STATE OF KANSAS)
WYANDOTTE COUNTY)) SS SPECIAL SESSION, THURSDAY, MAY 14, 2020
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 14, 2020, with eleven members present on line: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Gordon Criswell, Emerick Cross and Alan Howze, Assistant County Administrator's; Juliann VanLiew, Director of Health Department; Dr. Allen Greiner, Local Health Officer; Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Alyse Villarreal, Capital Finance Coordinator; Michael Petersen, Assistant Budget Manager; Katherine Carttar, Director of Economic Development; Stephanie Moore, Management Analyst for Economic Development; Jim Erickson, Economic Development Manager; and Alley Porter, Commission Liaison.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, we have individuals attending remotely. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public participating knows who is speaking. This is critical given the number of remote participants in his current guidance from Kansas Attorney General.

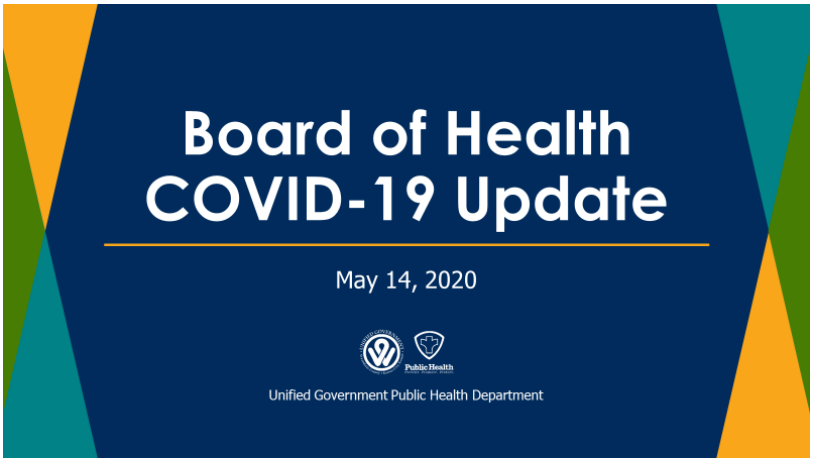
MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 14, 2020, at 5:00 p.m. for COVID-19 update, Economic Development Incentives Report, and Priority-Based Budgeting (PBB) Report. Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through ZOOM.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Alvey said as noted by the Clerk, we have three reports. Our first is a COVID-19 update from the Health Department. I'll turn it over to staff now.

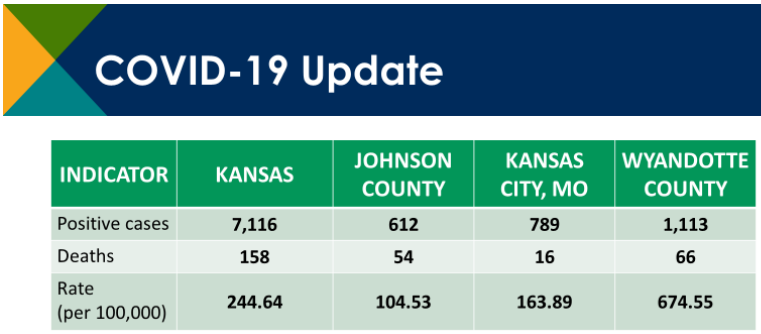


Doug Bach, County Administrator, said I will start with the introduction. I think as we move forward to this week, there are several things that we're hearing from the public on and that's as our update plan is out there, people are looking through asking for some indifferent interpretations which we're trying to provide to them. The Health Department will not only be giving an update about status of things, they'll also be talking about different things as we move along a we're in the red zone right now and will be there. Like many businesses in town, the Unified Government operations, we are operating in the red zone, red too based on how the revenue projections are moving along too. Just to go with that, we're looking at that we will open up when we move to

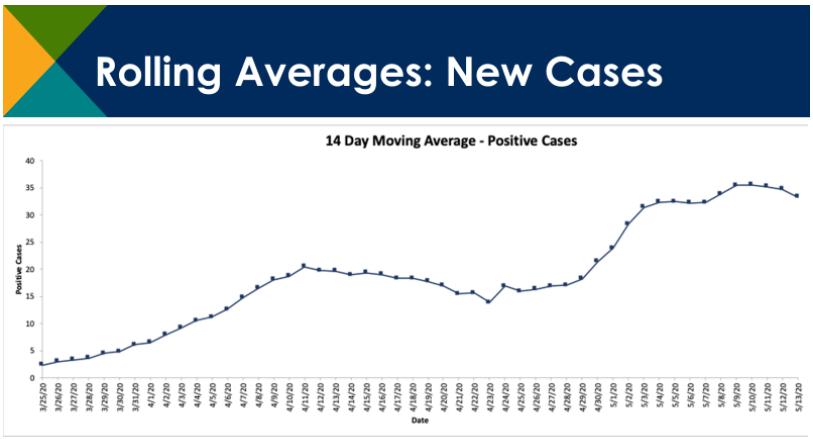
yellow and I think that's something that many businesses are anxious to find out, but we're not in at that point to be able to give dates, but the Health Department can explain a little bit about that.

I do want to make one announcement as we're moving forward. Before I turn this over to them today I announced that I appointed Juliann VanLiew as the new Director of the Health Department, so she will be making her first official presentation in that role. I certainly want to thank Terrie Garrison for her services. She served as the Interim Director in this position since the departure of Terry Brecheisen since the end of last year. Thank you for your great work Terrie as you've led us to this point and I'm excited to introduce Juliann to lead the presentation tonight. With that, I'll turn it over to the Health Department.

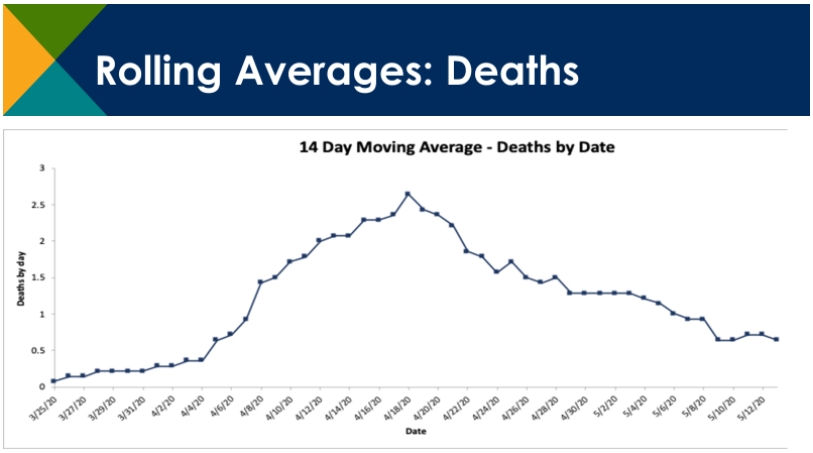
Juliann VanLiew, Director of the Health Department, said we're going to really keep our presentation tonight pretty straightforward. We're going to talk about the data that we're seeing and monitoring and then the phase reopening and what we're using that data for.



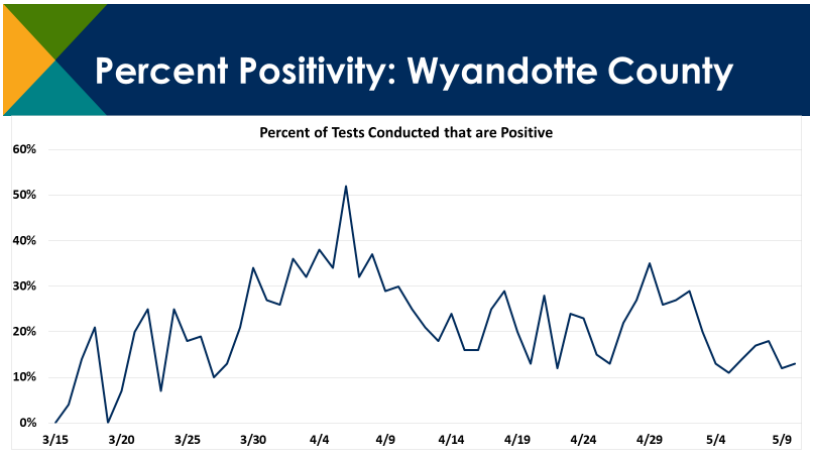
A quick look at the overall numbers. Again, we want to point you to the rate for 100,000, we're consistently higher than our surrounding communities. I think the really interesting thing and the important thing to know this week is that the Kansas numbers statewide continue to climb. As many of you have probably seen that the Governor is moving to phase 1.5 rather than moving from one to two and that has a lot to do with the Kansas numbers statewide so we're keeping an eye on those. Obviously, we don't line on an island and it's not just the KC metro area that affects us, it's the state as well, so we're keeping an eye on that.



We talked last week a little bit about rolling averages, so each of these points on this graph represents the average of the previous 14 days and so when we look at this graph of new cases and the rolling average is over 14 days, we see that there does appear to be somewhat of a plateau. We're staying cautious, but overall, we're plateauing to some extent. There is, unfortunately, one caveat there. We are seeing now a little bit more of a delay in our test results as we've switched laboratories to get currently free test through the KU lab rather than a previous lab that we were using that had a little bit quicker turnaround time so we're two to three days behind on our data right now. I just want to make sure folks know that, but overall, we seem to be plateauing to some extent.



When we push to deaths in terms of rolling averages, we are certainly seeing a nice downward trend. Obviously, we're coming down from those higher numbers we saw related to long-term care facilities and even though our positive case number has stabilized and not declined as much, this is a good sign. We think the disparity here is that the cases that we're seeing now are largely linked to workplaces and outbreaks where there's a significant younger population that's being infected and, fortunately, leading to fewer deaths. But you know the lower death does not mean that we're not still having high number of cases.



The other thing we would point to is the percent positivity. So, this is on any given day, obviously, the number of positive tests over total test performed that day. We're also tracking this carefully. You can see there's been quite a bit of variation over time, but similar to the other metrics, it does look like there is at least a plateau or a slight downward trend. We are cautiously optimistic is what I would say. We are doing more, a little bit more testing of asymptomatic folks as we identify those folks quicker. These are folks who have been exposed to someone who was known positive.

So, we're testing more of those folks and when you test more people, obviously, that can change your percent positivity rate and bring that down a little bit, so we think there is some attribution there.

Vibrant Pop-up sites: Positivity rate

LOCATION	Date	# Tested	# Positive	Positivity Rate
All Saints	4/20/20	57	19	33%
KCKCC	4/29/20	48	15	31%
Salem Baptist Church	4/30/20	57	16	28%
KCK Public Library (Argentine)	5/6/20	54	9	17%
First Baptist and Berean Fellowship	5/7/20	45	7	16%
St. Patrick's Church	5/8/20	81	13	16%
Oak Ridge Baptist	5/11/20	92	6	7%
Roswell Church of Christ	5/12/20	61	1	2%
TOTAL		**495**	**86**	**17%**

Then we also wanted to call out our positivity rate specific to our pop-up sites. Many of know we've been working hard with our friends in the Health Equity Task Force as well as Vibrant who's taking a lead on a lot of the pop-up testing in the community which has been going over very well and very positively received. You can see here the various sites over the last two weeks or so. Again, if you look at that right column, the positivity rate does appear to be going down. Again, they are doing some asymptomatic testing. They're not fully testing anybody asymptomatic who wants to walk up, but again, a lot more of those contacts of positive cases are being tested. We should give some of it to that, but overall, it's looking fairly positive.

ReStart WyCo: RED ZONE

Most Frequently Asked Questions

- When is the earliest we will move to the next zone?
- What are the guidelines for salons and barbershops?
- EM and others working on PPE acquisition.
- When can neighborhood pools reopen?
  - Emerick Cross

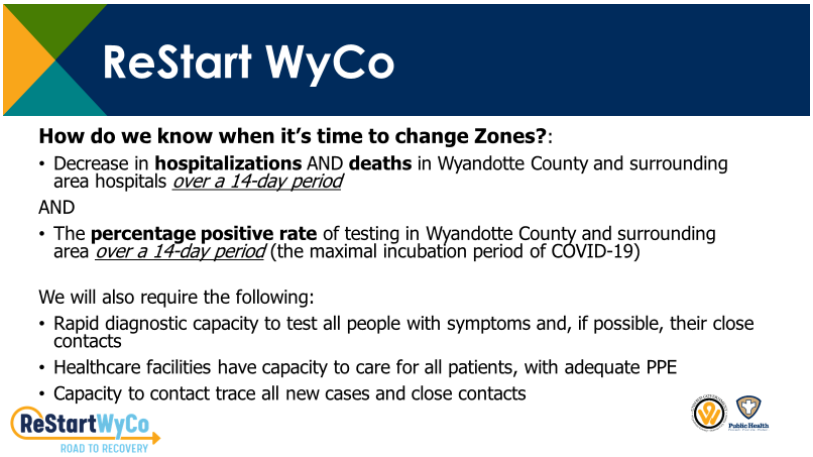
ReStartWyCo
ROAD TO RECOVERY

That's a lot of the data that we're looking at to make our decisions as we move through this phase reopening and I'll kick it over to Dr. Corriveau here to talk about that.

Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer, said I wanted to start out here and then show some of the most frequently asked questions that we're receiving via our website and also via the 3-1-1 line. So, one of those here is when is the earliest we'll move to the next zone? You know, we're going to be in the red zone for at least two weeks and that would be the least amount of time that we would spend in any given zone. We may have to pump the brakes and stay in the red zone for longer or even stay there for an extended period of time. We've decided within the Health Department here that we'll make a decision by Thursday, May 21st as to which zone we need to be in, if we can graduate on to the yellow zone or if we really do need to stick around in the red zone.

We're also getting a lot of questions about guidance for salons and barbershops. I think everybody's hair is getting a little bit long and so that would be in the yellow zone, we feel that it would be safest to open those. We're also getting questions, especially from businesses, as to if we have masks available. We're working very hard on a daily basis with Emergency Management and others on obtaining masks. We're really trying to prioritize those workplaces that have experienced outbreaks. Today we just received thousands of masks from a donor, they are cloth masks, so that has been really great, and we'll be able to distribute those shortly.

We're getting a lot of questions about the summertime pools and waterparks and such. Near the end of our presentation Red Cross will be able to say more about that. With that, I will turn it over to Dr. Greiner to continue.



Dr. Allen Greiner, Local Health Officer, said I'm going to move the mic a little closer. We're trying to distance here as best we can. We've got new camera equipment here. So, what else is important about changing zones. As Juliann mentioned, we're watching that data on hospitalizations and deaths. We're doing the 14-day moving averages, but we're still wanting these decisions to be weighed over the full 14-day period which is the sort of known longest incubation period for this virus, so we'll continue to do that and continue to update those graphs every single day going forward. We will also be watching that positivity rate of testing both with the pop-up sites like in the table that we just showed as well as the overall positivity rate for the county.

We do believe will be able to test more of these close contacts of known positive cases that are asymptomatic and by doing that we probably will get the positivity rate to drop. We also have some information that Heart-to-Heart International is starting to launch various community testing efforts all across the Kansas City metro area. Some of those will be in Wyandotte County and they're pretty eager to work with us on that process and, in fact, they are starting that by wanting to test as many asymptomatic first responders as possible. That will probably also lead to more negative tests. That will drive our positivity rate down, but it may lead to, you know, it will lead to certainly some positive tests as well and then we'll have to do all of our contact tracing on anyone who is positive even if they're an asymptomatic positive.

As you can imagine, we're sort of ramping up and continuing to start planning ahead for how we will do all of that contact tracing work. I think we want to get that point across. The Mayor and I had some discussions about this earlier in the week that testing goes hand in hand with contact tracing. Really the value of the testing is only there if you've got the ability to follow

up with those people, find out who they've been around in the days prior to illness development. If they're an asymptomatic positive, it could be an extended period you're wanting to find out who they've been in close contact with, call all those people, do the education on the phone to quarantine for 14 days. Then, you know, in some cases, follow up with some follow-up phone calls later as well. We'll be continuing to work on those protocols and having that system in place that we can to limit spread.

We mention here at the bottom of the slide, you know, having this diagnostic capacity. We want it to be rapid so we're going to keep pushing hard to try to get the turnaround time on the lab tests as close to 24 hours as we can. We've lost a little ground in that in the last week or so. We're going to push hard and, of course, we have to have the healthcare facilities. We feel like there is pretty adequate capacity in most of the facilities in the metro although many of those facilities are now beginning to do more of the cases they were putting off, surgical cases and procedures, that end up leading to multiple day hospitalization, so they won't have as much surge in the coming weeks, wo we've got to watch things closely. We've already mentioned the protective equipment and the tracing. We'll go to the next slide and I believe this one we can turn it over to Emerick Cross.

- WyCo Recreation Subcommittee
  - Swimming pool
  - Spray parks
  - Other summer recreation

Emerick Cross, Assistant County Administrator, said tonight I want to talk about two quick items. The first item is, we've created a Recreational Subcommittee in Wyandotte County for the governing entities such as the Unified Government, Bonner Springs and Edwardsville. We've also included the school districts in our county, USD 500, Turner and Piper and we've created this Recreational Subcommittee—our goal is to create some guidelines for summer sports. It's starting

to get warmer consistently now and we'll have people wanting to practice and we wanted to make sure we had good guidelines and health measures for those summer programs that wanted to not only practice, but maybe eventually play games. We're looking at creating some guidelines such as social distancing and other sanitizing and safety measures that we'll implement in our program as well. We'll report back to the Commission on that. Our first meeting is set up for Tuesday at 2 p.m. with all of those other organizations and I think we'll have some good recommendations and guidelines coming out of that committee.

The second big item I would really like to talk about is the Parkwood Pool and our spray parks in Wyandotte County. These are the public pools. I want to make that distinction. Last Friday we had a really good meeting with Commissioner Townsend, Commissioner Bynum, myself and Angel Obert with Parks & Rec. We had a great discussion about our summer pool and spray parks program. We have one public pool, Parkwood, and three spray parks in Wyandotte County in the Unified Government system. Our main discussion, obviously, was COVID, but we also talked about lifeguards and our lifeguard pipeline system we're trying to create here in Wyandotte County.

As for lifeguards, we started out with putting job applications on the board and before COVID hit, unfortunately, we didn't have any applications turned in. When COVID hit, it really interrupted the application and recruitment process for lifeguards, so we have zero lifeguard applicants to this point and that really disrupted that system. It takes about four to six weeks to train lifeguards and that's a very long and intensive training program. We want to make sure everybody's safe and they're adequately trained to rescue children and others. The other challenge we have is the school system have closed down their pools and before I get into that I would like to say that Commissioner Townsend, Doug Bach, and Angel Obert met with USD 500 to acquire use of their swimming pools to train our lifeguards, but once COVID hit, that also closed down the school pools, so we have nowhere to train lifeguards and that's a big problem.

Now as for COVID and the unknown future of the virus, and if we do have a second wave perhaps or with the unknown status of what this will bring us in the future, our team that met felt that social distancing at the pool and spray parks is really unrealistic for children. You know when kids go to pools, when they go to spray parks, they're constantly tagging each other, playing games such as water tag and things like that. Kids go there to have fun so it's natural for them to have a lot of contact with each other. We decided as a team, we didn't really want to open

Parkwood or spray parks and put it out there that if it was open, that means safe, especially for the children. We do know if we didn't open the spray park and the pool this summer that everyone would be safe because there would be no opportunity for the virus to be transmitted and spread.

After consulting and talking with Dr. Greiner and our medical team, we decided to close the pool and spray parks for this season. I would like to point out that many pools and aquatic parks in our region have already closed including the metro area. I would also like to point out that Bonner Springs has already closed their city Aquatic Center and pool as well this year. So out of abundance of caution, this year we decided to close the pool and spray parks and just play it safe with our citizenry and especially our children.

With that being said, Mayor, if I can, at this time I would like to turn it over to Commissioner Townsend for a few comments on this issue.

Commissioner Townsend said Mr. Bach and to the community, I wanted to say a few words because I want the community to know that this decision was not taken in a vacuum and that our paramount concern always, every summer, and will continue to be the safety of the kids and the relatives and the staff who frequent our pool. I look forward to every summer going to Parkwood. I'm there, on average, three or four times a week just to see what is going on, how our kids are enjoying it, what staff needs, so this is something that I will miss. But, having said that, I can paint for you and hope you can visualize what normally goes on at a swimming pool. There's a lot of contact. There's no way, practically speaking, that we could enforce social distancing or ask our lifeguards to do that. Their primary job, of course, is aquatic safety, but we could not ignore any aspect of safety to our kids or staff.

You heard Mr. Cross say we have been for the last several years, it's been a priority for me to increase the number of kids who can become lifeguards. We've seen that number shrinking over the last several years, so that's a serious challenge. We need anywhere from 10 to 14 lifeguards per year to safely staff up. We may lose a couple over the summer. A lot of these kids are returning lifeguards, they're now in their second and third year of college and I'm appreciative to every one of them I've met over the last seven summers who have come back. So, there's a normal turnover, but this year, the presence of COVID may also have impacted those kids who would otherwise be inclined to sign up even if they don't know how to swim and get training to become lifeguards. So even if we had lifeguards available, it's going to take us four to six weeks

to train them and that's going to erode significantly into the time that we have for the pool with the schools, USD 500 particularly, opening up earlier over the past years, than has in previous years—last year I think it was around the eight of August. Our pool time is short because even then lifeguards are going back to school so that's in and of itself. The lack of lifeguards is a non-starter for safety reasons.

What our group would like to do and what I will continue to do is advocate for a pipeline so that we can impact the number of kids who can get jobs, who can be healthy, who can enjoy our pool by becoming lifeguards. To that end, you heard Mr. Cross say that our Administrator and Ms. Obert on our Parks & Rec staff and I met with Dr. Foust in either late November, early December, to impress upon him and staff our need for lifeguards and training to make that a part of the regular school curriculum and he was receptive to that. We will continue down that path to try to open up opportunities for kids who want to become lifeguards.

The second thing that we couldn't overcome was the presence of COVID and what that means to a pool environment. We are going to err or the side of safety. I can't tell you what the six numbers for Powerball are going to be, but I can tell you with this approach not one person is going to become ill from this dreadful virus because we elected to open the pool. I know this is a hardship for a lot of people, but we're going to come through this safely using safety and the science that our medical professionals have already shared with us.

You may have heard that this virus is impacting minority populations across the country very heavily. There are a lot of kids of all persuasions, but mainly African-American and Hispanic who use the pool at Parkwood. I don't want it said that because we made a bad decision that we didn't have to make that we endangered the lives of any of our populace.

I would like to take this opportunity again to thank the wonderful staff, who's there—Parkwood pool has been open almost 50 years and for about half that time Mr. Earl Watson has been the pool manager and he just does a fantastic job, well known in the neighborhood, I can't imagine that pool without Mr. Watson. I want to thank Doris Jones who checks the kids in and keeps track of who comes and goes. There are top flight security personnel, Officer E. Diane Simmons and Officer Mike Simmons. Those people who are at the pool, but work behind the scenes quite often, Shelley Boyd Burnett, Jack Webb with Public Works and Miss Angel Obert, just can't thank them enough and the support of our Administrator who was able to come up with

some money to increase the pay for kids. So, we're looking to be a viable option in terms of an employer in the future for kids in the community.

I just want to thank everybody and know that we are looking at this positively going forward to increase the number of lifeguards and to outlast this dreadful virus with no loss of life or infection with Parkwood Pool, so thank you very much.

Mr. Bach said that concludes the presentation we have. If there are any questions, Mayor, of our staff members, we'd be happy to answer them.

Commissioner Ramirez said I want to thank Mr. Cross, Commissioner Townsend, Parks & Rec, and Commissioner Bynum for the work that they're doing. Where it's being felt, like Commissioner Townsend said, everywhere, especially you know in Johnson County. I work in a summer program. We've cancelled all field trips, all pool days just because of this. I'm just reiterating to the community this is something that we had to do. It's something that we didn't want to do, but we have to make sure that our children are safe because they could very well help spread this, and we don't want that to happen.

I just want to thank staff for their hard work on this, especially the Parks & Rec staff. You guys are amazing and thank you very much.

Commissioner McKiernan said just a couple of questions for the folks in the Health Department. So far we have been posting numbers of cases and numbers of deaths on our hub, and by the way, I do want to say that the information, both the data and the general information, presented on that hub are absolutely phenomenal. So, thanks to everyone who works on that and puts those data and that information out for us to look at.

I was wondering when we might have number of hospitalizations available to keep track of, to keep tally, on the hub. **Ms. VanLiew** said gosh darn it, you had to ask that question, didn't you. I appreciate that. We are working very hard to figure the situation out. It's a little tricky and it involves Topeka and involves the State Hospital Association and the lack of a central location where hospitals are sending data on a day to day basis. I certainly don't want to imply that our hospitals aren't being participatory in trying to work with us on this, but there's not an infrastructure built for this unfortunately in Kansas or on the Kansas side of the metro. We

continue to kind of get some daily numbers occasionally from folks at our 11 a.m. call, which is helpful, and we are in conversations with what's called Lacy a—oh gosh, Lewis and Clark Information Exchange to try to figure out how to get better access to that and get both of our hospitals participating in that more robustly. So, the short answer is that we're working on it. We don't have a great system yet, but we are hoping to in upcoming weeks.

Commissioner McKiernan asked, would it be accurate to say that we have more direct influence or control over number of new cases and number of deaths, but we are a step removed in the process of number of hospitalizations. **Ms. VanLiew** said, yes, that's absolutely true. I would also say that, you know, hospitals, they're paying so close attention to this. They are quick to flag and to kind of put out the SOS call when they're kind of in a time of trouble. As Dr. Greiner mentioned, we're fairly stable and we're not super concerned about that right now. Obviously, we're keeping our eye on it, but it's not a major concern.

