its Master Equipment Lease Purchase Agreement dated October 17, 2013, with Bank of America Public Capital Corp., submitted by Kathleen VonAchen, Chief Financial Officer, and Debbie Jonscher, Deputy Chief Financial Officer.

Debbie Jonscher, Deputy Chief Financial Officer, said this resolution is to amend our Master Equipment Lease Purchase Agreement. This is the tool—I do not have a presentation for this item. This is the tool that we use to finance all of our equipment that is identified in the budget as lease finance. The amendment that we are asking for approval tonight extends the agreement to the end of this year, December 31, 2020. The previous amendment expired on December 31, 2019. It does include the amendment, as well as, a list of all potential equipment that could be financed this year. All of the equipment that is included has been previously approved by the Commission.

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

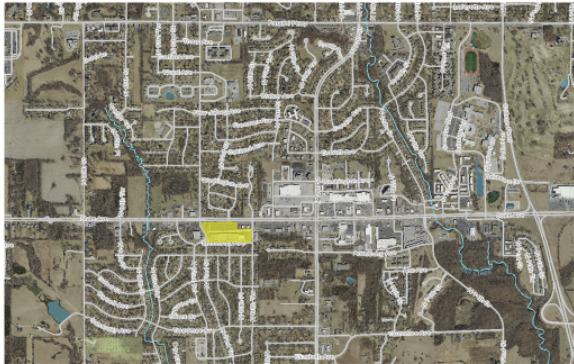
Item No. 3 – 209...TWO RESOLUTIONS: WESTFIELD COMMUNITY IMPROVEMENT DISTRICT

Synopsis: Request adoption of the following resolutions regarding a petition filed January 29, 2020, for the Westfield Community Improvement District (CID), submitted by Katherine Carttar, Director of Economic Development. The CID will impose an additional 1.0% sales tax on the sales of goods and services within the 9 acres Westfield Shopping Center site at 8051 State Avenue.

- Set a public hearing date of April 16, 2020, to consider advisability of the CID
- Approve development agreement



Westfield Shopping Center – 82nd & State Ave.



Westfield Shopping Center -- TODAY

Katherine Carttar, Director of Economic Development, said we are bringing you a project, the Westfield Shopping Center at 82nd & State Avenue. Inside this development currently you have CVS, Save-A-Lot, it's I believe if not fully, close to fully full at this moment. You can also see it could use a little sprucing-up. It's looking a little dated. In particular the facade, as well as the parking lot could definitely use some help.

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Community Improvement District

- **Request the creation of a Community Improvement District**
 - Impose an additional 1.0% sales tax on the sales of goods and services within the property
- **Total Investment anticipated is \$8,837,000**
- **Reimbursable CID Costs are capped at \$2,447,000**
 - Pay-as-you-go disbursements
 - Land acquisition reimbursement up to \$710,000
 - Capital Improvements reimbursement up to \$1,773,000
 - A new roof, façade improvements, signage enhancements, parking lot improvements, landscaping, environmental remediation, and other capital improvements

2019 Property Taxes
\$164,251

What we are bringing today is a proposal for a Community Improvement District which would be an additional 1.0% sales tax addition that would go towards any goods and services that are sold on this property. This would provide enough revenues really to allow a new owner to come in. First of all, they're going to purchase the property as well as the anticipated improvements is nearly \$9M. What we're looking at with the CID would be a reimbursable cap at about \$2.4M. This would be about \$700,000 in land acquisition reimbursement as well as \$1.7M with the capital improvements. That includes new roof, facade, parking lot improvements, landscape, etc.

Kevin Lee, Polsinelli Law Firm, appearing on behalf of WBB, LLC, said I also have with me Jeff Berg, who is a principal for the developer entity and also a partner with Elevate Property Advisors. Jeff is running point on this project from the development side. Katherine did a nice job kind of teeing up the specific request that we have before you this evening. I think what we've got here, as was mentioned, is an older center that was originally constructed 30, 40 plus years ago and really just has not seen any significant new investment in quite some time. The current ownership group has done enough to sort of maintain the property and keep it up and running and at least functioning properly, but that's about it, hence the need for a new roof that we'll get to here in a second. Short of Jeff and a sophisticated and active productive developer like him and his team coming in and taking over, I think what we can expect to see here, that at best, this property stays flat. At worse, and much more likely we'd expect to see it start to really decline fairly rapidly. We are trying to reverse that course. Jeff and his team would come in and acquire the property and give it some much needed love and care to the tune of approximately \$1.7M in

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improvements. What that gets us is a new roof, some really nice exterior facade improvements and also some landscaping and parking lot improvements like Catherine mentioned. It's really going to do a lot for the area, certainly the center in terms of esthetics. We're excited about it and would ask for your guys approval to advance tonight and with that stand for any questions.



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Tax Impact of Project

Retain current Property Tax level
2019 Property Taxes \$164,251

Increased Property Tax revenues in year 6
Post 5 year 95% NRA Rebate

Anticipate increase in Sales Tax revenues due to
increased Sales



Ms. Carttar said here is a rendering of the future exterior and the facades. Additionally, this property currently brings in about \$164,000 in property taxes that will not change, and if anything, that will just increase, as well as the sales tax revenue. We don't have a great estimate for what that would be, but it's safe to say with some of these improvements, it will make a more alluring shopping center for folks and, hopefully, it will be additional sales.

