ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, February 10, 2020

The meeting of the Economic Development and Finance Standing Committee was held on Monday, February 10, 2020, at 5:13 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend, Bynum for Johnson, Walters; and BPU Board Member Jeff Bryant. Commissioner Johnson was absent. The following officials were also in attendance: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze; Assistant County Administrators; Patrick Waters, Senior Attorney; Katherine Carttar, Director of Economic Development; Rick Mikesic, Director of Revenue/County Treasurer; Andrea Parra, Deputy County Treasurer; Maureen Mahoney, Chief of Staff in Mayor's Office; and Jay Doleshal, Sergeant-at-Arms.

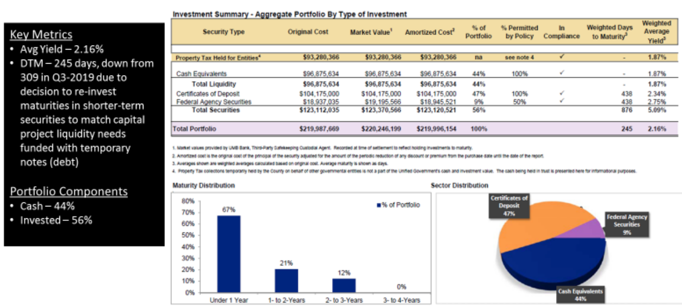
Chairman Burroughs called the meeting to order. Roll call was taken and members were present as shown above.

Approval of standing committee minutes from December 2, 2019. **On motion of Commissioner McKiernan, seconded by BPU Board Member Bryant, the minutes were approved.** Motion carried unanimously.

Committee Agenda:
Item No. 1 – 201116…REPORT: FOURTH QUARTER 2019 CASH AND INVESTMENT
Synopsis: Fourth Quarter 2019 Cash and Investment Report, Treasurer. submitted by Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, County Treasurer; and Andrea Parra, Deputy Treasurer.

Rick Mikesic, County Treasurer, said the Cash Management and Investment Policy of the Unified Government require the Cash Manager to come and give a quarterly report of the activities of our investments throughout the year. That's what we're here for tonight is to give that presentation. As soon as it pops up, I will have Andrea jump into that presentation. (The electronic PowerPoint was not available.)

Chairman Burroughs asked, do you need the slides to continue your presentation? **Mr. Mikesic** asked, does everybody have the handout in front of them? **Chairman Burroughs** said I believe we do. We can catch up once we—**Mr. Mikesic** said yes, let's go ahead and do that. **Chairman Burroughs** said if you don't mind.

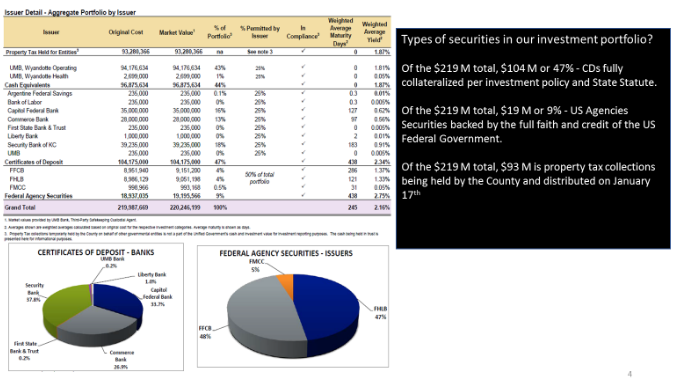


Andrea Parra, Deputy Treasurer, said I'll just start on the very first page. I believe it's titled, Investment Summary. Total portfolio at the end of the year 2019, we sat at about $219M. Of that, the cash equivalent totals about 44%. You'll see the total securities between CDs and then federal agencies was at 56%. Days maturity, I wanted to point out is 245. That did go down a little bit from last quarter of 2019, to what was Quarter 3, which was 309. Mainly that's due to a lot of the securities we hold are going to be very short-term due to the way the investment curve sits right now. Those things are in one to two-year or under one year. Other than that, I'm going to move on to the next slide.

This is our compliance page. I wanted to note that we are back within compliance of the limits within a single agency or institution. Something we wanted to point out that we thought was pretty noteworthy was the amount of interest for 2019 has hit its top highest for the last four years at about $4.6M.

Another thing we wanted to note is that our current target rate is about 2.16 as opposed to the T-Bill bench rate which is 1.5. We are beating that as well.

I'm going to go to the next slide. I'm trying to go slow, but there's not a whole lot I can delay if he finds it or not.



Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[2]	% Permitted by Issuer	In Compliance[2]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	93,280,366	93,280,366	na	See note 3	✓	0	1.87%
UMB, Wyandotte Operating	94,176,634	94,176,634	43%	25%	✓	0	1.81%
UMB, Wyandotte Health	2,699,000	2,699,000	1%	25%	✓	0	0.05%
Cash Equivalents	**96,875,634**	**96,875,634**	**44%**		✓	**0**	**1.87%**
Argentine Federal Savings	236,000	235,000	0.1%	25%	✓	0.3	0.01%
Bank of Labor	236,000	235,000	0%	25%	✓	0.3	0.005%
Capitol Federal Bank	35,000,000	35,000,000	16%	25%	✓	127	0.62%
Commerce Bank	28,000,000	28,000,000	13%	25%	✓	97	0.56%
First State Bank & Trust	236,000	235,000	0%	25%	✓	0	0.005%
Liberty Bank	1,000,000	1,000,000	0%	25%	✓	2	0.01%
Security Bank of KC	39,236,000	39,235,000	18%	25%	✓	183	0.91%
UMB	236,000	235,000	0%	25%	✓	0	0.005%
Certificates of Deposit	**104,175,000**	**104,175,000**	**47%**		✓	**438**	**2.34%**
FFCB	8,951,940	9,151,200	4%	50% of total portfolio	✓	286	1.37%
FHLB	8,986,129	9,051,198	4%		✓	121	1.33%
FMCC	998,966	993,168	0.5%		✓	31	0.05%
Federal Agency Securities	**18,937,035**	**19,195,566**	**9%**		✓	**438**	**2.75%**
Grand Total	**219,987,669**	**220,246,199**	**100%**			**245**	**2.16%**

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

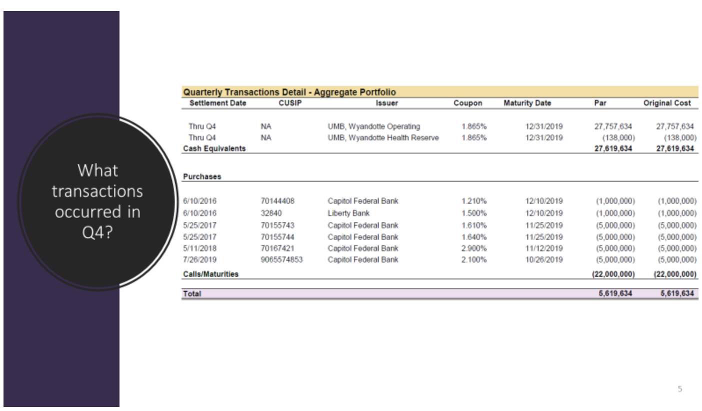
The next page, we want to go over just some issue detail items. As far as the total amount of the CDs, we did have—we have about $104M in the certificate of deposit. Then in the federal agency, totals about $18M. Then the one other item we wanted to point out is the property tax held for other entities at the top, it's about $93M. As you may or may not know, the obvious distribution we just had, that hit 120 of 20 was quite a large distribution. Those monies were sitting in transit for other tax entities at that point.

One other thing we wanted to point out that we are planning to do of what we called last year was a Wyandotte County tax or, I guess, bank tour, if you will. We're planning to do that again probably in Quarter 2 or merging into Quarter 3, depending on scheduling to try to increase the amount of names listed in that cash equivalent section. Currently as it stands, there's 16 Wyandotte County banks. We have a working relationship with 10 of them. I want to bring that as close to 16 as I can. The plan is to re-evaluate all the banks, go meet with them, Rick and I, and see what other things we can create in terms of a business relationship with them.