Commissioner McKiernan said one of the other things that we said we would make decisions on in terms of moving zones is to look at the percent positive and I think I know the answer to this, but I just want to confirm; will we look for some sort of absolute number below which we're good or are we going to look at trend in percent positive, just like we do our other indicators? **Dr. Greiner** said good question Commissioner. I think it's going to be trend because we've been so high on that positivity rate. I think as we get further along down the line and our end to the summer or maybe even next fall, I think you know, our goal is to have ongoing testing happening and have those numbers way down below 5% positive coming back. But we're so far from that now, I don't think we can expect to get there necessarily any time soon, so we'll be following that trend and working with that for our decision making and then long-term really try to have a lot more robust activity around testing so that we can figure out if we're going to get another spike in the fall or next winter.

Commissioner McKiernan said thank you and just one more question. I know that we have said that our goal is to test ideally 10% of our population and I heard yesterday that we're roughly a third of the way there in terms of number of tests completed. I was just curious if we have any idea as to how long it might take us to get to our goal in terms of number of tests performed and then a second question would be, are there factors out of our control like the availability of either testing materials or test analysis capacity. Is there something out of our control that might delay us getting to our goal? **Dr. Greiner** said I think we feel pretty comfortable

about supplies as well as test capacity have risen to the point we can get where we need to be. We will have a new question coming on line though in terms of doing what we call cyclical testing in some populations. We're hoping that by mid-July, about two months from now, we'll have reached that 10% goal especially with the help we're getting in the collaboration with the KU Health system, with Vibrant Health, with Swope Wyandotte, it is also conducting some pop-up testing events in our county and then the Heart to Heart testing I mentioned as well. Many of you may have heard that Walmart at the Legends and in Bonner Springs is starting up as of tomorrow and do three days a week testing.

We are also now beginning to realize that there will probably be a need for cycles of testing in some of the negative populations, so we are able, for example, to start doing more testing in long-term care facilities or more testing of the asymptomatic contacts of positive cases. We may have to keep going back and say on a 7-day or 14-day cycle retesting those groups of people. Then we will have to create a sort of new calculus for what we see as the goal around that and then it may be, you know, that by next fall we want to have tested 10% of our population twice over. That's very possible. We look forward to finding the right science to guide us in that regard because it's all evolving.

I think we've been very pleased with the support of the UG in allowing us to get the testing up off the ground with that initial $50,000 as well as the collaborative efforts across multiple institutions to keep it cranking.

Commissioner McKiernan said last question, I promise. So far in terms of people who are asymptomatic, if I understand correctly, we're only testing people who are asymptomatic who may have been part of an exposure group. Do we ever anticipate testing broadly those people who are both asymptomatic and not necessarily associated with a hot spot or an exposure group? **Dr. Greiner** said yes, we do. In fact, Heart to Heart, their initiative which they kind of initially designed themselves, although we've been in some communication with them, is to do that. In fact, they would like to do that across the whole Kansas City metro for first responders in the next couple of weeks. We're working with them to figure out a sampling strategy that we can deploy that would allow us to at least use some good demographic science to decide who and where we find a reputable—somewhat of a representative sample. It may be impossible to do this as well as we do other representative sampling when we're doing things like surveys, but to do something that gives us good data on those just normal asymptomatic citizens. We hope that within a few

weeks we'll have a plan and possibly even rolling that forward with a partnership with Heart to Heart.

Commissioner McKiernan said thank you so much and thanks to you and everybody who's been working on this. I think we're really beginning to wrap our brains around the complexity of this. Thanks again for your work.

Mayor Alvey said I just want to, again, highlight Dr. Greiner's original comments that in terms of the capacity of the testing, that's really good. We also have to ramp up the capacity for the contact tracing. We have to be able to identify those individuals who may have come into contact so we can continue to isolate the spread, so we have to keep both of those in mind. Thanks for that presentation.

Now we move to our Economic Development Incentives report.

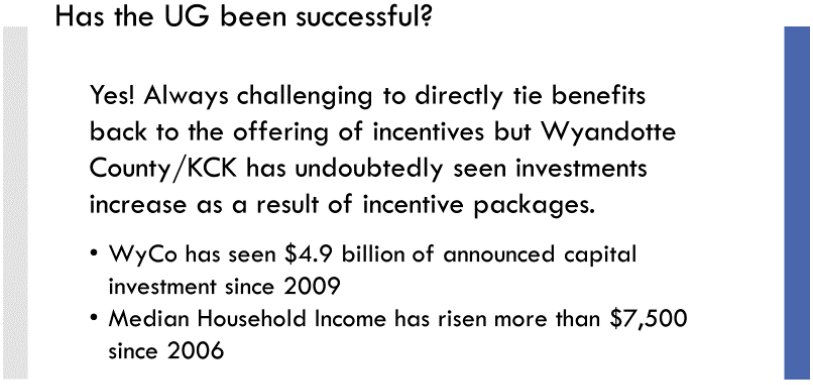
Mr. Bach said Catherine is the Director of Economic Development and this is a report that we originally worked on or had ready to go about 30 days ago. It was held back because we were getting things ready.

Catherine Carttar, Director of Economic Development, said as Doug mentioned, this is a report that we finished right at the very beginning of March so a long time to get to the public, but we're excited to share this with you. This is planned to be the first annual report. We really want to be able to be very clear with the Commission as well as the general public about what the new projects

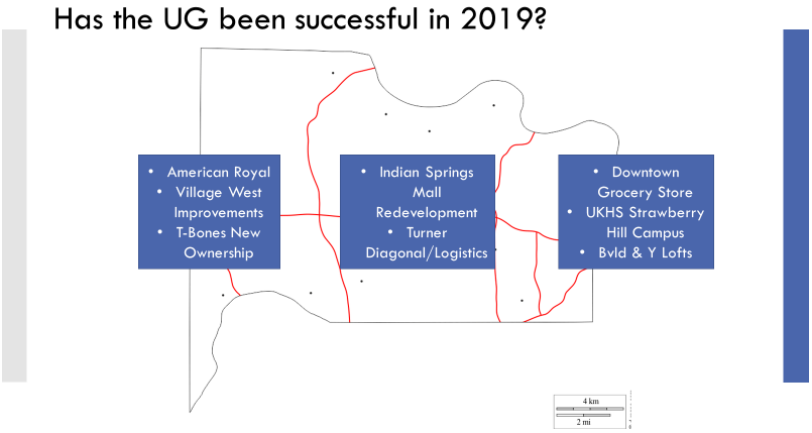
are, how the old projects are doing, really be incredibly transparent with what we're using as economic incentives and why we are doing that.

This will just be a presentation, a brief overview of the report and also should be used kind of as a companion to get the most out of the report. For the most part we are not going to be doing project by project in this presentation, but all of that is in the full report which will be part of this agenda and will posted on our website as well.

Just some quick kind of high-level of what's the point of economic development incentives and it really is to drive development and meet community goals while being fiscally responsible, so really the long-term goals that we place, and we think about with every single project is how is this going to grow our economic base. How is it going to raise household income, add quality jobs and bring desired amenities to our community.



So, has the Unified Government been successful? I think certainly overall. That's a resounding yes. We really have tried to tie or to use incentives in a way that will bring projects that will really move forward with a lot of those goals that we want some of the things, you know, it's kind of sure that—it's not 100% where everything is successful, but I think certainly overall there's been a very positive return on our investments and then a couple of the kind of secondary, not direct returns, but kind of other things we use to look and see if overall what we've been doing is successful, is the amount of investment, and then looking also at household—median household income. Both are quite significant. There was a book out in the last just over 10 years and had almost $5B of investment in the county and our median household income has risen more than $7,500 in about 15 years which is pretty significant.



Now, specific to what we're talking about in this report, so how are we doing in 2019. I will say our goal is always for development to really benefit as many residents as possible. One of the things that we really try to do is not have development focus in any one area of the county or city. I think, as you can see, these are just a few of the projects that we've been working on this past year and you can see how they are spread out over the entire city. I'd also like to point out that not all of the projects have needed incentives. That is certainly the goal of many incentives, is to kind of give that assistance when it's needed, hope to get that market moving and then kind of let the market do its thing and be able to kind of decrease the amount of assistance we provide, or in some cases, provide none at all. Also, the State has provided different tax credits and things on some of these in addition.

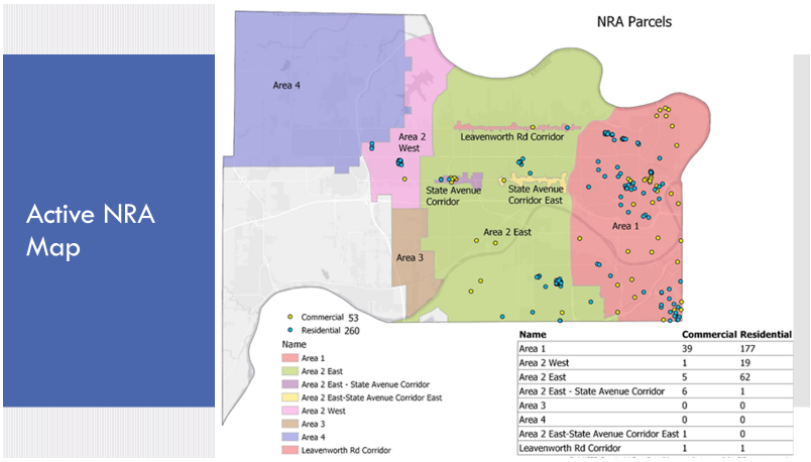
What we're going to be talking about today, we'll have a number of different speakers, but really kind of focus on property and sales tax based assistance tools. I want to mention, I think a lot of people aren't always quite sure how these type of incentives work, but I won't say 100%, but the vast majority are really based on new incremental taxes. So, whatever the tax base is in these instances that always remains and this is really looking at kind of what we do with the remainder of those taxes when they're building something new and the property tax increases, how can we use that as a way to get more out of that project whether it's a rebate or redirecting the money back into the project so they can build more. There's a number of different ways to do that. Also, these tools can be layered. I wanted to mention that, and you'll see that as we go through.

As we go through the Neighborhood Revitalization Act, the NRA, Stephanie Moore is going to be presenting on that. Jim Erickson will present our Industrial Revenue Bonds. Alyse Villarreal and Debbie Jonscher will talk about Tax Increment Financing, Community Improvement Districts and Transportation Development Districts and then Kathleen VonAchen will provide our conclusion.

I will just encourage anyone who is interested and sees this and wants to learn more, we've got about a 100 page long report which goes through every single project we have out there as well as a STAR Bond report and it has an appendix, so if you're interested in that. With that, I will turn it over to Stephanie to discuss the Neighborhood Revitalization Act.

Stephanie Moore, Management Analyst for Economic Development, said this report comes at a very good time as we're going to be renewing the NRA Program. It's do for renewal, so stay tuned for future updates on those meetings.

As some of you may know, we've had NRA for over 20 years in our community. It's a rebate on property taxes on that incremental increase after the construction and that increase in improvement and it's eligible for new construction, rehab in residential and commercial development.



This map has a lot going on, so take a moment and look at this. The NRA is doing what it's intended to do. It is working. As you can see in Area 1 to the right in the pink area east of 635, these are the active NRAs from 2010 to 2019. Area 1 has the most with 216 followed by Area 2 East with 67. All those dots should represent one active project. Areas 3 and 4 to the west have low or no participation. Are there any questions on the map? Slow me down if I'm going too fast.

This is more just to breakdown what you just saw, 53 and 260, but that larger amount at the bottom is over the 10-year term the rebated taxes. They're still paying 100% of their full tax and getting 95% back on that incremental increase again, so it's only on the increase.

This is a very interesting slide. I was personally like, wow, 5% increase in the appraised value on those active NRAs. The pre-construction was that 27 and then the post 125 so that's a 5 fold in the increase, so that's a big jump.

The next are some examples of active NRAs. This is a rehab and that's near 25th & Washington, looks amazing.

These are infill new construction. The top one is near 46th & Rainbow.

Then we'll give you some commercial. This is near 7th & Kindleberger, I can never pronounce that, over in Fairfax.

The last one is over off Kaw Drive, 70th & Kansas Ave., so we have a wide variety of examples and eligible activities and it's a great program. That's my last slide. I'm moving it on to Jim if there's no questions.