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For Consideration:

- Set a public hearing date of April 16, 2020, to consider advisability of the CID
- Resolution to approve the development agreement

Ms. Carttar said tonight we have two different resolutions. One is to set the public hearing date for April 16 for this to be heard as well as another to approve the development agreement.

Commissioner Bynum said just tell me again, parking will be improved, the parking lot? **Mr. Lee** said parking will be improved. Jeff can speak a little bit more to it, but we'll crack and seal and do all of that, so you'll have a much better center there. **Commissioner Bynum** said it seems like this center 100% occupied, 90% occupied? **Jeff Berg, Elevate Property**, said it is about 96% occupied. **Commissioner Bynum** said this may or may not be appropriate. I actually don't know. Do you anticipate rent increases for your tenants as a result of your improvements? **Mr. Berg** said eventually. Most of the tenants are locked in with their current leases so there's nothing we can do. That's one of the reasons for getting a CID, when you improve the exterior, that doesn't translate into increased rent for a number of years until your tenants turn over. **Commissioner Bynum** said I only ask because you have several local small businesses which is great in the center. We certainly wouldn't want to do things that actually was a disincentive for them to stay. **Mr. Berg** said agreed. Looking at the rent roll it's almost surprising to see how long some of those tenants have been there. You don't see that that often in shopping centers.

BPU Board Member Bryant said a couple of questions. Number one: What do you expect the timeframe to do the renovations. And, I guess, the second part of that is how much business disturbance will it cause? **Mr. Lee** said I think under the development agreement, the direct answer, there's a two-year period in there that we've got to get the improvements. We plan to complete it much quicker than that. As soon as we can get going with permits and stuff, I think

Jeff would say—**Mr. Berg** said it probably takes a while to get permits and things like that. I imagine six months or so. **Mr. Lee** said we anticipated getting started, hopefully, in July of this year and finishing up by July of next year, so I would say 12 months to be safe and to build in weather conditions and those types of things. **Mr. Berg** said the phasing is critical. We've done several rehabs like this on shopping centers and the key to it is communicate with those tenants and let them know when it's going to happen, when their entrance is going to be compromised or in the middle of the construction. Provide alternate routes and sign it for customers. It can be disruptive. Unfortunately, there's just no way around it, but the better communication you have and the better signage, we try to minimize that. It's never perfect.

BPU Board Member Bryant said so, for the parking lot portion, would it be broken into sections that it would be renovated? **Mr. Berg** said almost certainly. The renovations we're doing to it are not as disruptive as a full mill and overlay, kind of crack seal and resealing in stripes. That could be phased fairly easily. I don't see any traffic problems. **BPU Board Member Bryant** said I go to that center quite often.

Commissioner Johnson said I go there a lot myself, so, though it's a little further out for me. In situations like this, the interaction with the actual tenants, it doesn't require any kind of approval from them. I'm assuming there's already communication going on. You're letting them know what's coming down the pipe. There's no real approval from them as such, is that correct? **Mr. Berg** said that is correct on certain aspects. I think that with closing—there's a request to close off one of the turn right-in, right-outs, that does require approval from one tenant. **Mr. Lee** said it would vary by, it would be lease specific depending on what the provision of the lease document says. We will certainly, and already have started that process of reviewing all those and being in contact and constant communication with any tenants that we would have any potential issue with that we have to address.

BPU Board Member Bryant said the one thing is the Hardee's that sits in the corner, is that not part of this renovation? **Mr. Berg** said it is not. Neither the Hardee's or the Go-Chicken-Go are part of it. They're separately owned.

Chairman Burroughs asked the multi-tenant building is that going to be part of the renovation. **Mr. Lee** said you're talking about up in the northwest corner. **Chairman Burroughs** said yes. **Mr. Lee** it's a newer building from the rest of the center. One of the comments that we got back from Planning was they'd like to see that painted to match what we're doing with the improvements to the overall center, so there will be some improvements on there as well. **Chairman Burroughs** said in reference to the parking lot you said you wouldn't be milling it. I know the parking lot has some challenges to it. Will you be resurfacing in any way shape or form like all one color and not have it look like it's a high school project? **Mr. Berg** said it's part of the seal, so to make it more uniform, and get it restriped. **Chairman Burroughs** said very good. You said it will take about two years? **Mr. Berg** said, hopefully, it does go quicker than that.

Commissioner Townsend said I'm interested to know the proposed additional tax, it says here will endure for a period of 22 years. That's certainly going to impact those who shop at that center. Is that 22 year timeframe average for this type of proposal and will that be as long as the life of some of these anticipated improvements like the parking lot, the roof, that kind of thing? **Ms. Carttar** said I can answer the first part of that Commissioner. The 22 years is the statutory length of the community improvement district. However, since we have capped the reimbursable cost, I think it is likely that they will reach those caps prior to the end of these 22 years. In terms of the asset, I will turn that over to Kevin. **Mr. Lee** said thank you for the question. I don't know that we can finance this to the useful life of the improvements that we're doing, whether that's commissary with the 22 years. As Catherine said, it comes down—the statutory maximum. I say that is average for what you see in these deals on most urban redevelopment centers. That's another reason to the 1% tax that pretty much all of our competition for both users and shoppers are subject to a CID currently. I'd say that is average and, as Catherine noted, there's a maximum under the development agreement. We feel that we've been somewhat conservative in the projections and so to the extent that the center over performs, then we would certainly reach that cap in advance of the 22 years. I think the way the agreement reads is that the CID and sales tax would be terminated at that point.