Mr. Mikesic said I did just want to add that we did go through that process of meeting with every banking institution last year to increase the number of banks that were anticipating in our process. We did have success. We brought in a number of new banks into that process. Since it worked last year, we're going to try it again to see if we can get even more. **Chairman Burroughs** said great.

BPU Board Member Bryant said so, we're looking at this; it's $235,000. That's the minimum that we can start with a bank? **Ms. Parra** said yes, under that FDIC rule. Yes, we added five of them. Four of them actually did that small minimum amount, adding five total banks to the active bidder list that we had from the year prior.

Commissioner McKiernan said just so that everybody can be clear on this, although they would have presented some information that they talked about on slides on the screen that we're still working on that, all of the information that you have discussed has already been published and was part of the agenda packet that came out a week ago. All of the slides, all the details, all the information is there if anybody wants to look at it. I just wanted to make sure we were clear on that that there's nothing that was going to be presented here that wasn't already published. **Ms. Parra** said correct.

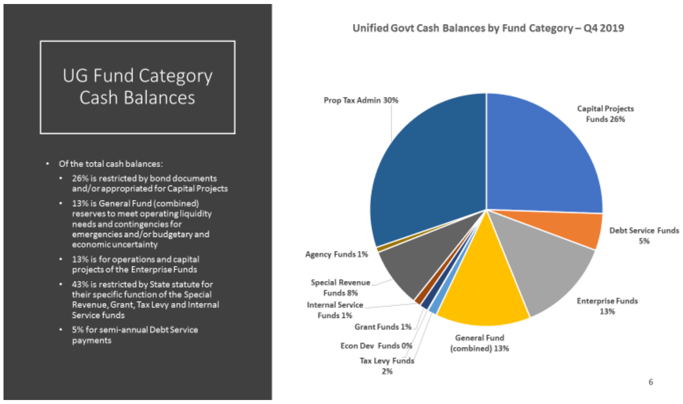


Quarterly Transactions Detail - Aggregate Portfolio

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

The last slide that I'm going to go over is just kind of the quarterly transaction details through Quarter 4. I do want to point, as I'm sitting here, I do see that there is an error. As you look on the coupon rate that you will see on your slide, it says 1.865% on the overnight repo. That actually is wrong. That is my fault. It should have been Quarter 4, which was 1.605. I actually carried over Quarter 3 2019's rate by accident. I apologize for that. I believe it starts with quarterly transactions detail at the very top page. That is an error on my part.

My last point I wanted to make was just no purchases. As you can see, our overnight is actually pretty high and comparable to the active T-Bill rate that I've been watching and researching. The Kansas money investment pool is also quite higher in there as well, so the overnight just has the best rate for us at this point in time.



We have one other slide, but we both don't have a physical copy of that. **Mr. Mikesic** said, but I know what it is. If you have that slide in front of you, that slide presents where the cash is being held in the various funds of the Unified Government. It helps to look at that so it indicates…I'm not going to be able to recite from memory all of the different ratios that we had in that slide, but in this presentation of the chart, the Capital Projects Fund holds 26%. The General Fund is only holding 13% of the invested funds. Enterprise Fund is holding 13%. Property Tax Admin is holding 30%. That would be the large amount of money that we distributed on January 20th. That gives a good picture of where the money is actually sitting at the time that we are reporting 12/31.

Chairman Burroughs asked, any committee members have a questions? (There were none.) I just want to say how much I sincerely appreciate everybody's attention to this because we were out of compliance a year ago. **Mr. Mikesic** said yes, we were. **Chairman Burroughs** said today, we're in compliance. I really appreciate and respect the work that's been done this evening. Thank you very much for your diligence. **Ms. Parra** said thank you.

Mr. Mikesic said we've made a concerted effort and we continue to try to make sure that we're doing the best job that we can to make good, sound investments. Just to reiterate, right now, the investment rates are in a curious state because they're inverted, which basically means the longer you invest money, the less your rate is. That's why you don't see any purchases this quarter. We've got a really good arrangement with our bank which provides us good overnight rates and we simply can't beat it by going out further right now. That's where we are.

Chairman Burroughs said that liquidity doesn't hurt when it comes time—**Mr. Mikesic** said no, it doesn't hurt. **Chairman Burroughs** said thank you.

Chairman Burroughs asked, any other comments? (There were none.) This was for information only. There will be no action necessary. Thank you both for your presentation this evening.

Action: For information only.

Chairman Burroughs said we have a request to flip Items 2 and 3. We have a large contingent here to discuss Item 2, so I'm going to move Item 3 ahead of Item 2 this evening so that—I stand corrected. What we have is the Downtown Campus Redevelopment District.

Item No. 2 – 2012…TWO RESOLUTIONS: DOWNTOWN CAMPUS REDEVELOPMENT DISTRICT

Synopsis: Request adoption of the following resolutions regarding the Downtown Campus Redevelopment District, located at 510 Minnesota Avenue (current Reardon Center site), submitted by Katherine Carttar, Director of Economic Development.

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

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

Katherine Carttar, Director of Economic Development, said I'm here with Willie Lanier, Jr., of Lanier United. We are going to be presenting a project that we've been working on for quite some time. I think it's an exciting public/private partnership that can really fundamentally change what our downtown looks like and the gateway to downtown into KCK.

Without further ado, I'm actually going to have Willie first and foremost introduce himself and explain some of the projects that he's worked on and a little history.

Willie Lanier, Jr., said as was stated, we are looking forward to presenting this project to you for the downtown redevelopment opportunity here. I've been in this community in the Kansas City area for over 20+ years, although I've lived in Kansas City for 10 years of my early life, the first 10 years of my life, until I moved back to Virginia when my father, who played for the Kansas City Chiefs, retired too. I chose to come back to the area after college and received an opportunity to work for JE Dunn Construction. That's what put me into the construction arena here in Kansas City. I've touched all aspects of construction from obviously large scaled construction to working with communities, working with minority suppliers, and minority and women businesses as well.

I did have a very successful career there and ultimately chose to leave JE Dunn and start my own practice called Lanier United. This company, this firm has been in existence for over 15, 16 years. We have concentrated primarily on single-family construction in the early days. Then, had opportunity to work on in-town duplexes, fourplexes, eightplexes as we graduated into larger scale multi-family and so forth.

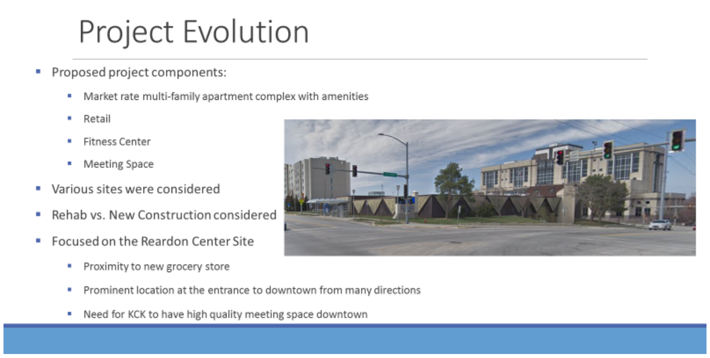
I am a person who has been connected to the urban areas. Rarely will you see me participating in new construction in counties far out from the urban core. I believe that I have an understanding on how to develop and do work in those areas better than in the outlying areas.

To be clear, I have been working with Katherine and the team here for approximately 20 months now on a project opportunity that we believe will be a very, very transformational project for the community, and will also draw traffic, meaning people, into the downtown area from either a residential tenant or a consumer to some of the retail opportunities.