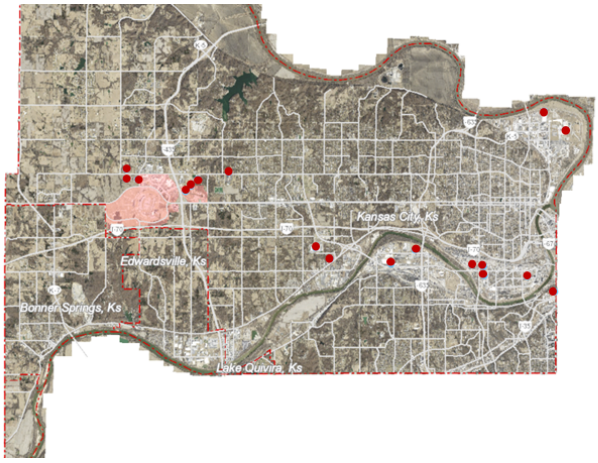
Jim Erickson, Economic Development Manager, said we're going to go through Industrial Revenue Bonds next.

Industrial Revenue Bonds, just as a name now is a little bit misleading. They can be used for more purposes then just industrial projects. Just for a little bit of context, some of you are more familiar than others on how an IRB works. The short version is it functions similar as a tax abatement. The longer version is that an investment is made basically in the UG's name as a tax exempt entity. The UG pays no taxes so there's a lot of tax savings to pass on. Again, this is new increment we're talking about.

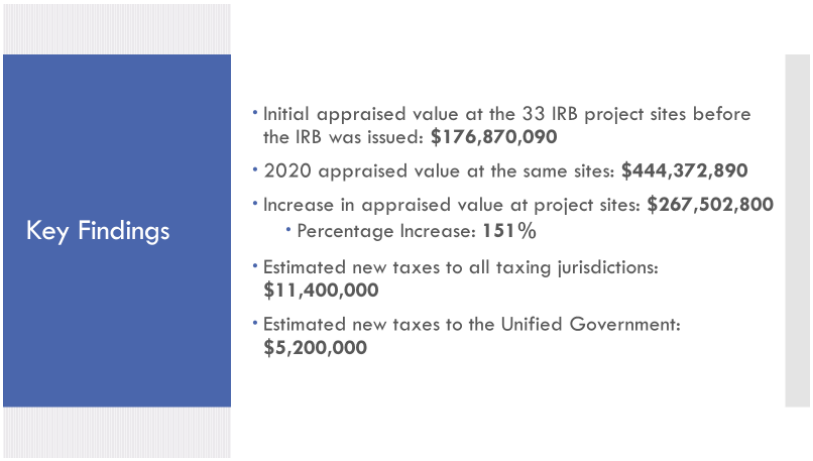
On the other side of the deal, we work with the developer to negotiate what we call a PILOT, which is Payment In Lieu of Taxes, which essentially functions as a tax. We have had 33 such projects since 2006, 28 remain active, and 5 have graduated. The total amount of Industrial Revenue Bonds we've issued total $858M. Again, I want to emphasize that this is not debt that the UG is liable for. This is not money that ever touched the General Fund. That's just a figure that reflects investment, so really the bigger that number is, the better. Another thing we should always mention with an IRB, you say it's made in the UG's name, the UG has deeds to the investment, it's important to note that the UG has no debt liability. This is conduit debt, has no ability to touch the UG and also if there were to be an injury on a project site, for example, and that person was to sue that developer, even though it's in the UG's name, the UG is not liable for that. Really, it's just something that is a mechanical thing that the investment passes through the UG for them a tax savings.

Our policy has us maxing out that exemption on savings of 75% of the new incremental taxes so that's typically our maximum, abatement's generally start about 45%.

IRBs



Here's a map of active IRBs. A lot of them are either at the same site or across the street, so it looks like there's not 33 dots here and that's kind of the practice. Some of these are lapped on top of each other.



Again, these are apples to apples comparisons. We're using appraised value. When we looked at these sites we saw the year before the IRB was issued on each site no matter what the year the project was issued. Looking at the year before there was $177M of appraised value on those sites. The same sites after the IRB was issued as of 2020 was $444M, so that was an increase of 151% just the appraised value on our IRB sites.

We put some numbers together, I worked with Finance, just to get an estimate. Be clear, these are estimates of what would these projects be paying once they're all retired. What is this, 151% increase new appraised value, what it actually mean to them, tax dollars. If we were to use average mill rates across the county, essentially what that figure is, is $11.4M to all taxing jurisdictions and $5.2M just to the Unified Government.

Again, not all these taxes are getting paid. There's portions of them that are exempt for the life of the IRB that once these IRBs that are currently there are retired, that's an estimate of what type of new tax revenue is being brought in to these projects.

Alyse Villarreal, Debt Coordinator of the Finance Department, said I'm going to be covering the next few slides which are meant to give you just a quick look at the types of information that's contained in the individual project pages. We really encourage everybody to go take a look at that very long, very in-depth report and these next few slides will help familiarize you with what's contained in that so that you can go exactly where you want to go. After that—**Mayor Alvey** said Commissioner McKiernan I think has a question before we move onto the next section.

Commissioner McKiernan said it's not really a question. I just want to make sure that we explain, and this goes all the way back to the NRA, and it still applies to IRBs, but it goes all the way back to NRA and I just want to make sure that we explain kind of the premise of this in a way that people get what we mean when we say the base and the increment and a percent of the increment. So, just really to be very simple about this and you check me if I'm wrong on this, but let's say that we have a property that is today paying $1,000 a year in taxes, that is the amount that we would call the base. It's the amount that property is valued at and is paying today and let's say that the person or the company that owns that property says, hey, we want to invest in our property and we're going to make a physical investment in it and that will raise the value of our property, but we can't fund all of that investment right now.

So, the value proposition we make is, let's say for the sake of argument, that they're going to make an improvement that would add $200 a year to their tax bill. That $200 now is the increment and we make a deal that says, tell you what, to give you the capability of funding the improvement in your property we will rebate a certain percentage of that added value, the value you're going to add. So, after the NRA this company would still pay the $1,000 a year that they've been paying all along, they pay their $200 extra and then we would rebate back to them, let's say $180 that they could use to fund the improvements and we do that for 10 years—**Ms. Carttar** said it depends which area you are, so it's either 5 or 10 years.

Commissioner McKiernan said so, let's just for the sake of argument say that we do that for 10 years and at the end of that 10 years, then that company or that individual pays the total amount of their base and the total amount of their increment, they pay the total tax bill. We have just given them back a portion of it for 10 years to seed or enable them to make the improvements and at the end of 10 years, then we get all the taxes. I want to make sure that we help people understand when we talk about base and increment that when we do this tax rebate we're not

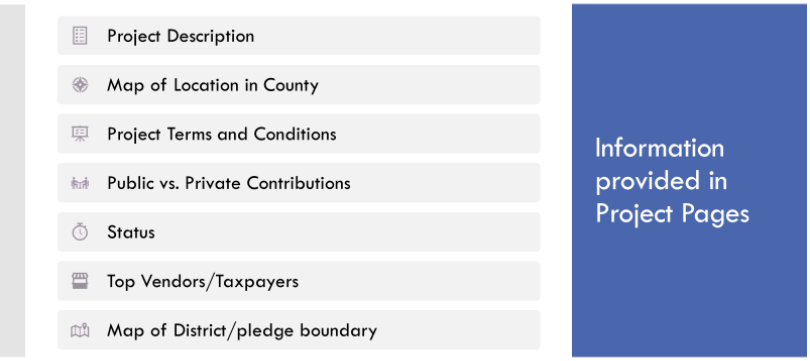
rebating any of the taxes that they were already paying. They're going to continue to pay that. We are just rebating based on the value that they add.

Ms. Carttar said correct. For Example, just looking at this slide, this is taking all of them together, so all of the NRAs, you know, before they applied had a pre-construction appraised value of $27M, but then as Commissioner McKiernan explained, they're paying taxes on that. They will always pay taxes on that, then they're putting in, you know, whether they're building new or rehabbing a structure. That has increased that $27M to $125M and so we are rebating a portion of that additional taxes, but then at the end of the 5 or 10 years, whatever the term may be, then we are getting taxes on the entire $125M. **Commissioner McKiernan** said a lot of people who have concerns, they talk about the fact that we're giving away tax money. I want to make sure that we're clear on the fact that we are not giving away or rebating anything that we are currently collecting. We are only using the rebate as a mechanism to encourage additional investment and so, I hate to use the words but for, but I'm going to. In many cases if it weren't for the fact that we are willing to give this rebate, a company or an individual might choose not to make that investment in their property. We're making a long-term investment in our community when we give these rebates on the increment or the additional value. **Ms. Carttar** said yeah, exactly and as we look at also the Industrial Revenue Bonds, it's similar to kind of a different mechanism, but similar idea where there are monies being invested and we are encouraging people to build and invest in their properties for giving them (inaudible). **Mayor Alvey** said, Katherine, your voice is being gobbled again. **Ms. Carttar** said okay, Alyse, back to you.

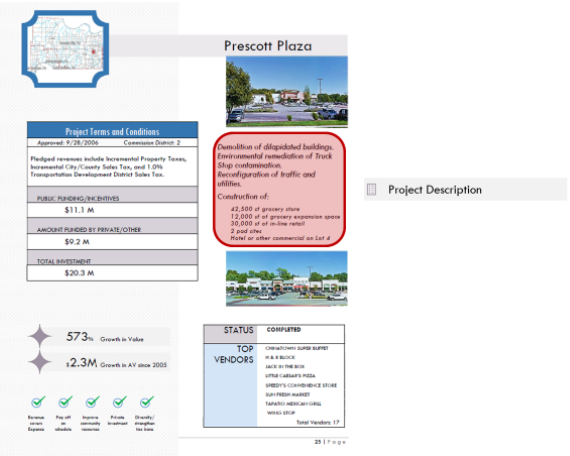
Ms. Villarreal said that was very well stated and let me try and do something similar for this next slide because the project pages are development projects that have received sometimes one public incentive and sometimes multiple public incentives in varying degrees. They may have caps and limitations on some of them but similar to—I'm going to start at the bottom with TIF Tax Increment Financing. This is a very similar concept with a base and an increment. So, the project, the base continues to flow through to the taxing jurisdictions like normal and the increment is what helps fund the project. It may be 100% of the increment or maybe some percentage and the good thing about TIFs, the full amount is not pledged so they see some of that right away rather than the life of the TIF District is 20 years. But rather than waiting 20 years to see the value of the increment, they get to see it right away whereas some of the other taxing jurisdictions, the life the project, if it's pledged the full 20 years, that's when the other taxing jurisdictions begin to see the value of that increment flow through to them.

In the case of CIDs and TDDs, these are Community Improvement Districts and Transportation Development Districts. What these are, these are additional sales taxes and they have to go through a process where they're approved by the businesses in the taxing jurisdictions, but they're an additional sales tax or assessment that's imposed in a particular boundary. All the taxes that the jurisdictions were receiving are continued to be received and this extra sales tax that was agreed upon is used to fund the project and they both last for up to 22 years. Sales Tax Rebates are similar, they're project generated, but they're not the same statues as the CIDs or TDDs.

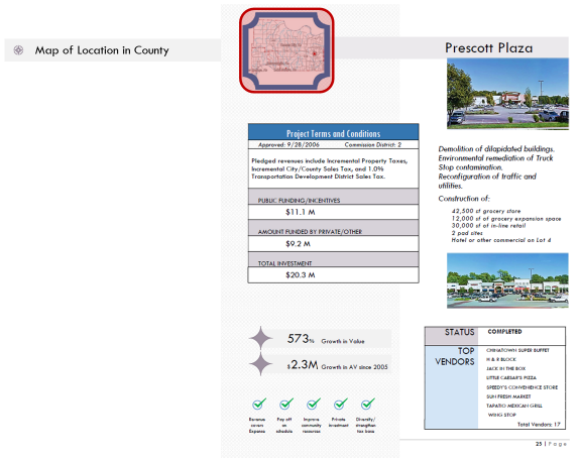
Continuing with the presentation, we've got a map of all the different projects that we looked at and where they're located, spread throughout the county.



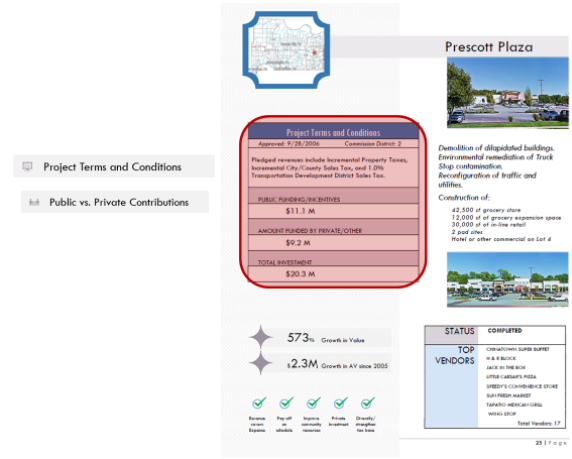
The project case studies or the development projects that we've undertaken, which are considered active because they have an active sales tax district or they have an incentive, which is being imposed, which we're tracking and these projects, like I said before, often have a varying composition of incentives. They might receive TIF and CID for example, but they could have cash and limitations on each. In the report we've provided information even on some of the TIF Districts that were created but are considered inactive because we want to keep those in front of you all because they might be inactive because there's not a project plan or in some cases the project plan was approved, but the development hasn't progressed. So, they're still outstanding, still potential for a development to occur in that area and receive incentives.