Commissioner Townsend said refresh my recollection. What is the cap amount here? **Ms. Carttar** said it's \$2,444,000. **Commissioner Townsend** said you think it's likely that we would

reach that cap before 22 years. **Ms. Carttar** said I think that is likely. **Commissioner Townsend** said alright. Thank you.

Chairman Burroughs said I do have a question of our counsel. Exhibit C, it has the estimated project costs on the sheet, that's the estimated project costs on the sheet. **Jeff Conway, Assistant Counsel**, said I have two different copies and I don't have Exhibit C on either one. I'm still trying to find it. Maybe Exhibit G, is that what you're referring to. **Chairman Burroughs** said it's Exhibit C. **Commissioner McKiernan** said it's Exhibit C and it was included with the electronic document that was published on Civic Clerk. **Chairman Burroughs** said it's on the backside of the map, the Westfield CID picture. I just have a question in reference—there's an asterisk by the estimated project cost and there's a paragraph underneath that. I just want to ensure—because it mentions that herein shall be construed as a cap, nothing herein shall be construed as a cap. I just want to ensure that that's the proper language, because I'm hearing that there is a cap and then I'm reading that there is not a cap. **Mr. Lee** said I'm happy to respond while he's looking for that, if that works for you. I think the Exhibit C that you're looking at is in the petition itself. I mean, that's what we submitted initially. The exhibit to the development agreement, I believe, references that subject to the cap as well as the maximum on land reimbursement. It's Exhibit G to the development agreement itself. It says subject to the reimbursement cap and the \$710,000 cap on reimbursement for land acquisition cost nothing herein shall be constructed in the cap. **Chairman Burroughs** said so we do have a cap identified. **Mr. Lee** said, yes sir. **Chairman Burroughs** said \$2.447M. That's a hard cap. **Mr. Lee** said, correct. **Chairman Burroughs** said thank you for the clarification.

Commissioner McKiernan said I'd like to thank Commissioner Burroughs for pointing out that there are two different total project cost sheets in this submission. I had not dug far enough down into the packet to see the one you just referenced. Thank you.

Ms. Carttar said one is the petition, so that was the first thing that was submitted to us and we did some negotiating and we got to Exhibit G, so you'll notice those differences. **Chairman Burroughs** said that's why we have these meetings to have these discussions. Any other comments from commissioners. Anybody from the public care to comment on this particular item.

No one appeared.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve the resolution setting a public hearing for April 16, 2020. Roll call was taken and there were six “Ayes,” Bryant, Bynum, Johnson, Townsend, McKiernan, Burroughs.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve the resolution regarding Westfield Community Improvement District Development Agreement. Roll call was taken and there were six “Ayes,” Bryant, Bynum, Johnson, Townsend, McKiernan, Burroughs.

Item No. 4 – 2032...UPDATE/RESOLUTION: ROCK ISLAND BRIDGE FEASIBILITY

Synopsis: Update on the Rock Island Bridge development project and request consideration of a resolution authorizing gap funding for the economic feasibility study in an amount up to \$15,000 from transient guest tax (TGT), submitted by Katherine Carttar, Director of Economic Development.

Katherine Carttar, Director of Economic Development, said as Commissioner Burroughs mentioned, I think many of you are familiar with this project. We won’t go into overwhelming detail, so don’t worry this will be short and sweet. As short as possible. Just a bit of an update. I’m here with Michael Zeller, President of Flying Truss, LLC. He’ll do a quick update and then I’ll get into our request for tonight.



Michael Zeller, Flying Truss, LLC, said Katherine and Mr. Bach asked me to provide a brief step through the origins of the project, the proposed partnership and the potential impacts it could bring. I think, by now, you're all very familiar with the Rock Island Railroad Bridge built in 1904. My partners and I leased that bridge for 50 years. It's entirely in Wyandotte County and Kansas City, Kansas. We leased it with the intention of building a restaurant in the center of it. Not long after we rented it, staff from the Unified Government working under a Healthy Wyandotte initiative approached us about putting a public trail across it for a variety of reasons and that kind of caused us to scratch our heads for a little bit and we started talking with the staff about different scenarios and how a public crossing and private enterprises and gardens and other kinds of activities co-exist on a bridge. We came up with the project that your familiar with now.

A Public Trail-Crossing Can Help Achieve Five Wins:

1. Focus Attention on a Remarkable Natural Resource

The public crossing is kind of the trigger in this partnership and it will deliver five things.

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The first is it just puts a focus on a remarkable asset that many people think has been overlooked because of the origins of the city and that's the Kaw River right there. You see Strawberry Hill there in the background. It's really quite lovely.



There's the bridge in the background, seeing the Kansas City Boat Club. There out there the warm months of the year rowing most weekends and evenings.