This project is one to redevelop the downtown Reardon Center and provide a mixed-use opportunity for it. Our project partners would be companies of BNIM Architects, a very well-known firm in Kansas City. Bryan Cave is our attorneys. We will work with Will Shields from 68 Inside Sports, a former football player for the Kansas City Chiefs, who operates a facility in Lenexa right now. Due to our commitment to enhance and raise a community from not just a physical structure but also to provide health and wellness opportunities considering, that we all know, that the YMCA that was present in downtown KCK did shutdown a number of years ago. We'll be bringing in Will Shields as our operator for a fitness facility that could reach out to the community and provide not just adult exercise, but also youth experiences as well.

One thing that comes with me being in the business of construction and development is my understanding of how to create opportunities that extend through construction. That means using vendors that most vendors—most developers use the same vendors in the city; however, I will look to connect with these vendors. Some of them happen to be Kansas City, Kansas based companies, i.e., McCray Lumber and so forth. They have stepped up and committed to work with me to create employment opportunities for members of the community to participate in construction related jobs and so forth.

One of my other close, close vendor relationships is Pella Windows, who is represented here this evening as well. With their commitment, as Pella is a nationwide company, they were willing to work with me to create a training program for construction workers to be able to install the Pella product here as well. We think that we will create a fantastic destination place, but also do many, many, many things that I didn't even speak of when it comes to creating job opportunities for the community.



Our project, we'll look to create a multi-family, market-rate apartment complex. Approximately 80-100 units will be on this site of the current Reardon Center. We will right size the Reardon Center to be consistent with the market demand for event space. Currently, with analysis and so forth, we have seen that the Reardon Center is not utilized to its potential, and it is competing with other facilities of the same size. Those facilities tend to be much younger and able to offer a different product to the potential customer base.

Project Components - $23 million

- Reardon Center
  - Physical redevelopment and use reprogramming
  - Build new Class-A multi-purpose banquet and meeting facility
  - Facility to be approximately 10,600 square feet with capacity to seat 350-400 people at tables and over 600 people theater seating for large community events and programs
    - Proposed size determined by a study conducted by BNIM of the market need
  - Meeting spaces will be outfitted with latest technology for multimedia presentations
  - UG shall retain ongoing right to use the Reardon Center

We believe that the right size of this marketplace should be event space that should accommodate approximately banquets of 350 seated as well as up to 500-600 on a theatre style type of meeting space and so forth. Later in the presentation, you will see what we project and believe our layout should be.

Project Components - $23 million

- Multi-Family Apartments
  - 4 story mixed-use apartments along 5th street
  - 70-85 market rate units with studio, one and two bedroom units
  - All units will have solid surface countertops and stainless steel appliances
  - Amenities will include clubhouse featuring commercial grade kitchen, TV area, and outdoor recreation area
  - All units will be managed with a home automation program that features enhanced WIFI and cable TV
- Fitness Center
  - 2 story state-of-the-art fitness center
  - Open to the public for memberships
  - Operated by Will Shields 68 Inside Sports
  - Athletic fields for youth and adult training
- Retail
  - 12,000 square feet on corner

Within the first floor of the apartment building, we will develop a project that has our fitness facility. That will be a 2-story, a 2-floor facility there operated by Will Shields. In addition to that, we have been asked and we were able to be successful to bring to this marketplace a Ruby Jean's Juicery and food establishment that has been well-known in the Kansas City, MO side. They will set up shop here and provide their quality, healthy food product be it beverages or natural food as well.

All of these customers, or actually the retailers, are very committed to this corridor. We think once we get setup here, we'll be able to do some other exciting things especially if the Chief's win the Super Bowl again. We believe we can have a parade on this side of the state line. We think that there's a lot of things we could do here as well.

Our project would be of the highest quality, highest quality material, craftsmanship, and so forth. Our apartments would be one and two-bedroom apartment units with solid surface countertops and stainless steel amenities, which would be expected for this type of product. Our commercial kitchen area in our clubhouse facility and TV area and outdoor recreation space that would be separate from the public area that you'll see on the next slides. We will have strong WIFI, which is accepted and expected in most of these new construction facilities. Our desire is to create a way to attract and look at the additional benefits and stuff and the new grocery store going in.

I want to point out to the fact that I was interested in developing in downtown KCK several months before the new grocery store was even announced. So, I want to be clear that my interest came before something else that was out there and attractive. It's just taken a while for us to get all of these things together. I'm here and committed to develop in this neighborhood and create a lot of excitement.

With that being said, we are working with several different entities in the corridor as well. There is the First Baptist Church, which is over 160 years old. They have extended themselves to me as well. I believe that development should do more than just create buildings. It needs to start as a catalyst to raise a community. We have an entity that's 160 years old still going strong and thriving. That is an entity that has set down a marker and said we will be for this community for many, many, many more years because they've already withstood the test of time.

Because of my belief to raise the tide, raise the water, there will be small things that we would do from this development with the support of the Unified Government that will support this church and the congregation. In terms of what I mean is, we would do some physical improvements to this church that have been deferred maintenance and so forth. We think that we can do that from a very cost-effective scenario as well. It won't be a full makeover, but it will be some necessary small things that would help the congregation have a more comfortable experience. This is really—we're talking about exchanging out some of the windows on a building that are allowing for a lot of air to come in, especially during the cold months.

Long before I had a chance to sit at this table right now tonight, and working with Liberty Bank, we know Douglass Bank has been a long time bank in the Kansas City community that was acquired by Liberty Bank years ago. Liberty Bank ends up being one of the main banking relationships for most people in the community. It is my goal to enhance the Liberty Bank building so that people in the community can either on the exterior experience or interior experience have a banking experience that's consistent with 2020. Right now, the bank has not been able to update itself and that is something that we're going to do.

I want to point out that I started a line of credit relationship with this bank over 18 months ago—I'm sorry, about 12 months ago in anticipation of being successful. That was long before I knew that this project would come to fruition. My goal is to raise this community and we're going to raise this community through construction, through jobs, and other activities and training that will help support community development.

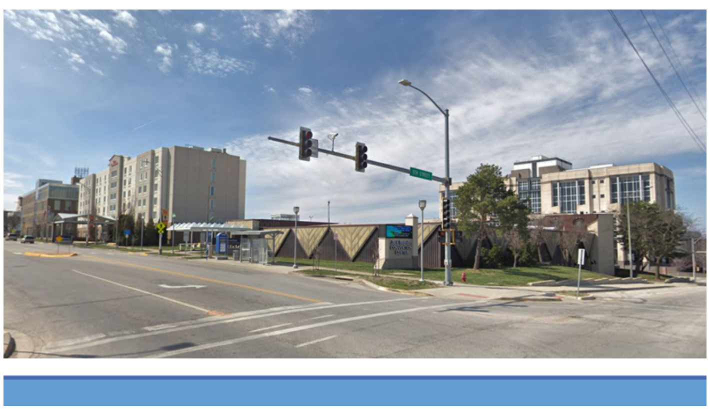
Let's see what else we have here. Go for it.

Ms. Carttar said I just want to clarify that these two projects are not part of the project that we are discussing tonight, but I think are important for Willie to speak to as it really does show his commitment to the community, to Kansas City, Kansas; and also how a project like the one that we're going to now get into in more detail really starting at that node right downtown. Once you really strengthen that, then you are able to have different ways of additional investments and development kind of as it kind of radiates out. This is just another reason why, I think, this is the right development and the right place and the right developer.

BPU Board Member Bryant said before you move on, just a couple of quick questions. First Baptist Church, you were talking about the windows, replacing the windows. Would those be with Pella Windows? **Mr. Lanier** said yes, sir. **BPU Board Member Bryant** asked, will you use some of that as an opportunity for some of the training you were talking about? **Mr. Lanier** said that's correct. **BPU Board Member Bryant** said thank you.

Ms. Carttar said we kind of went over most of this, but the overall project is a little over $23M. There is the multi-family component, and we're going to see some pictures and some nice renderings here. These are all market-rate apartments, which is important as we currently do not have really any market-rate apartments. There are 10 that are coming in with the Boulevard Lofts project that have not been constructed yet but are on the way. This is a really important next step in terms of kind of diversifying our downtown to really make it a vibrant downtown for everyone.