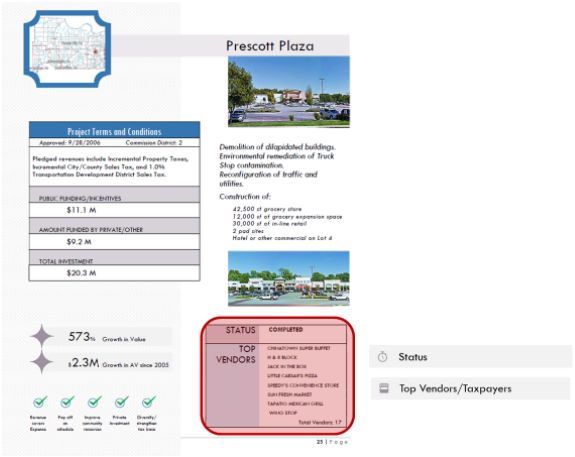
Each project is at least a couple pages long, sometimes more if it's more complex, and although the projects are different scale and complexity, we've tried our best to collect the information and present it in a fairly consistent manner to better easily digest all of the information. On the first page in the upper right-hand corner we've got the name of the project and below it is a very brief summary of what the project description is.



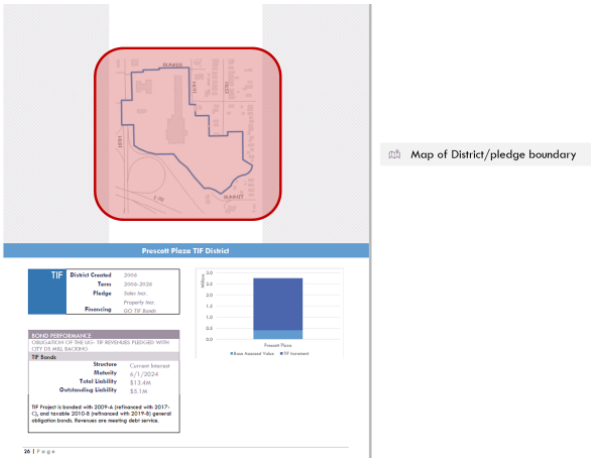
We've shown you where in the county the project generally is in the upper left-hand corner.



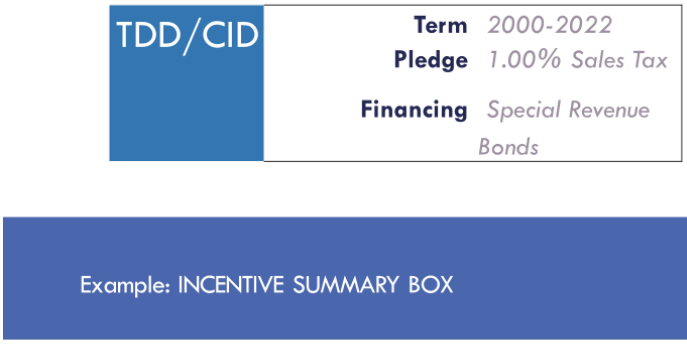
Then this box right here contains the project terms and conditions. It contains the approval date, the Commission District, we've summarized what those pledge revenues are and here we'll discuss the main project caps and limitations, although sometimes there's a lot of different—in the development agreement, so we've discussed the major ones in here as well as the public versus private incentives and total investment.



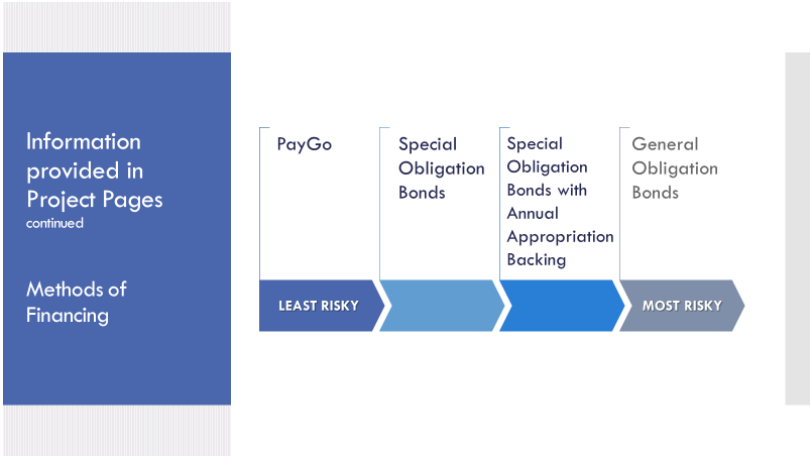
In the lower right-hand corner, we've provided a quick status, whether their project is completed, if it's in progress and what kind of project that is, if it's not yet started and we've also provided a list of the top vendors or taxpayers. For the districts that contain a handful of vendors, we were able to list all of them; however, some districts contain more than we had room for, so we just listed some of the main ones. It's really just to provide reference for how many vendors are located in the district. They're not listed in any particular order and the reference at the top can change from one period to the next, so this isn't really meant to be a ranking rather than just to give context to the type of business located and are supporting the project.



On the following pages is where we dive deeper into each of the districts that have been created. So, we've provided a map of the district or the boundary where the pledge revenues are, and we've noted the major streets for content.



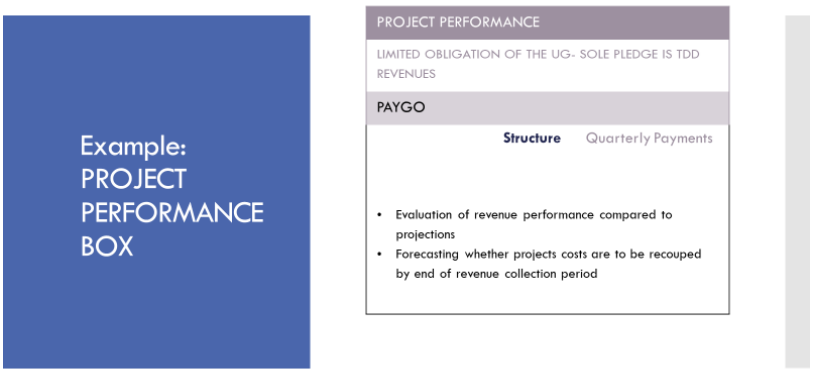
For each type of pledged incentive, we have a quick summary box containing the term of the revenue pledged, like I said TDDs and CIDs are 22 years, TIFs are generally 20 years and if it's less, we've noted that. We also have what's being pledged and the type of financing that this incentive is being included in. So, let's go to the next slide so I can talk a little bit more about the types of financing because this is really important.



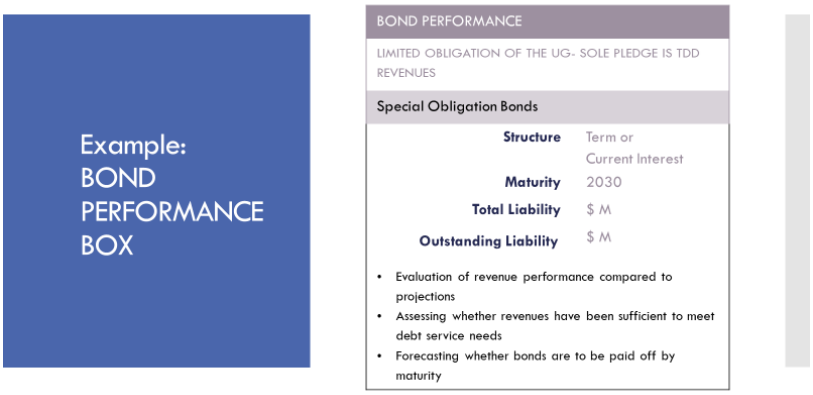
The types of financing vary from the least risky to the Unified Government and the taxpayers and then to most risky. So, for pay-as-you-go, this method of financing, it's the least risky to the UG. As revenues are received they're distributed, so there's no sort of liability to pay more than what we receive. When we go to Special Obligation Bonds, this is where we've issued bonds ahead of time and the developer submits cost certification certifying that hey, this developer has these costs and they're reviewed and then they're able to be paid from the bond proceeds. So, what happens with the project revenues is they are received, and they are remitted to the bond for payment of Debt Service projects, but for these type of bonds the project revenues that back these bonds. To

add another backing, an annual appropriation backing to Special Obligation Bond. It makes them less risky to the investor, but more risking to the Unified Government. Sometimes this has to happen for a deal to even be possible for a bond to be marketable. This often occurs when revenues from the district, they're not proven. There's no history and maybe the projected coverage isn't, you know, 1.5% or whatever that desired level is for the deal to be marketable. For these projects we scrutinize them quite a bit more because we're adding our backing to it. This is when we start getting more involved in it, it's from a government and taxpayer standpoint.

The highest level of risk are the General Obligation Bonds and they're the riskiest to the Unified Government. So, should the revenues prove insufficient to the repayment of debt service, this is when our full faith and credit backing kicks into effect and we have to do everything in our power to repay the debt service on this including levying for that amount.



If the incentives are PAYGO, then we've provided this project performance box and this is the box you're going to want to go to, to view our evaluation and our analysis of how the project is doing. We look back at the projections that were put in place when the plan was approved and submitted, and we compare the revenue collections with those projections.

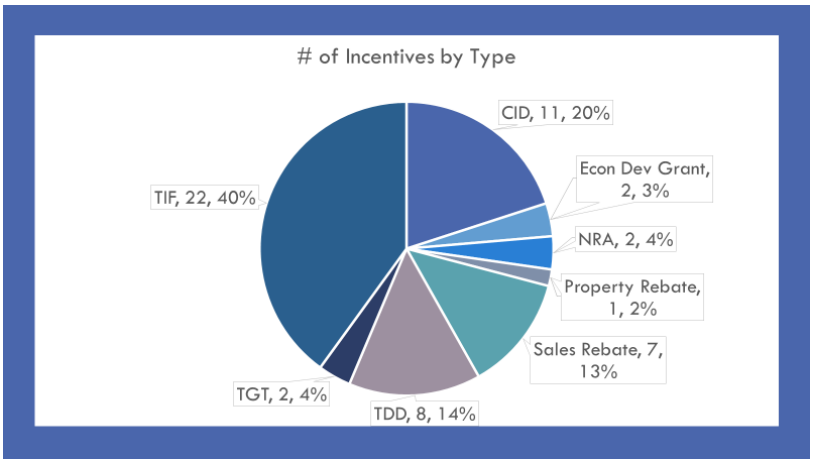


For Bond Performance, it's the same box. It's just got more information to it. We've included the total liability which are the principal and interest payments because the revenue supports both and how outstanding as well as when the bonds mature. Here often we get an even more in-depth of projections that has to support the bond issue. We've compared those maybe not to the project plan projections, but rather to the feasibility study and the bond projection. Then we assess whether the revenues have been sufficient to meet debt service and we forecast whether or not we think that they're going to pay-off by maturity.

This information is actually on the first page of each project and just by key categories for evaluation, you know, are the revenues sufficient to cover the expenses of each project. Based on historical revenues are the bonds or project costs expected to pay off by the time the revenue collection ends. Has a project improved the amenities and the resources in our community and contributed to our efforts to make Wyandotte County and Kansas City, Kansas a better, more

enjoyable and desirable place to live. Did the project spur private investment into our community and has the project diversified and strengthen our tax base.

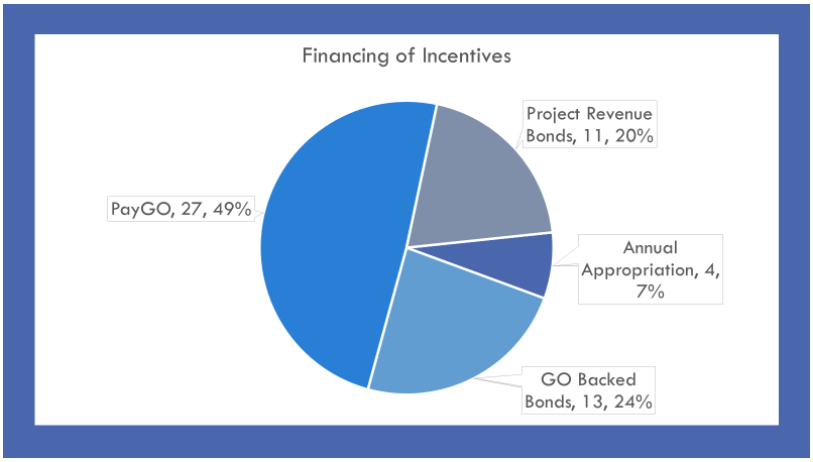
At this point I'm going to turn it over to Debbie Jonscher, our Deputy CFO, to further discuss the project provided.