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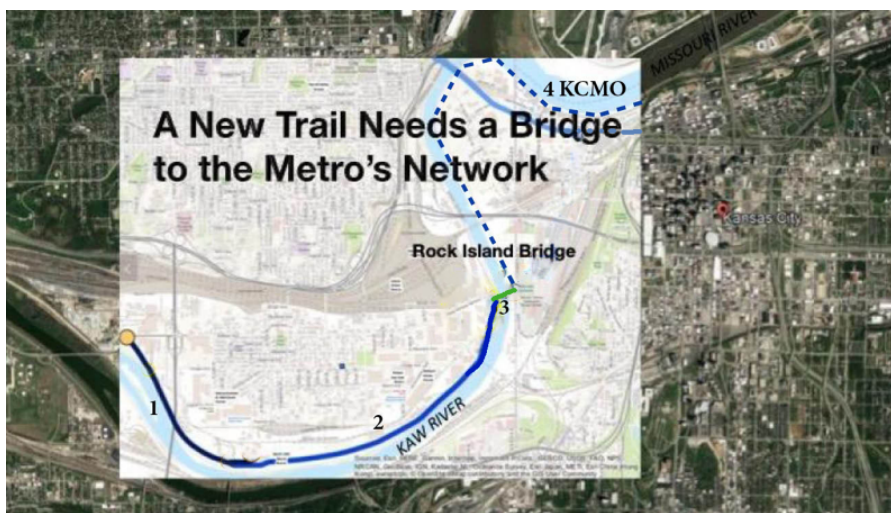
There is an open house that had last fall just to provide people an opportunity to get out on the levies, out on the river, and experience this. My friends who were down on the dock helping people get off the boats said that to a person, everybody who stepped off the boat had a huge grin on their face because they realized they had this recreational waterway right here at their doorstep.

2. Improve the Health & Well-Being of Eastern WyCo Residents

The second benefit that a public crossing can do is drive the health and well-being of eastern Wyandotte County residents.



This is why the UG approached us in the first place. It's a trails connector. It's really quite lovely to be up on the trail. You get a nice vista. So far, it's about 2.5 miles along and the plan is for Phase 1 anyway is to cross the bridge and then carry on the trail to the north.



You can see here is Phase I, this is Phase 2 that has been completed. The initial thinking was to carry on, on this side, but there are walls on this side. The bridges are lower which require difficult and perhaps more expensive engineering, and there's a railroad yard. Those are surmountable, and perhaps later I understand it's still part of the plan to have trails on both sides, but for now the intention is to cross the bridge and then there's a clear run on top of the levee top all the way up here to this major east-west connector trail. It's connecting the Armourdale trail to the broader metropolitan network.

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Ms. Carttar said I'm going to jump in really quick. One of the things that we are doing as a part of the levee raise, so that's the massive \$450M project, is a plan to have some betterments that would include a levee trail. The plan, of course, will not all happen on day one, but over the course of some time, not very much time really, would be to have 17 miles of trail on the levees, so having some spots. I think this is a vital one, but then we're looking at some other areas too that there would have to be some enhancements to allow people to cross the river and provide access and trail heads and things of that nature. We are really trying, as we look at this bridge, as well as the larger project really thinking about accessibility and how do our residents get to the trails, use the trails, get from the trails to the restaurants, to their homes, to other activities. This is just all part of a much larger view.



Mr. Zeller said the crossing itself would be a public space. It will be like a public park that's up above water. People like moving water and they like bridges. This is going to give us a chance to provide that open access. The Kansas City Boat Club tells us they can bring major regattas back to Kansas City that were here back in the 80's and we've lost those to other cities that develop their riverfronts. All kinds of activities out there.



Here is a view of the bridge from above. I think of it as a little bit like First Friday's for the Kansas River. We're going to put attention on that river. Our marketing folks are estimating about 200,000 visitor's year one.

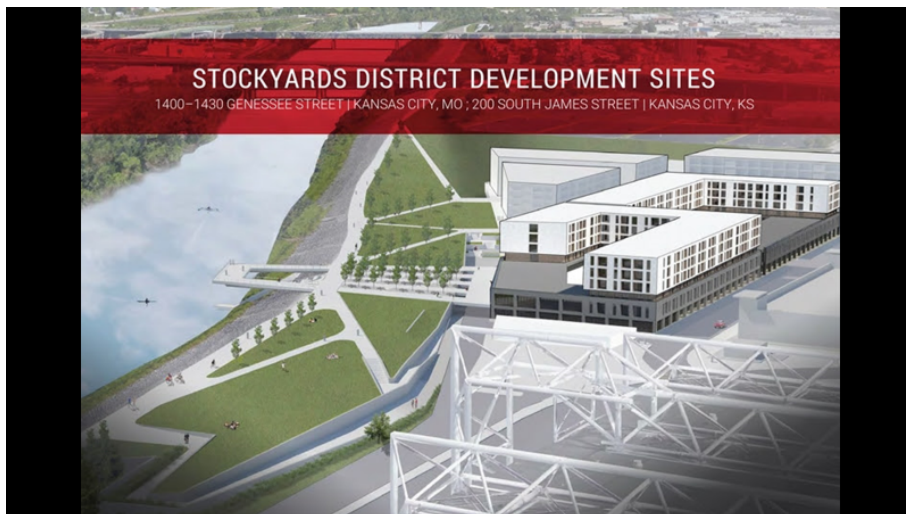
3. Convert Blight into a "Detonator"

The bridge, is frankly, the very definition of blight. It's 700 ft. long of steel. We're going to convert that negative into something positive. I learned a new word a couple of weeks ago from Edgar Galicia, a Detonator.