Additionally, the fitness center, as Willie mentioned, and the retail. I do want to mention with the Reardon Center, one of the reasons that we've had these conversations, as Willie mentioned, we've been discussing and kind of shaping and molding this project for a year and a half, a little over a year and a half, basically since I started here. One of the things that we started out talking, we talked a couple of different locations. We talked about well, is it possible to renovate the Reardon Center and reuse it and kind of went through kind of a whole long kind of list of trying to see all the different possibilities until we were able to come to the project that we think is the most viable and can provide the most community benefit.



Just in case anyone in the audience isn't familiar with the Reardon Center, this is what it looks like today. Some of the things that are an issue are it's very low density. As you can see, we're right in the middle of downtown, yet this is a one-story, technically two, it's subterranean; low density. It's not used on a daily basis. We are not getting the kind of traffic that something like an apartment will provide and a fitness center would provide.

Additionally, there is a significant amount of different maintenance. There was a conditions report that was done about two years ago, so I think the numbers are probably even more expensive at this point. Just to do the basic things: there's some mechanical, plumbing, some bathroom changes, just to do things to make this a bare minimum viable building moving forward, if that was the decision, just that would be $6M. $6M would just be going into this building. You would still be retaining the same low density, low usage. Hopefully, the usage would increase at that point, but a lot of issues to that affect. What is being proposed…

Mr. Lanier said we looked to do a lot with this site. First, obviously, the long, rectangle block is just a placeholder. It's just meant to show that this would be a 4-story building without any details right now. We would go through a process to understand the community, understand some of the architecture needs in the community and figure out what really makes the most sense from a design standpoint. This is only to show what could fit on the site and what our intent is. That long, white structure, the rectangle structure would be the apartment building. On the first floor of the apartment building on the Minnesota side would be retail there. To the left of that section, that would be a two-story fitness area. On top of that where you see the grass green on top of the structure, that is the third floor of the apartment building. That would represent an amenity to the tenants so they would have an outdoor experience level that's away from public participation; however, that is an outdoor area where you could have typical amenities of grilling and so forth out there.

The main thing is to look at how this site can service the new Reardon Center and to also tie in the investments going on with the grocery store right now. We know that the back of the Reardon Center currently is the front of the federal courthouse. It does not attract anybody to come out of the courthouse to do anything other than get in their car and go home. We believe with the investment of across the street now, we need to create a corridor that would entice somebody to come from the courthouse be it jurors or actually employees to come across and utilize the grocery store and then find a place to sit down, read, or do whatever you want to do in a public urban park.

With that being said, we have created a new Reardon Center adjacent to the parking garage on the northwest corner. That Reardon Center, which you'll see on the next slide, will be—

this is from the front door of the federal courthouse looking all the way to the south at the top where you see the grocery store there. This will allow for a lot more pedestrian and friendly environment. This will allow for some type of outdoor experiences in this corridor and candidly bring engagement and activation to an area that hasn't seen it for quite some time. We believe that this new facility here will be able to accommodate most of or probably well over 90% of all the events that were coming to the Reardon Center. Obviously, there's a few that we have to try to figure out how to place and work with those.

For the most part, this would be right sized with all the new technology that you would expect in an event space. It would be consistent with the type of hotel size that you'll have adjacent to this as well. In terms of how many people, rooms the hotel has, this is consistent with the types of event space that people who book in a hotel that size would be looking for. That's 150-250 person event. This is right in that sweet spot of where this would make the most sense.

We believe that the best thing to come from this redevelopment is to create an urban park that allows people to kind of come into the corridor and people can have breakout sessions of some type, even if it is exterior from the internal component of the Reardon Center. The main thing is that we create a mixed-used environment that ties well into the grocery store investment by bringing consumers that would easily walk across the street and do their shopping. Then we create a way for guests of the courthouse to really activate this corridor.

We think that the sales team for the Reardon Center will be able to bid on many, many more opportunities that are consistent with this size of facility and hotel size. Right now, through our visas, we understand that there are some businesses that they're not able to actually go after for various reasons and so forth.

This represents an overhead view with Building 1 being the apartment building and retail/fitness. The green area around the 1 is the grass and landscaping. Building 2 is the new Reardon Center.

We want to point out Parcels 3 and 4. 3 and 4 represents city-owed property now that is lightly used, underutilized. It's an open filed that is somewhat used for parking at a minimum, but it's more of a gravel base. It is not an asphalt-based parking lot right now. Our intent is to provide Item 3 would be a parking field and 4 would be an athletic field. That athletic field would be a multi-use athletic field for the broader community; however, Will Shields will run summer programs and different youth events on the field at times. More importantly, it would be an open field where people could come up from the community and utilize for different events. It could be soccer practice. It could be soccer practice for youth sports or it could be adults who like to just have an outing playing, kicking the ball around. There will also be—this field would be improved, improved significantly, and the community could have different events on this field as well. We believe that open greenspace, coupled with a park-like environment in downtown Kansas City, KS, would be an attractive community benefit across the board.

Ms. Carttar said another thing that has been mentioned, I just wanted to drive it home here with a lot of arrows, is that the amount of kind of corridor activations. Right now you have currently either, as mentioned, these are gravel lots and there are some vacant buildings, and soon to be vacant buildings, so this is a very underutilized corridor. By having kind of connecting a new field with the athletic, the fitness center, as well as that kind of provides a multi-modal pedestrian corridor right here, as well as getting the folks who work and our jurors at the federal courthouse to actually come into the downtown.

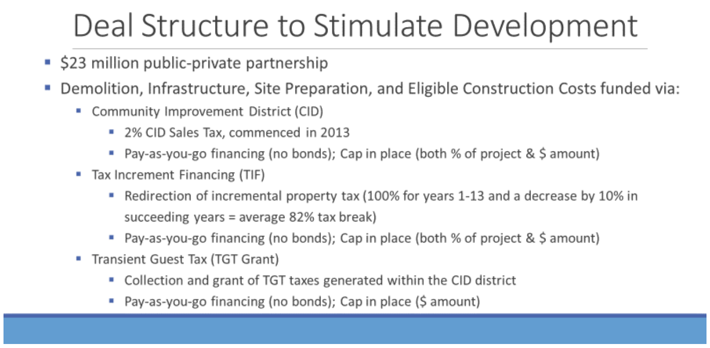
As mentioned, at the moment it's not an exaggeration to say that people come in, they park, they go into the building, they get back in their car and they go home. To actually draw them out of that building, that's a lot of buying power that we are not harnessing right now as well as, I think, this is, again, a multi-modal kind of area where to get more activation, more activities along 5th Street as well as Minnesota. This is all just benefiting the previous and current investments that the UG has made, both in the grocery store as well as previously in the hotel.

So, I'm going to get into the fun stuff, which is all the financials.

BPU Board Member Bryant asked, where would parking for the apartment be? **Mr. Lanier** said good question. We have parking underground under the building. **BPU Board Member Bryant** said I was afraid that you were going to say it was going to be the BPU parking, which would force the tenants to walk with groceries. **Ms. Carttar** said yes, that's a great—so, if you can picture it, there's actually a fairly significant grade change from Minnesota down to State, which actually allows for a pretty seamless, without totally—**BPU Board Member Bryant** asked, they'd entered from the State Avenue side? **Ms. Carttar** said correct. **Mr. Lanier** said parking, technically, would be the ground floor of the current Reardon Center right now.

Commissioner Townsend asked No. 4, space 4, just so I'm oriented correctly, is that lot to the east of the Willa Gill Center? **Ms. Carttar** said correct, yes. The Willa Gill Center is right here. There's a retaining wall kind of right here and then anything east is currently just a gravel lot that's not technically utilized.

Ms. Carttar asked, any other questions before we get into the financing? **Chairman Burroughs** asked, any other questions, committee, before we go on into the financing? I think we're going to have more questions as we go along. **Ms. Carttar** said I figured as much.