Debbie Jonscher, Deputy Chief Financial Officer, said my slides are going to talk about—just go into a little bit more detail on what incentives are on the projects and then maybe talk a little bit about how the projects are performing. This first slide just shows the incentives by type. I believe we've talked about most of them. The largest being the Tax Increment Financing. We have 22 projects that are TIF projects. The next largest was the CID which is the Community Improvement District sales tax. We have 11 projects there and then the TDD projects, we have eight of those. The TDD and the CID are the additional sales tax that Alyse referred to.

We also have a couple of projects that have Transient Guest Tax pledged with them if there is a hotel in the project. We talked about the NRA. Property rebate is similar to the sales tax rebate—or the TIF, you get a rebate on the property taxes paid. I think there is a little bit of difference between this and the TIF. I think they are—it also looks at the property tax rebates, looks at different statutes.

Then we have economic development; we have two projects that have Economic Development Grant and those are bonds that the UG would issue under its Home Rule Economic Development Grant.



Going on to the next slide, it just talks about the financing of the projects and Alyse kind of went into this as for how we fund the project. We have 27 projects that are pay-as-you-go and as she said, these are the least risky because we don't pay the money upfront in a bond. As we collect the revenues on the project, then we pay, we do the reimbursement back to the developer. So, we have 27 projects there. We also have 11 projects where we have issued revenue bonds and those projects, so the developer—the money goes back to the project at the beginning of the financing and then the revenues collected go to pay off the debt service.

We also have 13 projects that are backed with General Obligation Bonds and four projects that have annual appropriation and, as Alyse talked, these are the most risky because of the revenues generated on the project don't meet the projections having the GO backing. We are at risk having to pay that debt service.

Development	CID	NRA	Property Rebate	Sales Rebate	TDD	TGT	TIF
38th & Leavenworth							X
39th & Rainbow	X					X	X
57th & State							X
Bethany							X
Central Industrial Park	X				X		
Downtown Grocery Store				X			X
East Parallel							X
Epic Center							X
Escalade Heights							X
Happy Foods					X		
I-70 & Armstrong							X
Legends Active Districts	X				X		
Legends Honda			X	X			
Melrose							X
Metro Ave	X			X			X
Midtown	X			X			X
Mission Cliffs II							X
Northwood	X	X		X			
Peregrine Falcon							X
Plaza at Speedway					X		X
Prescott					X		X
Public Levee							X
Rainbow Park							X
Rainbow Village	X					X	X
Shawnee Plaza	X			X			
Sporting	X				X		
St. Peter's Waterway							X
Strawberry Hill							X
Turner Vista							X
Wyandotte Plaza	X	X		X			

This next slide has a listing of all the projects. There's 30 projects on this list and we have shown what type of incentive each project has. You will see that some projects may only be a TIF project,

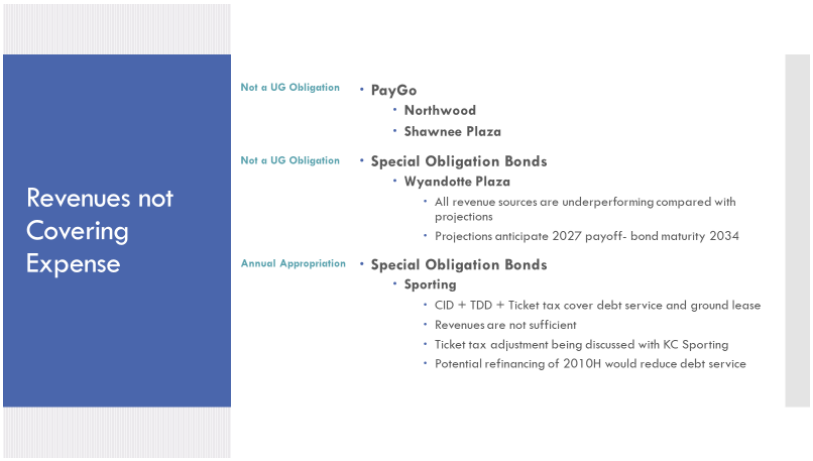
but we may also have projects that have several of the incentives. For instance, the second project listed there, 39th & Rainbow, is not only in a TIF District, but it also has a CID sales tax and we have pledged Transient Guest Tax. Each one of these projects list what the different types of incentives they have.

Now I'm going to show you that we have a couple of new projects that are included; however, I did want to note that these projects are either in the construction phase or the project has just begun, so there's not really enough information to report any kind of performance on these projects yet because they're still in the beginning stages. The three projects are the Downtown Grocery Store, the Scavuzzo Foodie Park, and the Turner Logistics which is the Turner Diagonal & I-70 project.

We also have six projects that are inactive. Alyse referred to this I think in her presentation. All of these projects had TIF Districts created; however, no project plan has ever developed. So, these are listed as inactive projects and, therefore, we have no information really to report on those.

Now we'll go into the projects that—we're not going to go into a lot of detail on the individual projects. That's all in the reports, but if you have any questions on an individual project, just let us know. I'm just going to cover—all of these projects listed here, the revenues are covering the expenses and these projects are expected to either pay off on schedule or potentially early.

We do have two projects, Happy Foods and Prescott Plaza that I'm going to talk about at the end of my presentation that the TDD bonds are paying off early, so I'll give an update on those.



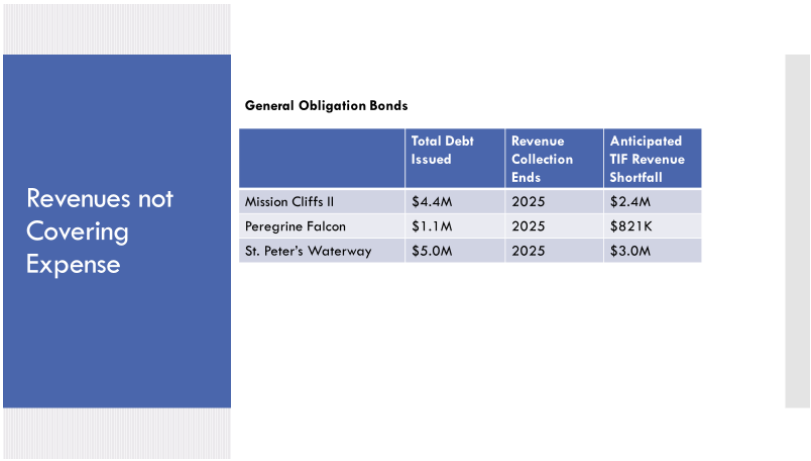
This next slide we want to just talk about projects that are where the revenues are not covering the expense. We'll start with, on the top there, we have two projects that are pay-as-you-go on Northwood and Shawnee Plaza. Northwood has a sales tax rebate, a CID, and an NRA. Shawnee Plaza has a CID and a sales tax rebate. Neither of these have bonds issued and are not a Unified Government obligation, but the revenues that were projected when the project was started, the revenues that we're actually receiving are not meeting those projections.

Mayor Alvey said, Debbie, in that circumstance then, what happens or what's the long-term, you know, repercussions of that. Revenues are not covering expense, it's no risk to us, but what is the risk there and what affects does that have? **Ms. Jonscher** said the implication would be on, I would assume, on the developer who did the improvements. They put up the money to do the improvements. They took the risk that issuing the CID and the sales tax revenues that came in would cover that project, but they assumed the risk on these two projects, so the shortfall would come to the developer of the project. **Mayor Alvey** said I just wanted to be clear about that.

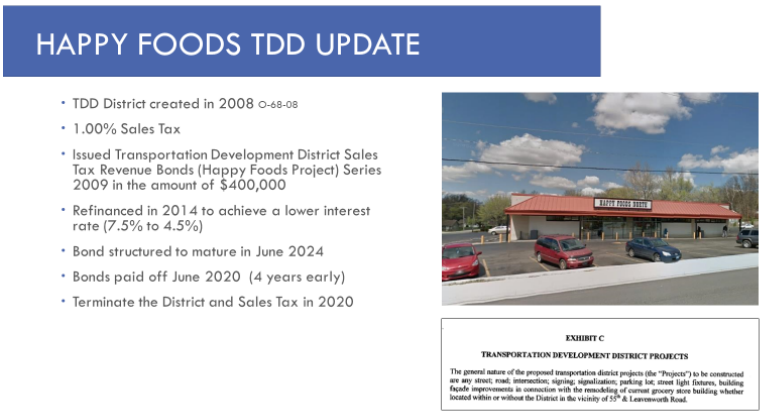
Ms. Jonscher said the next one is a Special Obligation Bond, Wyandotte Plaza, and we have this listed under revenues not covering expenses because when this project was bonded the projections that came out, the revenue sources are underperforming compared with those projections. However, as we looked at this closer, the projections still anticipate that these bonds could potentially pay off early, possibly in 2027, and the bond maturities in 2034. So, even though they're not meeting their projections, we are currently expecting that this project could pay off early. It is also not a UG, they are Special Obligation Bonds. When the bonds were first issued, there was an annual appropriation attached to the bonds, but they were refinanced in 2016 and the annual appropriation was removed at that time. So, there is no obligation of the Unified Government for these bonds if they were not to perform. Currently, it looks like even though they're not meeting the original projections, it does look like these bonds could potentially pay off early.

The last one is the Special Obligation Bonds for Sporting Kansas City for the sporting parking lot. These bonds do have an annual appropriation. The bonds were issued for the parking lots that are on land own by the Kansas Speedway. There is a CID, a TDD, and a Ticket tax that are to cover the ground lease and the ground lease is a lease between the Unified Government and Kansas Speedway to pay for the use of the land and then the debt service covers the improvements that were made to the parking lot. Currently, the revenues are not sufficient to cover both the ground lease and the debt service and we're projecting that at the current rate we would, the Unified Government would have to pay—the revenues would not cover the existing debt service. We have had conversations with Sporting Kansas City regarding possibly increasing the Ticket tax for 2021 and we're also looking at a potential refinancing on the 2010H Series, which funded the

improvements for the parking lot to see if we can possibly lower the interest rate and lower the debt service payments on that bond issue.



These are three residential projects that all have General Obligation Bonds issued for these projects and they are not meeting their projections. The total there, Mission Cliffs, Peregrine Falcon, St. Peter's Waterway; the total debt issued was $10.5M for the three projects and we're expecting that the anticipated TIF revenue shortfall is about $6.2M and the revenue collection period ends in 2025. So, currently, we're projecting that we're only going to collect about 40% of what we needed to for these residential projects.

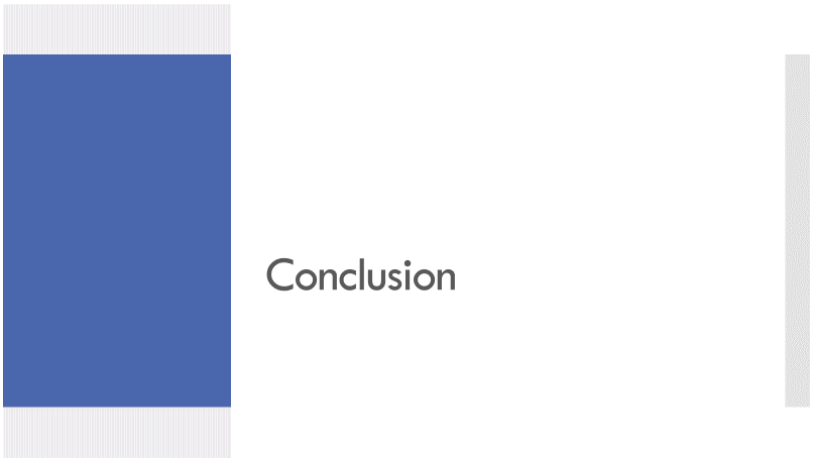


As I said, we have two projects where the TDD Bonds are paying off early, so I wanted to talk about those. Happy Foods is a grocery store that is located at 55th & Leavenworth Road and the TDD District was created in 2008 with a 1% sales tax. Bonds were issued in the amount of $400,000 in 2009 which went to cover parking lot repair, overlay, exterior storefront, lighting and

also building signage. This grocery store had been closed due to a fire and this is one of the projects where we do have the Economic Development Grant which funded improvements for roof replacement, fire and water damage, floor repair, and some HVAC repairs. The TDD is just a portion of the amount financed on this project. The bonds were scheduled to mature in June 2024, but we're expecting that they are going to pay off in June of 2020 which would be four years early.

The next project is Prescott Plaza TDD. This TDD District was created in 2007 also with the 1% sales tax. In 2008 we issued Tax Revenue Bonds in the amount of $2M. They were also scheduled to mature in June of 2024 and are expected to pay off in June of 2020, four years early. This is the grocery store and retail area that's located at 18th & I-70. It included demolition of the buildings that were on the site, environmental remediation of the truck stop that was there as well as construction of the grocery store. There's also other retail. There's a convenience store that is also located within this district. Once these TDD bonds pay off, we will terminate the district and sales tax in 2020.