I suppose what he means by that, when you want to get an area rolling, you've got to come in with something that is explosive enough to get enough people and enough attention to detonate activity. The thinking, if I could speak for my partners at the UG, is there's a big open piece of land right here, that's the initial place to roll right now. I think there are plans pretty far down the road for that.

Ms. Carttar said one of the things that we are looking at and you all will be hearing from me again in probably another month or two on this, is really looking at how this bridge ties in with the levees, with future development that is possible, and one of those areas that is still low-hanging fruit, really is a greenfield sitting there, which was the stockyards and has never been developed. There are no railroads so that is certainly a location that is ready. The market is also there and there are additional areas. I think there are a number of areas in this area that might be some higher and better use for those properties. As we look at, again, how we bring people to the river, how they access the river, as well, if you can—trying to get people connected from Central Avenue and kind of down into areas where they can access and have positive time.



One thing, this is an early rendering so don't get too attached to this. This is the type of design that we were looking at for our first phase of development. Right about here is where the bridge that we're discussing.

Here, of course, is HyVee Arena and this is State Line right here. We're looking at the first phase would be apartments as well as potentially a park that would be public or some combination.

BPU Board Member Jeff Bryant asked, does the UG own any of that property? **Ms. Carttar** said here and there, not significantly. Here we have the Halls, the Hall family owns that, the Livestock Exchange, the Willhite family who has Premier Investments owns all of this. However, both of those groups are very interested in development and open to have the highest use for their

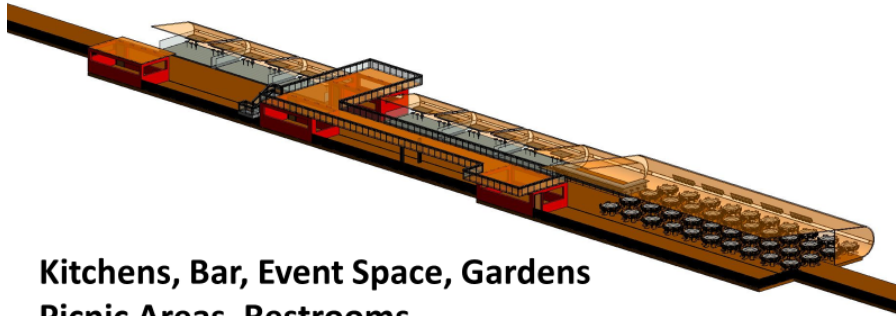
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property. There's a couple of Land Bank parcels and things in this area, but it's a much larger number of property owners at that point.

Mr. Zeller said from a broader Economic Development perspective, there's quite a lot of investment that's occurring here. There's a \$62 or \$68M investments, 400 or 500 units, out-of-town developers have bought five warehouses. There's 220 units that have gone up right here. This economic gorilla that's been building up in downtown KCMO is rolling down the hill in the West Bottoms and, frankly, it's headed toward the river in Kansas City, Kansas. If we're successful over the next 10, 15 to 20 years, this gets converted from what it is right now, which is really kind of a barrier into a connector between the two Kansas City's.

4. Prepares the Way for Development on the Bridge that Pays for the Crossing

Public crossing can also prepare the way for development on the bridge itself. Like thoroughfares, more thoroughfare roads, prepare the way for development. We're going to put enterprises on the bridge.



**Kitchens, Bar, Event Space, Gardens
Picnic Areas, Restrooms**

This is a preliminary rendering, but you see where we're going with this. The scale of this also is very important. This is 100 yards long. What you're not seeing is the 55 ft. tall trusses of this. These red boxes are industrial kitchens 25 ft. long by 12 ft. to 15 ft. wide. We have a full bar, event space, restrooms on the ground over here. open public picnic area. You can bring a picnic out here. It's kind of like Union Station. It's a public space. It's animated and paid for by private enterprise.

Prospective Bridge Tenants



*Michael Smith
Bar Bev Control
Quixotic
Strawberry Swing*

We have some perspective tenants. These are actually that have signed agreements, Slap's BBQ and Papa Kenos, Michael Smith, Bar Beverage Control has the license to sell alcohol. That's a very successful bar and venue on Massachusetts's Avenue in Lawrence. The Replay Lounge

Quixotic, we have an agreement to do six events a year up in the rafters and the Strawberry Swing Mega Fair up on the bridge. All signed agreements.



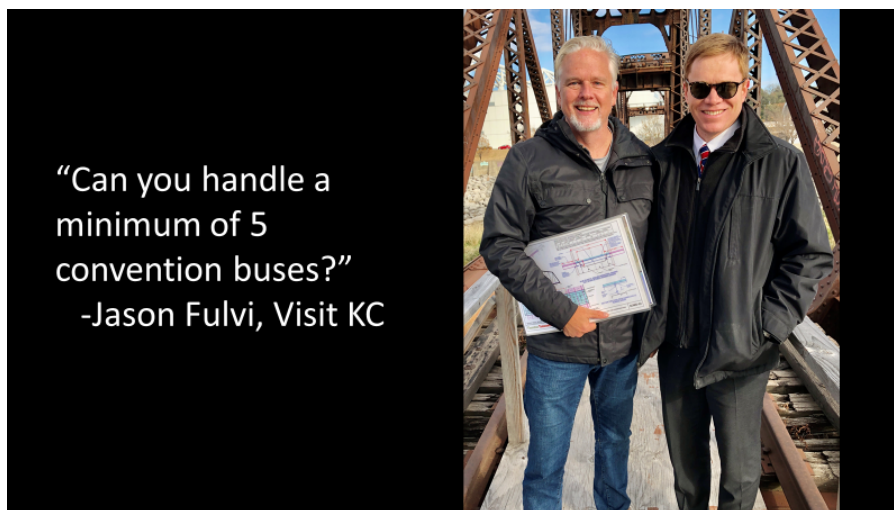
Of course, Steve Foutch, we actually are meeting with a gentleman who's flying into Kansas City later this week with a national Zip Line company. He's building rip cords on his roof that will culminate with zip line it would go at the far end of the bridge here across from Hy-Vee across the river, across State Line.