This is a complexed deal. I'd like us to really think of this really as a public/private partnership. This is a community amenity and an asset that, I think, if we do this correctly, can lead to a lot of great things.

So, what we're looking at is there is actually already a CID in place. This was put in place in 2013 so, using the current CID. This is not adding anything additional thing within the petition that was put in place for that CID, which was for infrastructure improvements in the area. That's throughout that block. That is what that would go for. No real change there other than there would be more significant infrastructure potentially that was not envisioned at the time that the CID went through.

Commissioner McKiernan said I do have a question. So, that 2%, that's on every retail sales. So, everything in—all the retail, storefront retail will have an extra 2% to support the CID on top of our base of 9.125. **Ms. Carttar** said, again, this is something that had been in place for six years. We had discussed whether it would make sense to remove the CID and start over with a new petition potentially with a lower level, but then you were having a longer duration. **Commissioner McKiernan** said thank you. That's all I wanted to know.

Chairman Burroughs said, Kathrine, I do have a question in reference to that also. The CID was put in in 2013. What's the normal length of time on a CID for payout? **Ms. Carttar** said 22 years. **Chairman Burroughs** said 22 years, so we're going to extend this up to—**Ms. Carttar** said we're not extending anything. We've just already done—six years have already been used. It will continue on its current projectorey to 2035. **Chairman Burroughs** said 2035 so, we're not going outside of what we normally do. **Ms. Carttar** said correct; staying within—yes, yes.

Ms. Carttar said the next piece is a tax increment financing, a TIF district, that we've requested be put in place. The way that this would work is, as TIFs all work, is the capturing of the incremental property tax currently because there have been no property taxes paid on this as it is a UG-owned facility. We are starting with a very low base so there's a decent amount of money to be captured there.

What we have discussed is, it would be over the course of the 20 years would be an average of an 82% abatement or redirection of the taxes. What that looks like in the actual schedule is for the first 12 years would be 100% and then with each succeeding year after that would be a reduction by 10%. By year '20, you're down to only a 20% abatement, which means that Mr. Lanier's group would be paying 80% of their property taxes at that point.

Commissioner McKiernan said got a question. Right now, you have the base assessed value at zero. Now, this property has an appraised value but it's assessed at zero because we own it, right? If anybody else owed it, it would have an assessed value as well. **Ms. Carttar** said correct. **Commissioner McKiernan** said okay. Who's going to own this property? **Ms. Carttar** said we'll get to that on the next slide. I can give you a preview if you'd like.

The property with the—**Commissioner McKiernan** said if it makes more sense to get to it when it comes up in your presentation, that's fine. I have my notes here. **Ms. Carttar** said okay. **Commissioner McKiernan** said go ahead.

Ms. Carttar said with all of these, I do want to point out that they're all pay-as-you-go financing, so no bonds will be issued. The Unified Government is not backing any of the financing. We have in place not only a percentage of the project, a percentage kind of cap that's in place to make sure that we're not paying more than our share, our agreed upon share, as well as the dollar amount that is put in place for caps for all of these items.

The third is a transient guest tax. This is an additional fee that is paid to all hotels, or at all hotels by folks who are staying there. This is basically a collection of some of the transient guest tax that will be collected at the Hilton Garden Inn right there. That will be collected and used similar to how we're using the CIDs. It would have to be generated and spent within the CID district.

Chairman Burroughs said we have two questions, possibly even more already. So, Commissioner Bynum, welcome to the committee by the way.

Commissioner Bynum said just stopping right there, if you can help me remember. I don't normally sit on this committee, but I think I remember in special sessions and budget conversations, conversations among the Commission for use of our transient guest tax dollars and economic development. **Ms. Carttar** said all transient guest tax is, it's a very specific usage that those proceeds can be used for. It doesn't just go to the General Fund. They have to go toward, specifically tourist and related activities. In this case, those proceeds would be going specifically to the Reardon Center redevelopment.

Commissioner Bynum asked, are they necessarily only Hilton Garden Inn receipts? **Ms. Carttar** said for this project, they're only collecting that from the Hilton Garden Inn. We do see those as this is a very tied project. We think that this will assist the Hilton Garden Inn hopefully quite substantially. We'll use that to keep the new Reardon Center looking pristine and then yet not getting involved with the other—we have pretty significant revenues from the other hotels throughout this community.

Chairman Burroughs asked, Commissioner McKiernan, you had a question? **Commissioner McKiernan** said thank you, yes. So, we're going to grant $1M of existing transient guest tax income as one of the public contributions to this project. On the total project revenue or what you showed as the inventive projection, the sheet you sent us late last week, there's a column on the revenue side that says UGTGT retention, so Transient Guest Tax retention starts with $355,000 and goes up from there. I'm curious, where are these transient guest taxes being generated? At the Hilton Garden Inn? **Ms. Carttar** said at the Hilton Garden Inn.

Commissioner McKiernan said we're kind of showing these as new revenue, but isn't that revenue that's already coming to the Hilton Garden Inn from rooms that are already being booked there now, or are we saying that this project will drive additional bookings at the Hilton Garden and we're estimating that those additional bookings will generate over $300,000 a year? **Ms. Carttar** said the later. We believe that this will generate more bookings as we move forward by having a state-of-the art convention center related with the—right next door to the Hilton Garden Inn.

Commissioner McKiernan said certainly don't have to do it tonight, but at some point, I would love to just kind of get kind of the alga rhythm, kind of the formula that you used to estimate how many rooms, room nights additional are expected to be booked with the presence of this center. **Ms. Carttar** said and we do when we get to the point of testimony, we do have the director of sales and marketing from the Hilton Garden Inn here to speak not probably specifically to this kind of formula, but to generally the idea that this is beneficial for their hotel as well.

Chairman Burroughs asked if I may, Katherine, do we know what the maximum amount of TGT monies are available for economic development purposes? **Ms. Carttar** said universally, it's not specific to economic development, but it is specific to tourism funds. In this specific case, we're looking at the cap is $1M so we would, once the project has generated $1M in TGT, the district, the Hilton Garden Inn, then that would be capped and all of those funds would be used to pay—would go into the Reardon Center and not the apartment complex.

Chairman Burroughs asked, do we propose that that TGT revenue will be generated during a 20-year lifecycle or, I think, what I'd like to get to is, what the lifecycle is on that amount of $1M. If we're talking about tying up those additional transient guest tax dollars, there will be other economic development projects come forward to see how this is utilized and now that will become an economic development incentive for others. I don't want to shoot all of our money in one project. I'm cautious about that. **Ms. Carttar** said yes. **Chairman Burroughs** asked, can you tell me what the lifetime of the return on that might be? **Ms. Carttar** said the assumption, and I think I may have actually sent you all not the most up-to-date, and I apologize. It's in the larger packet. The assumption is that would all be within about 10 years that they would get to $1M. Okay, good. Maybe I just printed off the wrong one.

Yes, it would be about 10 years. Again, these revenues would only be coming from the Hilton Garden Inn. We would still retain all of the revenues from all the other many hotels throughout the community going into a fund to be used for other projects throughout the city.

Chairman Burroughs said I know the fact that we set that incentive aside, those dollars aside to assist in economic development. I just want to ensure that we still have dollars available for other projects that may come forward. **Ms. Carttar** said yes, definitely. **Chairman Burroughs** said I'm not saying this isn't a good use of that. Please don't take that away from this discussion. **Ms. Carttar** said, yes. **Chairman Burroughs** said I just want to make sure that if we have projects coming forward, that we have enough tools in the toolbox to build whatever it is we have presented to us in a manner that's respectable and our fiduciary responsibility is met.