That concludes my part. Now I'm going to turn it over to Kathleen VonAchen, our CFO for the conclusion.



Kathleen VonAchen, Chief Financial Officer, said I did want to talk just briefly about a few key takeaways about measuring our success with economic development. We're so pleased that we put together this report. It's something that I envisioned when I first started four years ago. I thought the report was very comprehensive. In the future we hope to also include the STAR Bond, so look for that.

Generally economic development programs are difficult to evaluate due to the distance between the program activities that are occurring and then the desired long-term performance or outcome that we're looking for. So, economic development, it yields improved capacities for participants, you know, like entrepreneurs and small businesses and regional organizations and it also broadens our economic benefits to our residents through potentially the opportunity to earn more income or to expand the jobs that we're creating in our community. These benefits are sometimes difficult to capture in the short term or just by looking at one single project, so the challenge is to find valid indicators for the complex programs. I hope that our program evaluation,

our system's metrics, assists in assessing the impact of the economic development and how it builds capacity in our community and our communities economic performance.

This new set of performance measures is basically aimed at how are we enhancing our local and regional competitiveness and how are we boosting local capacity to support private investment and to support economic growth. We hope that the new approaches measures our success. It assumes that economic growth is measured by jobs or capital investment or an increase in our tax base for example, and that should eventually lead to qualitative improvements to our local and regional economy over the long term.

Yet, in difficult economic times and in an environment where we're always wanting to support our decisions with good evidence, that it's important to develop good tools to allow policymakers to focus on the future economic benefits of programs and policies. We hope that this report achieves that and, of course, we're always open to any feedback from yourselves or the community about what other metrics should we include in assessing the success of our economic development programs. So, we're happy to incorporate that into future reports.

Mayor Alvey said, Catherine and Kathleen, I think one of the things when we look at the performance of the checklist there, you know, revenue covers expense, pay-off on schedule, improve community resources, you know, that important measure of increasing the median household income, you know, providing jobs that are based within our city available to our residents; how is that considered? I know sometimes there is a point system on some of these that we assign points to certain development projects or RFPs and if they meet those criteria, they get

extra points for that. Just tell me, how do we measure that because as we know increasing the median household income as we highlight it is so important for us and that's been one of the primary goals of the Wyandotte Economic Development Council for really the past eight or nine years. So, if you could speak to that.

Ms. Carttar said as we move forward, some of the things like median household income, that's a very difficult one to look at on a project to project basis and some projects are large enough that we can actually tell. For example, Amazon, we have been able to see a direct correlation with some of the zip codes and increased household income. Again, it's a correlation, not causation. So, we're assuming, some assumptions there, but we do—especially IRBs is a great example where we start, we have a base amount of abatement that we'd offer, then if they do different things, we would provide additional abatement on top of that. So, for example, you know, if it hits a certain amount of, I think, it's $50M in investments, they get another 10%. If they are hiring Wyandotte County residents, they get another few percent. If they are using a certain amount of MBE/WBE/LBE contractors for the work, they get additional.

There are things like that where we can really put it into the calculus. That being said, our goal is always to fill the gap and not additional, so we don't want anyone making money off of this. I mean, the point is to do only as much as is necessary to get the project done. So, if there are ways that we can help fill some gaps and they're able to do some things that are meeting community goals, then it's a real win, win.

Mayor Alvey asked, would you also speak to, this is more I think for the public, the necessity of doing these, the but for if we don't do this, it won't happen; that we are really in a competitive environment and economic development incentives really should be directed really to those areas of the economy that need redevelopment and they have been generalized so that even affluent areas now can use them and they do very successfully. In fact, have an advantage because they are able to maintain a low tax rate then even offer a greater incentive. So, if you could just speak to that a little bit.

Ms. Carttar said one of the reasons is that—kind of Kathleen was talking about, it is difficult to really evaluate is because it's, you know, we can do kind of a but for test, so but for these incentives with this project built here, but at the end of day, we don't actually—you know

there's no—you know, what would happen if we didn't do this because that we did. We really try to look at, especially projects that are attraction projects. So, this is a project, a lot of times, you know, a regional headquarters or something like that. That's maybe looking at, you know, Cleveland, Dallas, and Kansas City and in those situations, it's kind of a tricky calculus because we want to make sure that we are providing enough incentive to win the project, but also not an excessive amount so that we are getting benefit from that. In those cases, it really is all about selling our community, selling our workforce, really talking up of all the great things if you brought your business here. You know, kind of all those intangibles in addition to the incentives that we, you know, that package that we put together.

Then there are a number of projects, you know, apartment projects, stuff like that, where we're not in competition, but because the market, for example Downtown, the market isn't quite to a point where market rate is something that is easy to build because our rents are much lower. Then because of different policy decisions by you all, you know, we are trying to encourage that and so hopefully, the goal is that for these kind of first in projects we're giving kind of additional incentives and assistance. Those will help raise the rents and for the market rate we'll have a nice mix of different rents downtown and across the county, but that will help so that with future projects we'll have to provide less and less assistance. **Mayor Alvey** said thank you.

Commissioner Bynum said a question on the CIDs that are getting ready to pay off. I think there were several. One of which is Happy Foods and one at Prescott, can you clarify that, for example, with Happy Foods, it's a 1% CID, it's going to pay off in June, so once that is cancelled—**Ms. Carttar** said it will decrease the sales tax by 1%. **Commissioner Bynum** said perfect, that's exactly what we wanted to hear you say. **Ms. Carttar** said the same with Prescott. **Commissioner Bynum** said and it also pays off in June. Okay, excellent.

Commissioner Walters said I appreciate the report. I have a couple of comments, things that weren't exactly clear to me and maybe you don't need to clarify now but keep them in mind for future reports. Some of your examples identified taxes created or taxes generated and it's always confusing to me what you're talking about. Is that for a specific taxing year? For example, $5M in new taxes for calendar year 2019 or is it a five-year period or a 10-year period or just what. So,

I think specific information or clarification of exactly what you're talking about when you talk about new taxes created would help me.

On the NRAs, I believe you are referring to a 10-year time period from 2010 to 2020. It would be nice to have a simple chart showing when those incentives expire. I assume the incentives in year one are ready to expire very shortly. **Ms. Carttar** said yep. **Commissioner Walters** said it would just be nice to know what that looks like and I assume the value of the improvements has appreciated over time. Also, I think that would be revealing for us to see just what the value of these incentives are. I'm very interested in growing the tax base, so I guess that's what focuses a couple of those questions.

I am also interested in growing the median household income. Do I understand you correctly that household income has increased $7,500 in the past 14 years? That would be about 1% per year, 1-1.5% per year. **Ms. Carttar** said yeah, I don't have it in front of me right now, but we're on track. You know our goal is to be at least in line with the State median household income and we're making fast work of closing that gap. So, hopefully, in another two or three years, we hopefully, will be on line with the rest of—**Commissioner Walters** said I'm sorry, what is our goal? **Ms. Carttar** said to be at the minimum, at the same median household income as the State of Kansas. We were quite significantly lower than that and we've been making quick work of increasing our household income. **Commissioner Walters** said do I understand our household income is increasing less than the rate of inflation, so how are we making good progress on that?

Ms. VonAchen said I just wanted to add, actually median household income has really increased in the last three or four years substantially, but prior to that, it was very slow as you're pointing out. That's why we're thinking it's going to catch up.

Mr. Bach said I would probably add to that too Commissioner. We're measuring back against to 2010 because that's a census year when they looked at it, I believe, and I'm speaking from memory, but I believe we were 99 from counties for household income or something like that. **Mayor Alvey** said I think it was 103. **Mr. Bach** said about 103, okay, so about five or six years ago we redirected it in some more conversations to make a much more concerted effort toward projects coming in to try to influence this out. We've done very good for years always bringing in high paying jobs, good projects, but many of them we would get less than 20% of the workers coming into our community and a lot of times it was because we didn't have all of our workforce trained to do it.

So, we've focused more toward jobs that our residents can get and achieve. Then we hope they'll be able to achieve and go up to some of our high paying jobs as well, but as was pointed by Kathleen, it's really been in the last three or four years that we started moving the bar significantly in that regard by focused on these jobs. We've now advanced to about, Mayor, correct me here, about 66 I think as a county ranking according to the 2018 census. **Mayor Alvey** said that's correct.

Mr. Bach said that's one of those things when you look at what we've done. Yeah, if you look at over the 10-year time period, that's not a real high rate of movement. If you look at it over the last five years, we have moved significantly, and we keep an eye on that each year to see what we're doing compared to the rest of the state which is how we're compared when they put out the data.

Commissioner Walters said well, that's good to hear. That's something that really is of interest to me. I understand we do have one of the higher job, salary, whatever that measure is in the state, one of the top five counties in average salaries, but as you say well down the list in median household income which, as you said, leads you to believe that, unfortunately, a lot of people are not living in Wyandotte County who have these higher paying jobs.

As far as an incentive, I think it would be nice to at least talk about how we could create a situation where we can have more people living in Wyandotte County. I know these TIF projects, residential TIFs have not gone well, but increasing the population would address several of these problems. So, it would be nice to talk about that as part of this overall incentive package.

Commissioner Philbrook said I appreciate everything that commissioners have said before me and they've hit on a lot of really good points. There is a lot of work that has been done through Wyandotte Economic Development that started quite a few years ago on realizing that we had to change the way we thought about our population and realized that we needed to encourage education and the socialization of those folks and realize they had an opportunity to move up with better jobs and create those pipelines. That's been going on and that's been going full steam ahead and that's been really helpful. Also, our folks from the CHIP group who came to Wyandotte Economic Development to try to figure out why we were lagging behind on how we were doing as a population with our health and so one and why we had such poor reports. The bottom line was that a lot of folks—there was not a head of household or two folks in the house that had really

good paying jobs and they didn't have good health insurance, so they were just working themselves to the bones and there's still quite a few of the folks.

The point being, was to work with them and that group has been doing well too. I think all of that is part of what has helped over the last few years to bring our household incomes up, you know, with all the jobs. We've come and we really have been hard on those companies that have come in and wanted to pay minimum wage said no, no, no. We really want you to pay a wage that can let somebody actually pay for a car so they can get to work. You just can't be the supplier of minimum wage employees and expect to come ahead.

So, saying all of that, I really want to thank everybody who has been working their little tails off to get to this point and the fact that I have never seen such a succinct comprehensive incentive report on economic development. I actually read the whole thing over today. Don't ask me to quote anything. By the time I got through my eyes were crossed and I'm going OMG, I have learned so much just off of this one report. I don't know how you guys managed to put it together so well and make it so well organized and I'm sure the suggestions that other commissioners have made is just going to make it even better.

I'm just in awe and I just want to thank you guys for this wonderful, wonderful work you've done. So, you realize now as you educate us that we're going to be asking more questions because we'll understand more what to ask, so thanks again.

Mayor Alvey said I just want to say that we are under some time constraints. We have two more commissioners that would like to speak. We would like to get to the Priority-Based Budgeting before the 7:00 meeting.

Commissioner Burroughs said, Mayor, I do want to thank staff for their concise report. This is something that the Economic Development Committee members have requested for a while and it is absolutely to the point as to what incentives we have on the table to bring forward to development partners. I also want to state that as we move forward that we may want to look at how we, it's not so much dollar driven as it is percentage driven for the pie charts that we were shown especially dealing with the General Obligation Bonds. I believe one pie chart showed 24% of GO but that's a discussion for another day. The success is what we have seen a community,

reinvestment, re-beautification of our community and services and/or venues that our community members can truly respect and enjoy and for that I am extremely grateful.

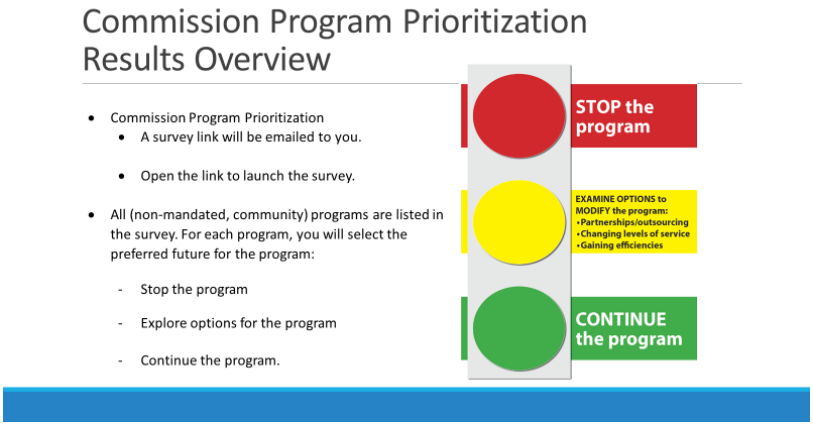
I do believe this information was critical this evening, that we run through it so that the public knows the criteria put forth that we, as commissioners, look at and staff looks at when it comes to bringing developments to Wyandotte County. It shows that we're doing the prudent homework necessary to ensure that a majority of these projects are successful and with that, I will close out by saying, again, thank you very much, Mr. Bach, for allowing this presentation this evening. Thank you Catherine and staff for putting this together. I know the members of the Economic Development Committee are very thankful for this and appreciate your work.