5. Drives Regional Tourism

A regional distinctive destination like this drives a lot of tourism.



I kind of like this concept that Bridgette Jobe put forth that this bridge could become a front door for the state of Kansas.



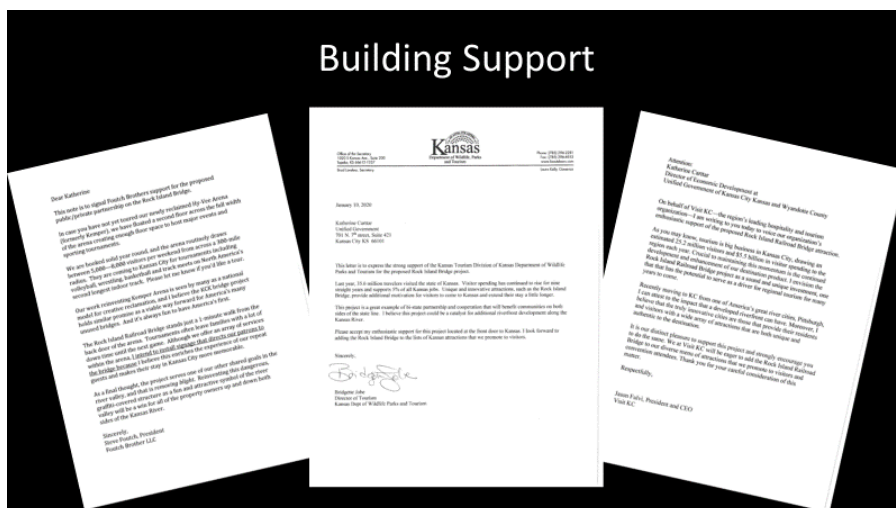
That is Secretary of Commerce Toland who is providing the other piece of funding for this study, very much interested in supporting this project. Also, we've taken Jason Fulvi, the President of Visit KC down to the bridge. He's delighted by it. He came here from Pittsburgh. They know a lot about rivers in Pittsburgh and what you can do with them and how to drive economic development. His question was can you handle a minimum of five buses. It kind of puzzled me at first, but he meant tourist buses coming from downtown Kansas City, Missouri, Kansas City, Kansas, and from Overland Park. He said if the weather is nice and it stays warm, it's a seasonal venue, and you've got music and bar-b-que, and other kinds of entertainment and drinks out on a

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bridge over the river, he said a lot of tourist and conventioners, they're going to want to check that box.



And of course, just the fun of having an American First.



Ms. Carttar said just a couple of additional items. One of the things that we are doing is building support. We've received a few letters of support. One from Bridgette Jobe, who is now with her new role at the state, as well as Jason Fulvi, President/CEO with Visit KC, and Steve Foutch, President of Foutch Brothers, who own and runs the Hy-Vee Arena.

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One thing we are very excited to say, for the first time publicly, that we we're just awarded a \$150,000 grant from the Ann and Gary Dickinson Family Charitable Foundation. This is an additive funding source so not something we can use for these early items, but once construction is underway this is kind of a match of sorts. It's yet another way to kind of have some validation and some broader support from the larger funding community that we're going in the right direction with this project.

Mr. Zeller that fund, its origins are with the sale of Bank Midwest. That's an old banker family and this will be their first gift outside of downtown Kansas City, Missouri.

Next Step: Feasibility & Impact Study

- Review of planning & investment of the project
- Economic impact statement detailing benefits to the UG, developer, and public
- Evaluate project's impacts of project on the western side of the river (Armourdale neighborhood) and the river frontage
- Evaluate project's potential impact on health and well-being of Wyandotte County residents

Deadline for Submission of Proposals – March 12
Study to Commence – April
Return to ED&F with Results – May/June

Ms. Carttar said the next steps, the biggest one that I think we are very clear that needs to be done before we really get into too many details about how could funding work, how could this private/public partnership work really is a feasibility and impact study. It's quite an ask that we

are asking of the folks that we have submitted this RFP too. I pulled out four, I think, of the most important bullet points of what we're asking them to come back with. This is an RFP that was put out on the streets about two weeks ago. Our deadline for submission is March 12. We're anticipating a number of responses. Really, the point of this RFP is to review the planning and investment of the project, make sure the way that it's set up makes sense. We want to make sure that the benefits to the UG, to the developers, to the public, are very clearly spelled out when we are talking about having funds kind of fronted by the UG potentially and have a payback mechanism. We want to make sure before we do that, that there is a payback mechanism and that is something that we count on, as well as evaluating kind of the broader nature of this type of project. What are the impacts on the western edge of the river, the Armourdale neighborhood, as well as other riverfront areas.