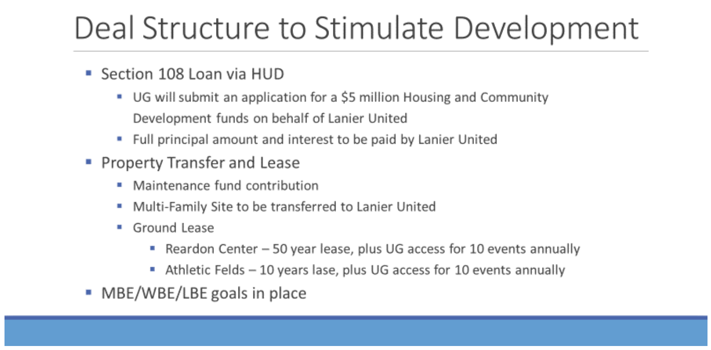
Commissioner McKiernan said I looked ahead a couple of slides and I don't think we're going to get to it, so I'm going to jump back up to the CID bullet point that's at the top of this slide. I know that we've got in our total project cost sheet, we've got an estimate of CID revenue. I want to go through the rest of the sales tax projections here. We're projecting, by my calculations, in year two about $185,000 of sales tax to come from this project area. Let me make sure that I understand how that's going to be split. It looks like we've got some of that being TIF back to the project. **Ms. Carttar** said correct. **Commissioner McKiernan** said we've got a sales tax TIF on the revenue side, but then, I'm sorry, on the incentive side.

Then on the UG revenue side, it appears that there is sales tax city EMS, sales tax city public infrastructure, and sales tax county. Do I understand that those three represent sales tax that we will, in fact, recover from sales on this project? Although it is a smaller amount than the TIF amount, that we do expect to make some sales tax revenue off this from year two? **Ms. Carttar** said correct. **Commissioner McKiernan** said okay. Thank you.

Chairman Burroughs said if I may, I want to feed off of that question. Is there an agreement within our opportunity here this evening to talk about what type of venues will be utilized for sales on the property? I'm thinking, I don't think the community would be accepting of a liquor store, a tobacco shop within that. No disrespect, Mr. Lanier. I'd like to have an idea of what kind of retail sales you propose in that downtown corridor. **Mr. Lanier** said in keeping with that, there is some very strict guidelines of what is acceptable and what's not acceptable per the developer's agreement; however, my intent, as I said, we're attracting Ruby Jean's, okay. So, we're attracting another establishment that's going to be a, I would say, important type of food establishment. We will be booking—we only have space for one other merchant. We have the fitness center, we have a Ruby Jean's, and we have one other merchant. That merchant would be consistent with the quality of the other two in operation and so forth. Some of those sin businesses, that we would say, it's very clear per the developer's agreement what we can't bring into this operation.

Chairman Burroughs said I think it's important that the public knows that if the Unified Government is going to be partnering in that development, that we want the type of amenities that we believe will compliment your project. **Mr. Lanier** said yes. **Chairman Burroughs** said I appreciate the opportunity to have answered that.

Patrick Waters, Senior Attorney, said, Commissioner, if you're interested, it's in Section 7.2 of the development agreement on page 21.



Ms. Carttar said the final item that is from another piece of this financing puzzle is a Section 108 loan through HUD. This is a financing mechanism. Basically, it's a low interest loan through HUD. We have agreed to submit an application for a $5M loan on the project's behalf. This would be 100% paid back by the developer, but we would just work with all the governmental entities to get that moving forward.

We actually took some, on a side note, did have a meeting with HUD last week and they were very interested in this project and thought it looked like a great project for this program.

Commissioner McKiernan asked, do I see here on the total cost sheet that we have a contingency that in the event that this Section 108 loan cannot be secured that the TIF cap and the transient guest tax redirection may be increased to compensate for that money? **Ms. Carttar** said yes. Basically, what we determined with that is the Section 108 application process is lengthy and considering that we are not—we, as the UG, are not the ones that approve or deny those, that we have no reason necessarily to believe that will not move forward, but that we have a contingency in place would be necessary.

What that contingency is, is we looked at the difference between the interest for a $5M loan through HUD versus the interest through traditional banking over the course of years, it's about a $200,000 difference in terms of interest. That's the piece that's kind of worst case scenario if this does not work through HUD for whatever reason, mainly just because we cannot guarantee that that is going to move forward, put that in as kind of a safety valve.

Commissioner McKiernan said I don't want you to speculate on behalf of HUD, but yes, I do. Does the fact that the Hilton Garden Inn was funded in part through a successful Section 108 loan work in our favor? **Ms. Carttar** said I would think so. We met with the person who actually runs this project last—or this program last week. The fact that that, I think we even paid that one off early and they like the idea of looking at a project that works—would provide jobs for low to moderate income individuals, which this would. I think all of that—that has actually been the last project fun fact, the last project in Kansas to use a Section 108 loan was the one here. We're the only city that's been able to kind of crack the nut.

Ms. Carttar said then getting into kind of what your earlier question, the property transfer and lease, so a couple of things here. I'll get into more specifically some of the Reardon Center costs. Currently, we're putting about $100,000 of just basic maintenance in so, that would be kind of a maintenance fund that we would have transferred to Lanier United for the first 10 years.

Additionally, we're looking at actually transferring the ownership of the multi-family site to Lanier United while the other two sections, other two portions of this project: the Reardon Center as well as the athletic fields, which is not spelled correctly, would be through a ground lease. The Reardon Center would be a 50-year ground lease. Lanier United would own and construct the actual building. We would have the same agreement that we currently have with the management company of the Reardon Center now where the Unified Government would receive 10 events annually as well as different breaks on price if we wanted to do more than that for community events.

As well as for the athletic fields. This would be a 10-year lease. We're looking at that really as kind of an intermediate use. It could be very successful and after 10 years, we want to keep it as athletic fields, but having the ability to kind of see where the market ends up at that point. Again, we would, as the Unified Government, would also have access for the community, for community events to the athletic fields in the number of 10 events annually.

With all development projects, we have MBE/WBE/LBE goals in place.

Any questions?

Commissioner Townsend asked, at what point do we plan to transfer title? Title, as I understand this, would pass only on the housing units, the housing portion, right? **Ms. Carttar** said yes.

Commissioner Townsend asked, at what point do we anticipate transferring title? **Ms. Carttar** said I think once we get through all of the approvals by the elected body here as well as—really, at the point that we're actually ready to have Lanier United start the demo process and rebuilding. **Commissioner Townsend** said so title would pass before any of the construction actually begins. **Ms. Carttar** said correct.

Commissioner Townsend said with regard to the lease, particularly on the athletic fields, that's something I don't think I had seen before. During the lease for those periods, who is going to be responsible for upkeep? **Ms. Carttar** said that would be Lanier United. While the UG would own the land, it would be fully leased, maintained, ran, managed, everything by Mr. Lanier's project.

Commissioner Townsend asked with this athletic field, what access does the general public have? Is this a private kind of entry setup? I see the UG can identify 10 events, but we talked about opening this area up as greenspace and all that. What about actual access by the public to this field? What's the plan? **Mr. Lanier** said it is intended to be accessible on a walkup and use basis; however, there would obviously be some protocols and guidelines to how the usage is meant to be. The key is that it is meant to be opened and accessible by community to use on a moment's notice, but we clearly would have some type of guidelines, stated guidelines at entry points and so forth. It will be a fenced environment, but it is meant to be opened for the public to come out and enjoy and play and do those types of things. It's not a dog park for sure, but it's definitely meant to inspire people to come out and use it for exercise or any other type of outdoor activity that you would have at a large open playing field.

Commissioner Townsend said okay. I'm still trying to get this in my mind because you mentioned wanting to construct an environment that would be conducive, say for people in the courthouse or who lived or worked in that area to come out. They couldn't just walk over there on a moment's notice—**Ms. Carttar** said no—**Commissioner Townsend** said and just sit in the park. **Mr. Lanier** said when I mentioned the courthouse, I was referencing clearly in between Buildings 1 and 2. **Commissioner Townsend** said okay. **Mr. Lanier** said those people, those guests, employees could come across the street. It's directly in line with the front door of the courthouse. That orange line that goes, a vertical line there, to the grocery store. We anticipate that becoming an area of congregating and so forth by people in that corridor.