Commissioner Ramirez said my comment will be very quick. I just want to 100% mirror the comments of Commissioner Philbrook. You know I'm not well versed in economic development and economic development tools, but this report really has given me the ability to better understand all of this. I really thank the Economic Development staff and to you, Ms. Carttar, for putting all this together because it's really helpful, so thank you very much.

Mayor Alvey said alright, seeing no more hands raised, thank you very much for the presentation. We do expect it to get better as years go by, the numbers get better as well, so let's move on.

Mr. Bach said I'll just say too, I think staff did an excellent job on that report and we'll continue to work to make it better and more clear to everyone.

The next is feedback coming from our Priority-Based Budgeting, some of the survey work was done, so we have a quick report. Michael Petersen with our Budget Office is here tonight to offer that information back to the Commission, so we see the results of the information you all worked so hard to submit to them.

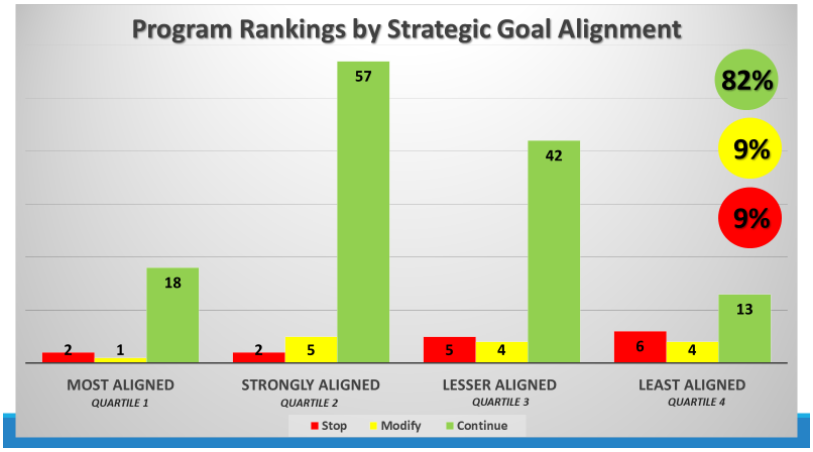


Michael Petersen, Assistant Budget Manager, said we are coming back to you today to show you the results of the exercise that we went through after the April 1st Retreat. So, what we were sked to do, you were given a list of—Commission was provided a list of 159 of our non-mandated community programs to rank across all quartiles. You were tasked to rank whether we should stop the program, examine options for modifying the program or continuing the program. Each program had a range of seven to nine different respondents on the survey. So now we're just going to bring back those results to you.

Overall, across the survey, 82% of the responses were to continue the programs that we're currently offering in our community, non-mandated program listing with 9% of the programs receiving a consensus of 50% or more to modify the program and another 9% of the programs, about 15 each, receiving at least one ranking to stop the program.

The way we decided to report this back, if anybody ranked at least one vote to stop the program, it's ranked in the red category. If there's a 50% or higher number of respondents that ranked to modify the program, it's ranked in the yellow category. If there's less than 50% and no votes to stop, it's ranked in the continued program category. You guys should have—we should have provided a handout of what all the programs ranked across the various voting scores. So, just to quickly review.

Ms. VonAchen asked, Michael, have you advanced the slide at all. **Mr. Petersen** said I advanced it to the one that says Four Quartiles. **Ms. VonAchen** said we're not seeing that. **Mr. Petersen** said let me see if I can share a different way.



Mr. Petersen said so just to review how the quartiles were assigned, each program was ranked to composite score across all the different strategic goals and based on its score compared with each other program across the UG, the most aligned would be the Quartile 1 program, so the strategic goals. The strongly aligned would by the Quartile 2, the lesser aligned programs would be Quartile 3, and the least aligned with our strategic goals would be Quartile 4.

Most Aligned Programs - QUARTILE 1

Programs Ranked Stop or >=50% Modify – 3 of 21 Programs				
PROGRAM	DEPARTMENT	MODIFY	STOP	2020 ORIGINAL
Fixed Route Service	Transit	33.33%	11.11%	$676,630
Long Range Planning	Urban Planning and Land Use	22.22%	11.11%	$235,930
Senior Paratransit	Transit	55.56%	00.00%	$152,401
TOTAL = $1,064,961				

In the first quartile, out of the 21 programs that we gave you that were in Quartile 1, three programs were ranked stop or modify with one program or two programs received a vote to stop. That's Fixed Route. That's Transit services and Long Range Planning with Urban Planning and Land Use and Senior Paratransit had a consensus of modify the program. These three programs were identified to have a total of $1M of a budget.

Strongly Aligned Programs - QUARTILE 2

Programs Ranked Stop or >=50% Modify – 7 of 67 Programs				
PROGRAM	DEPARTMENT	MODIFY	STOP	2020 ORIGINAL
Infrastructure Planning	Public Works	37.50%	25.00%	$110,153
Crimes Against Persons/Property	Police Department	00.00%	12.50%	$6,967,831
Patrol Activities	Police Department	75.00%	00.00%	$24,805,572
Shelters & Halls	Parks & Recreation	57.14%	00.00%	$185,679
Engineering	Urban Planning and Land Use	50.00%	00.00%	$382,169
Neighborhood Business & Revitalization	Neighborhood Resource Center	50.00%	00.00%	$234,870
Police Athletic League (PAL)	Police Department	50.00%	00.00%	$80,191
TOTAL = 32,766,465				

In our Strongly Aligned Programs, out of the 67 programs in this category 89% were voted to continue, 8% were voted to modify and 3% or two programs received a vote to stop. The ones receiving a vote to stop are Infrastructure Planning and Crimes Against Persons and Property, which would be the criminal investigations with the Police Department.

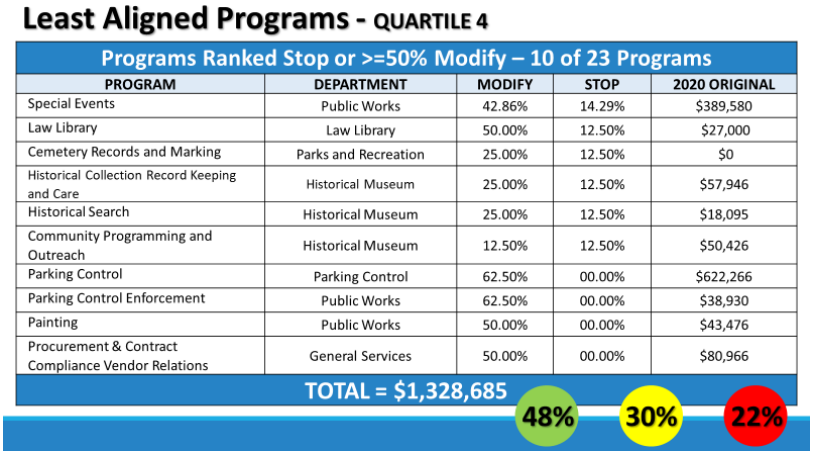
The ones that had the consensus vote to modify or at least 50% of the vote are Patrol Activities, Shelters & Halls with Parks & Rec and Engineering with Urban Planning and Land Use, Neighborhood Business & Revitalization with the Neighborhood Resource Center and the Police Athletic League with the Police Department. These programs total about $32.7M.

Lesser Aligned Programs - QUARTILE 3

Programs Ranked Stop or >=50% Modify – 9 of 51 Programs				
PROGRAM	DEPARTMENT	MODIFY	STOP	2020 ORIGINAL
Special Populations	Parks & Recreation	71.43%	14.29%	$81,996
Rescare	Community Programs	14.29%	14.29%	$9,000
Dental Services	Aging	62.50%	12.50%	$7,500
Radio Amateur Civil Emergency Service Team	Emergency Management	50.00%	12.50%	$10,339
Hearing Aid Assistance Program	Aging	50.00%	12.50%	$10,500
Building Assessment Program	Public Works	62.50%	00.00%	$85,473
Christmas Program	Public Works	50.00%	00.00%	$145,246
Parking Lots	Public Works	50.00%	00.00%	$121,179
Marketing	Parks & Recreation	50.00%	00.00%	$28,911
TOTAL = $500,144				

The Quartile 3, the Lesser Aligned Programs, of the 51 programs, this has a slightly lower percentage of the go programs for 82% with 8% modifying, 10% of the programs receiving at least one vote to stop. The programs receiving a vote to stop are Special Populations, Rescare, Dental Services, Radio Amateur Civil Emergency Service Team, and Hearing Aid Assistance Program.

The programs to receive 50% or higher to modify are Building Assessment Program, Christmas Program, the Parking Lots and Marketing in Parks & Rec.



Least Aligned Programs - QUARTILE 4

Programs Ranked Stop or >=50% Modify – 10 of 23 Programs				
PROGRAM	DEPARTMENT	MODIFY	STOP	2020 ORIGINAL
Special Events	Public Works	42.86%	14.29%	$389,580
Law Library	Law Library	50.00%	12.50%	$27,000
Cemetery Records and Marking	Parks and Recreation	25.00%	12.50%	$0
Historical Collection Record Keeping and Care	Historical Museum	25.00%	12.50%	$57,946
Historical Search	Historical Museum	25.00%	12.50%	$18,095
Community Programming and Outreach	Historical Museum	12.50%	12.50%	$50,426
Parking Control	Parking Control	62.50%	00.00%	$622,266
Parking Control Enforcement	Public Works	62.50%	00.00%	$38,930
Painting	Public Works	50.00%	00.00%	$43,476
Procurement & Contract Compliance Vendor Relations	General Services	50.00%	00.00%	$80,966
TOTAL = $1,328,685				

Then lastly, of the Least Aligned Programs, we would expect to see a lower percentage here and we did. Of the 23 programs in this category, 48% were voted to continue, 30% were voted to modify, and 22% had a vote of at least one to stop. The items that were voted to stop, Special Events with Public Works, Special Events for Law Library, funding Cemetery Records and Marketing, Historical Collection Recordkeeping and Care, Historical Search and Community Programming and Outreach with Historical Museum.

Then the ones that had the highest percentage to modify were Parking Control, Parking Control Enforcement, Painting with Public Works, and Procurement & Contract Compliance Vendor Relations and that is the end of my presentation.

Mr. Bach said, Mayor, I'll just throw out a kind of quick summary with that as you see the results, good exercise for the commissioners to go through. I think one thing you did see by that result, as Michael would say, a vote would go toward a stop. In no cases did we have a majority of the commissioners noting any programs should be stopped or taken away. We did see though that there were majorities that would look at things from modifying a program and I take that to mean as the commissioners looked at that they obviously don't know all the ins and outs of every program that you looked at from the little bit of data that you went through on that information.

But it is information that you probably looked at and said, okay, this is the amount of money we're spending here versus that type of thing, maybe there's some efficiencies or changes

or we should spend a little less money s how I took that from the professional staff perspective as what we go back and work on. It also identifies when you go through that, there's not a real—no real clean program to say, boy, what are we doing that for, let's get rid of it. When one or two of you comes up and says we should stop, that's far from a majority.

Mayor Alvey said yeah, I would think most people would understand that we're already really pretty lean.

Commissioner Markley said I think Doug addressed one of my comments and I think others did, which was just that I hope other commissioners did, but I definitely put comments in sections. When I said to modify something about sort of what I was thinking or sort of maybe it wasn't even that I had an idea, but that I was questioning why we did it this way or why we group things a certain way. I hope those are things that maybe we can circle back around and have discussion about and budget three on threes or whatever circumstance is most appropriate. I think the modified column actually became for me at least more of a question column.

The other thing I would say is I mean my big takeaway from this presentation is really that our data system is at lest sort of working. I say that because you can see that the more aligned programs had less people voting to modify or stop and the less aligned programs had more. If it had been the opposite, obviously, I think that would have been a big red flag that we were going in the wrong direction and we were not sort of aligning our goals properly with our data gathering here. I think what you can see from this data is that we are all in the majority, at least in favor of keeping those programs that are strongly aligned to our goals and that may be as you filter down there's a little more questioning going on. I didn't take the survey necessarily like a yes, we're going to chop off the arm of some program, but I did see it as a verification that we're gathering data in a way that seems to be matching with our goals appropriately and I think it was good check for that.

Mayor Alvey said thank you for that presentation and, again, this will continue to come back up through the budget process. I think we're ready to conclude our Special Session just in time. How much time do we need between now and the start of the Regular Session, 10 minutes? **Mr. Bach**

said yes, we will need 10 minutes. **Mayor Alvey** said let's say at 7:10 we'll reconvene. Thank you.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:58 p.m.

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Bridgette D. Cobbins
Unified Government Clerk

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