Finally, the impacts on health and well-being. Putting in this money potentially for connecting this trail is kind of a larger question about the levee trails and how we best connect that and create real energies and accessibility for the residents.

We are anticipating the study to commence in April, and we'll be coming back to this body probably in May, by June, realistically, with those results.

Funding the Feasibility Study

- Exact cost unknown until proposals are received
- Kansas Department of Commerce
 - Provided \$25,000 specifically for the study
- Unified Government
 - Request up to \$15,000 from the Transient Guest Tax Fund to fill gap, if necessary

What we are asking today as the proposal is out, so we don't know exactly how much this will cost. We have some estimates, but that is a bit of an unknown at the moment. The Kansas Department of Commerce really stepped up and really wrote us a check specifically for this study for \$25,000. We have every reason to believe that will cover the majority of the study to be done but are anticipating it might be a bit more expensive. That's something that also when we get the

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proposals back, there are some things that we can discuss and maybe go into more detail or less detail, depending on what those budgets look like. We want to make sure that we keep this process moving so thought it best to come to you all in advance of receiving those proposals with the ask of up to \$15,000 of Transient Guest Tax Funds to fill whatever gap it is to get this feasibility study done. That being said, there may not be a gap, it may be \$2,000, \$4,000, it's unknown at this point, but, also, by using the Transient Guest Tax Funds this is most certainly a tourist destination and so feel this is very much in line with that.

For Consideration:

- Resolution authorizing gap funding for the economic feasibility study in an amount up to \$15,000 from the Transient Guest Tax.

The resolution for your consideration is the funding up to \$15,000 for this project.

Chairman Burroughs asked members of the Commission, questions or comments.

Commissioner McKiernan said I don't have any questions; I just have a couple of comments. Mr. Zeller, I appreciate your passion for this project. I appreciate your vision and the work that you've done to help build a coalition of potential partners around this project. From my perspective, something like this is exactly what Transient Guest Tax dollars are designated for because I think the potential of return on that investment, in terms of tourist visitation, is really high.

Chairman Burroughs said all we are going to be doing is approving the resolution for the \$15,000 and I just want you to be mindful that we'll have plenty of time to ask questions about the development of the project as it goes forward. I know there will be a number of questions coming

forward. I am pleased to see that there is consideration given to the west side of the development and I do know there is a tremendous amount of development on the eastern side. The trail connections, I believe this feasibility study will allow us to look at things in a manner that takes some of the overzealousness out of it and gives us a chance to look at the accurate funding for this project to see if it's viable.

Chairman Burroughs asked any comment from any of the public this evening. There were none.

Action: **BPU Board Member Bryant made a motion, seconded by Commissioner McKiernan, to approve.** Roll call was taken and there were six "Ayes," Bryant, Bynum, Johnson, Townsend, McKiernan, Burroughs.

Item No. 5 – 2046...RESOLUTION: SECOND AMENDMENT TO KC FOODIE PARK DEVELOPMENT AGREEMENT

Synopsis: A resolution approving an amendment to the KC Foodie Park Development Agreement that extends the required construction commencement date to 150 days after closing on the Phase I property, submitted by Katherine Carttar, Director of Economic Development.

Katherine Carttar, Director of Economic Development, said this is, we are all, hopefully, very familiar with the Scavuzzo's project, KC Foodie Park, at the former Indian Springs site. This is a man—I'm going to let them explain in more detail, but just kind of a high level what we are requesting is a slight extension in terms of the actual days to commence construction after they close on the first phase of the property. This is something we feel like they're in the process of working through opportunities on funding which is a bit of a bear and trying to get through that and some other things. We want to make sure that this is done correctly and not necessarily rushed through.

Curt Petersen, Polsinelli, said usually I appear sitting with Rich Scavuzzo. Tonight, we have a more smarter, talented version, Mollie Scavuzzo Nichols is Vice-President at Scavuzzo's Inc. and is very, very involved in this project. Rich is actually, we won't give any details, did you notice when you got to work or whatever this weekend like how a third of the people are sick. Rich just

called me today and said Mollie's coming. He's not feeling well. He's not doing well. He sends his apology for not being here. As Katherine said, the request before you tonight is fairly discrete, but we thought we'd take—you can keep us here as long as you want, but we would affirm that we would present to you for maybe two minutes here on an update as we are before you, and there's a lot going on.

We'd like to start where we felt like the UG Commissioner's while the whole site is important, the UG Commissioners definitely told us that State Avenue is really important in activating that, so we'd give you an update there. We have talked to, well Mollie really heads this up, the brokerage side for retail. I'm giving the brief version. Up along State Avenue we've talked to a number of restaurants, especially those the Scavuzzo's have a very close business connection with given the industry that they're in, a lot of local and regional businesses. There are three restaurants that are very serious. In fact, one and you all know, we have non-disclosures for everybody, but there's a way that the UG, through Katherine and her team are going to be helping us very specifically with one of those restaurants. We really feel like, especially if we land this first restaurant, it's that domino effect. It's very hard, no matter what you're doing, especially with a project like this to get the first one. I'm telling you we are very, very excited and you would like to eat at and be proud of having. Each of these three restaurants, we don't have anybody signed up on the dotted line, but as Katherine can attest, we're rolling in the right direction. We're very excited about State Avenue.