Parcel 4 is meant to be more athletic, youth sports, or community citizens come out and throw a ball with their kid or son or daughter or something of that nature. We don't necessarily envision the employee-base downtown utilizing that field, Parcel 4. We believe that will mostly be community members in the corridor that would want to utilize a nice manicured, well maintained athletic field for some form or fashion.

Commissioner Townsend said but, again, it's not anticipated that before you could just walk up and use it. **Mr. Lanier** said it is anticipated to do that but with any public environment, obviously, we would need to have some type of guidelines to use this in terms of time, when it could be allowed to be on site and so forth. We'll have some of those basic things opened at sunlight and closed at sundown. Some of that type of guidelines should be in place, but it's intended to be opened for someone to walk onto the field and use it at their will. **Commissioner Townsend** asked, even if they work at the courthouse and just want to go over there for lunch? **Mr. Lanier** said even if they want to do it from the courthouse, for sure, but like we said, if someone wanted to come up there, and no matter where they are, it's opened to the entire community. That's our intent.

Commissioner Walters said projected assessed value. Can you just go through how you came up with those numbers? It's the second column. **Chairman Burroughs** asked, could you use the microphone, please, so that we're able to hear the question? Thank you. **Commissioner Walters** said I tried, but I failed. On this page, projected assessed value, I'm interested in how those numbers were created. **Ms. Carttar** said I personally did not create those numbers, but generally how that is done is looking at similar comps, similar multi-family units, similar size and finish, and determining what relatively that would be for this location.

Commissioner Walters asked, who did create those values if you weren't involved? **Ms. Carttar** said this was done by the developer and the development team. **Mr. Lanier** said we've also had extensive discussions with a member of the Unified Government, he as well, and I believe there was a tax assessor. **Ms. Carttar** said yes. This was also done in conjunction with some assistance from the Appraiser's Office.

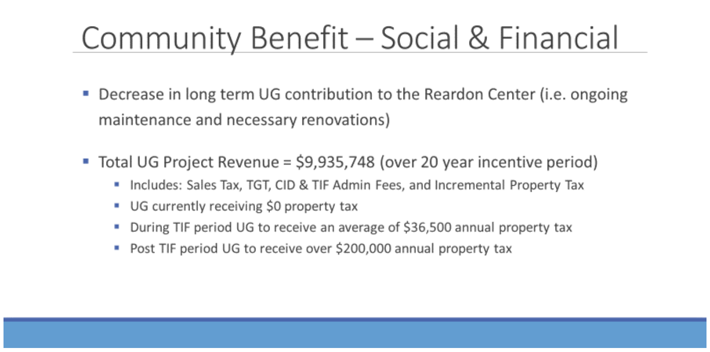
Mr. Lanier said with that being said, this product is relatively new to market in this corridor. Finding a good, good benchmark properties is, we hope, will become easier. Right now, we've had to really work with the County Assessor in discussions about what properties are coming online, what makes most sense to try to establish some type of value there. There's been a lot of discussion, but the numbers you see in front of you were produced and completed and finalized by myself and our team. We'd had extensive discussions with the Unified Government on values.

BPU Board Member Bryant said talking generally about utilities and not the details, because I know the plans are not done, but I do hope that LED lighting would be used in both the main area and the field. Since the UG would still own the lease on the land, who'd be responsible for the utilities? **Ms. Carttar** said the developer and the management company would be. **BPU Board Member Bryant** asked, what about the small center that would be on the opposite side of the courtyard that would be used for events? **Ms. Carttar** said similarly, that would be privately run. **BPU Board Member Bryant** said okay. And then the football field? **Ms. Carttar** said similar; the same. **BPU Board Member Bryant** said all right.

Mr. Lanier said one last statement there, please, regarding LED and the use of efficiency and so forth. We will be designing our building to have that type of use of electric and so forth. We believe that's what we want to do for the future. I can't tell you exactly how we will be doing that, but clearly, that's—LED lighting and other comparable type of components are looking to be utilized.

BPU Board Member Bryant said the utility appreciates keeping the demand down as much as possible. Thank you.

Chairman Burroughs asked, any other questions? Seeing none, please continue.



Ms. Carttar said we're going to get into a bit of the community benefit of which I think is substantial. First and foremost, this is—and I have touched on this previously, but there is a cost to maintaining the Reardon Center in its current form. Over 20 years at a minimum, that's about

$10M. The $6M that came from that conditions report of the necessary upgrades and deferred maintenance that are needed for that building, that's about $6M. To Mr. Bryant's point about utilities, that's about a $200,000 bill annually, so that's another $4M. We're not even getting into kind of anything above and beyond. This is purely deferred maintenance that would have to go into this building if we were to keep it in its current form.

As you can see in the project revenue, projected revenues, over about 20 years, we're looking at about very close to $10M and that is through the sales tax that we discussed, additional TGT, as well as the CID and admin fees, as well as incremental property tax. Again, I mentioned that there was over the course of 20 years, we're looking at about an 80% property tax abatement through TIF.

Commissioner McKiernan said a couple of things here. An average of $36,500 annual property tax. Let's be clear that's zero until year '13. **Ms. Carttar** said correct. **Commissioner McKiernan** said that's an average of '13 through '20, divided by 20. **Ms. Carttar** said but that also means that by the last year, that's almost $200,000. **Commissioner McKiernan** said fine. Yes, thank you. I'm sorry. I didn't want to get that attitude there.

The other thing that I want to point out is, a lot of this revenue that's going to come in is transient guest tax retention. That is not, correct me if I'm wrong, because if it is, but is that money that is available to the General Fund for the provision of city services? **Ms. Carttar** said no, it is not. **Commissioner McKiernan** said okay. When we factor that out, then it is a much smaller amount that we're generating from this property that we can then turn back around to this property.

You've heard me say now many times over the past several months that any project, no matter how good it is, puts a strain on the infrastructure around it; the personnel and the physical infrastructure. I would like to see all of our projects contributing materially to the maintenance of that infrastructure which directly supports them. Once we factor out the transient guest tax retention, we just have to reconcile the fact that this project brings substantially less that we can then generate into city services provided back to this property.

Ms. Carttar said I would agree in terms of the fact that the actual revenues that are generated on site. Now, something that is more difficult without getting a costly feasibility study and marketing study, but I do believe—and if were necessary, we could certainly do this, but having 85 units of market-rate apartments, that is additional people. We're increasing the density.

Having the fitness center, that is an attraction. Having a meeting center that will actually be used on a much more regular basis, these are all bringing more people to downtown, which does put a strain, certainly, on the infrastructure and all that.

Also, these are more people to shop at our grocery store that we are building currently, the many restaurants and even the Hilton Garden Inn is now, in case you didn't know, they are serving breakfast and lunch; soon to be serving dinner. I'll go check it out. This is another thing to actually have more people patronize the retail in the surrounding area which we are not capturing in this number, but certainly is an additional revenue generation. I do take your point.

Chairman Burroughs said I think in all fairness, if I may, I believe want the commissioner's wanting is a return on our investment that shows that if we're willing to put forward this type of partnership, that we see the best return on our investment as we can. We want your project to succeed, but we're also held accountable for the dollars that are spent. I think we're just looking for some reassurances and the public getting the answers they need this evening. I believe that's some of the crux behind the questions you're getting this evening that those dollars will come in as they're projected, but there's residual issues that come up as investments as well as expenses that we're going to be asked to participate in. I think that's what we're very aware of.

Commissioner Townsend said Commissioner McKiernan's questions made me think about what I wanted to ask. A million dollars that the UG is going to contribute that would normally go to our Reardon Center maintenance, is the use of that money restricted only for that purpose, or could it be used for another? **Ms. Carttar** said it would have to be used for the Reardon Center. **Commissioner Townsend** said okay.

Give me an idea—we're talking about the fact that these would be market-rate, not subsidized. Do we have any idea at this point what that market-rate would be? There may be people who are in the audience or listening at home saying, maybe I'd like to move in. What are we actually talking about in rental? **Mr. Lanier** said we are looking to maintain a rent for a one-bedroom in that $975-$1,000 a month range. A two-bedroom unit would be in that $1,175-$1,200 a month range.