Next, we could go to, we have a serious contender for a hotel. We weren't really sure that there would be a market demand for that, but we have something, again, not signed up, but very serious. We're investing time and money in pursuing that.

We've been moving kind of to the south on this site to the middle where we still are planning, of course, to do our headquarters. We had, again, kind out of the blue, we had a serious large high-paying employer office that was interested in looking into the site which would co-exist with us, possibly two buildings, possibly a bigger building. We have put a lot of time and resources, including myself into that with Scavuzzo's. I will tell you that's still one, in going for the fences, that is far from being done. It's very competitive when you have these employer's that have a lot of employees that are high paying, but it's real enough that we pursued it. Again, a lot going on.

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I think we will transition now to the part of the site that we call Phase I, the food service center, which is always intended to be the starting point. You may remember this is over \$100M Phase I. It hasn't changed, in fact, those prices always go up.

The specific request here tonight is nothing to do with meeting our first deadline which is the end of this month, which is to acquire that piece of property from the UG for the Food Service Center. We are doing that for sure. As Katherine said, the specific request is that instead of having 60 days after we acquire that dirt to commence construction, we are asking for 150 days. As Katherine eluded too, I'll give a few more words to your, our pretty good description. We are, again, spending enormous resources to put together what is very tricky because it's a blessing to have an opportunity zone, but some of you know a lot, believe it or not, it makes it a lot more complex. A lot of rules, new regulations that just came out in the last few weeks.

We also have a project that, and this is actually one of the great perks about the project, has a huge amount of technology. In the industry you'd say, (inaudible), specific to the equipment part. When your financing it, which is close to being done, it's just different. You have a building that is filled with equipment that is worth as much as the building. It creates just different sorts of challenges. Then you have the incentive piece, again, a blessing right. That's a good thing, but you factor that in and then it's on our overall site. This is where we kind of get involved and how are we figuring that out so part of that goes to that investor that's coming in with us, and a part of it stays for the rest of the site. I could go on probably with a few more examples, It's just hard. We have a really big meeting on this Thursday afternoon where the finance team from Scavuzzo's and the project side, the legal team, of the two zones are all getting together. We feel very confident, but what we didn't want to do is fail to come here and not be ready to start construction in 60 days. We hope it's then or not much after that. In fact, we have our, ready to go with our grading permit. We have our general contractor's contract ready to go. It's really this last piece of putting together the capital stack. We appreciate the opportunity to extend the deadline again in closing from 60 days to 150 days after we close on the property at the end of the month.

Chairman Burroughs asked if there were any questions.

Commissioner Bynum said the agreement, the original agreement had some commitments for each phase, completion commitments for each phase. What does it do to your completion

commitments to push the commencement dates into the future? Does it impact the completion dates part of the agreement? **Mr. Peterson** said we talked about, in terms of, this is kind of a puzzle and you specifically raised it to thinking ahead, just like you are Commissioner Bynum. We right now, are not ready to ask to push back any other deadlines. The next one that hits is actually Phase 2, which is State Avenue, which you heard the updates on that. We really would not like to ask for anymore extensions right now. **Commissioner Bynum** said your goal would be to keep all of those end dates on target. **Mr. Peterson** said anything can happen. Scavuzzo's are very sincere and open books, but right now we want to keep our head down. **Commissioner Bynum** said thank you.

Chairman Burroughs said we're all excited to see this project move forward. You're asking us to nearly triple the time that you put in 60 days to 150 days. That's a pretty lengthy extension. Why was the 150 targeted versus—where did that number come from? Evidently, you had some hard figures or some hard deadlines that you plan on presenting within that 150 days. Hopefully, within 90 if possible. I'm really bullish about the project. I'd like to see it get started. Many of us have dealt with this for a number of years, so the 150 days was kind of a push. **Mr. Peterson** said the psychology was not that anyone thought that the 149th day would be when we expect to close. It was honestly, and maybe we talk about it right now—maybe you see it differently, but we thought it better to pick something that we can as far as you know anything can fit within and not honestly take up your resources, every other meeting this summer and just ask for an outside date. That's really all that went into it. **Chairman Burroughs** said I appreciate that honesty. That's a good answer. We don't want to see our time wasted; our resources wasted. We believe in the project. We're excited about seeing the development get started, so anything that we can do to help. At this time do we have any questions or comments.

Commissioner Johnson said just to be clear, the close date that's in the agreement is March 31. Is that correct? We think that commencement will get started by August 31, 2020 just to be clear. Is that correct? **Mr. Peterson** said September 1—five months; April, May, June, July, August. I think the first part of September, I think would be the deadline.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve the resolution amending the KC Foodie Park Development Agreement, to extend the required construction commencement for 150 days after closing on Phase I.

Chairman Burroughs asked is there anyone in the audience that cares to speak to this issue. There were none.

Roll call was taken and there were six “Ayes,” Bryant, Bynum, Johnson, Townsend, McKiernan, Burroughs.

Chairman Burroughs said thank you committee. Thank you. I really appreciate the opportunity to hear about the success of Scavuzzo’s is moving forward.

Chairman Burroughs adjourned the meeting at 6:45 p.m.

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