Community Benefit – Social & Financial

- Stimulate development north of Minnesota Ave.
- Community asset in a new, state-of-the-art meeting center
- Supporting the previous downtown investment in the grocery store and hotel
- Increase in meeting/convention, hotel, and visitor traffic

Ms. Carttar said just to go over a couple of more community benefits that I do believe they are substantial. This will continue to stimulate growth, as we have discussed already, north of Minnesota Avenue. This is something that we've put in, the UG has made significant investments with the grocery store, in particular of late. I believe, and this has been born out if you look at our friends across the river, as soon as they built a grocery store, the number of apartment units exploded. This is kind of the first in what we hope to be probably additional apartments, multi-family units in downtown, as well as increase meetings, conventions, and hotel visitor traffic.

Community Benefit – Social & Financial

- Increase the density in downtown KCK with addition of market rate units
- Increase disposable income of downtown residents to support current and future retail
- Bringing a fitness center back downtown
- In coordination with the fitness center, Will Shields 68 Inside Sports will offer youth education and healthy living programs to children in surrounding neighborhoods, as well as, STEM awareness classes offered as part of youth outreach programs

This is all stuff that I have mentioned before, but I do think that this will show that the increased density increases the people who are able to spend money in the retail areas in the downtown and make our retail establishments all the stronger.

Finally, bringing the fitness center back to downtown. I know that has been sorely missed. Since I got here about two years ago, that has probably been the number one request I have received is, when are we getting a fitness center back downtown? I'm happy to say that this would do that.

Willie, do you want to talk just a little bit about the additional benefits that having Will Shields 68 Inside Sports will bring to our downtown.

Mr. Lanier said Will Shields is someone who, in his post-football career, has dedicated himself to health and wellness. His own personal journey, he's carrying a lot less weight today than he did when he was on the football field. He's realizing that that weight is not good when you aren't getting paid to keep it on you. He's very much into health and wellness.

Through that, he gets asked to do a lot of other things outside of running his own business and that is, support youth activities, speak, and things of that nature. Through youth education and healthy living programs for families, he is participating in that. We look to bring those types of services to this community; however, since he is one that can provide guidance, support, and direction to young people, he will also administer programs, which he does already currently, at his other facility to inspire kids to get access to stimulated fields.

Obviously, the Kansas City Chiefs have a huge connection with KU Medical Center. Even in that component, health care jobs and so forth is something that he'll work with them on to provide access to, or at lease educate young people on what can be. We will look to bring some of this additional type of programs outside of just treadmills, cardio, and fitness, but how you really kind of use health and wellness to impact people and then also show them career paths in the future.

Ms. Carttar said that is our presentation. We'll take any questions. I believe there are a few people, at least, who are here who would like to testify.

Chairman Burroughs asked, committee, questions?

Commissioner Townsend said I have just a few. I think counselor alluded to this. There are certain uses that are prohibited by any agreement between Mr. Shields' organization and the UG. I looked through them in the executive summary. What I didn't see, and was wondering if there was any particular reason, so many things from night clubs to hookah bars to seasonal tax and mobile homes. One of the things that has been a concern in certain areas of the city are what we call dollar stores. Was there any particular reason that something like that was not included in here as a prohibited use of the retail space?

Ms. Carttar said I think probably the biggest reason it wasn't is because the size of the location would be too small realistically for a Dollar Store, or something similar to go in. You're basically looking at a couple of about two 6,000 or so square foot retail units.

Commissioner Townsend said I thought about that but then I see we excluded mobile homes park. **Ms. Carttar** said that's so boilerplate-like. **Commissioner Townsend** said I mean, just be on the side of caution, I'd like to see that included, since we included mobile parks. **Ms. Carttar** said bring in the attorney now.

Todd LaSala, Stinson Law Firm, said, Commissioner, this list is very consistent with all of your other development agreements, which is why it's probably kind of painted with a broad brush. If these dollar stores are a real concern, I'm sure that Mr. Lanier would be willing to agree to it in this case, but this list of restrictions is completely consistent with what you've done in a bunch of other development agreements; they're similar. **Commissioner Townsend** said I didn't have any problem with what I saw, it was what I didn't see that raised the question. I thought area might be a concern, but with some of the other things, it certainly wouldn't fit either. **Mr. LaSala** said if it's a specific concern for you, I'm sure that Mr. Lanier would be happy to go along with it. **Commissioner Townsend** said yes, I would like to see that.

Commissioner Townsend said the other question I had was about the length of time that the prohibitions would remain in effect. Would they last only as long as the TIF district existed and the CID district existed? I think one was at 20 and the other was at 22 years. **Mr. LaSala** said that's right, that's right. They last a term—like with some of your other development agreements, they only last for the term of the development agreement. This one ends at the later of the expiration of the CID or the TIF. In this case, it's likely to be the TIF.

Ms. Carttar said that being said, for most of those prohibited like a liquor store or something like that, you would need a special use permit or something similar regardless. If 20 years down the road, which we don't foresee that happening, it would still, again, have to come back to this body for a vote.

Commissioner Townsend said correct me if I'm wrong here, the way I read this summary was that with the sale of the ground on which the retail and the housing would be, the UG would get $100 for that property. **Mr. LaSala** said that's right. Essentially, you're giving that site—that site is being given for free. That's just a recitation of consideration to make it a valid transfer, but that's right; it's essentially for free. **Commissioner Townsend** said okay; thank you.

Chairman Burroughs asked, any other questions from Commission members? I do have a question. What is the total cost of the UG's investment with the TIF, the CID, the $1M, TGT, and whatever incentives we have offered this evening and discussed? What is the UG's total investment of the nearly $23M project? **Mr. LaSala** said it's $8M. It's about 34-35% of the total project cost. **Chairman Burroughs** asked, is that inclusive of the ground? **Mr. LaSala** said no. There was no assumed value for the ground.

BPU Board Member Bryant said, so I'm assuming that as far as the revenue back on sales tax, there'll be nothing on the rent, but what about on memberships to the athletic club or facility. Will there be revenue made that will be funneled back into the Unified Government from that? **Mr. LaSala** asked, are you asking about the sales tax on—**BPU Board Member Bryant** said sales tax on membership fees. I'm just wondering what revenue is coming back to the UG to repay the $8M investment from the UG because we own the land already. I just want to understand how and when.

Ms. Carttar said yes. I think it's twofold. One, we are not spending the money that is projected, so that's a savings, a very legitimate savings of $10M. Then, additionally, if you look at the incentive projection, there are pieces of sales tax that will be coming back as well as property tax, admin fees, it all totals to just over, or close to $10M in projected revenue over 20 years.

Mr. LaSala said I think specifically to your question, there will be sales tax events that occur within the fitness center, within the Reardon Center, and, of course, obviously, the retail portion of this thing. So, there are new retail sales events that will generate additional sales taxes that are not there today.

BPU Board Member Bryant said I'm just calculating the number of spaces in the apartment complex, the estimated rent, and that's $1M in revenue a year roughly without any events at the center. I'm just wanting to understand how—I understand that it's a for-profit business. It's a for-profit business that will be using the property and funds from the Unified Government.

Chairman Burroughs said, Mr. Lanier, if I may, I just want to say thank you for looking at Wyandotte County as a partner for your project. This is—I hope that this project is part of the catalyst that we, as a local government, recognize that our community so sorely needs. I know I personally appreciate the market-rate apartments. We so sorely need something to start a base for us to identify what the value of what I call the prime property on the hill is worth. I believe that the downtown convention center, the deferred maintenance was shameful on our end and I commend you for stepping up and partnering with us to provide another event space within our community that's not only state-of-the-art, but one that's available not only to the Commission, but to the community as a whole.

The issue of the downtown recreational center, when we lost the Y, that is an acceptable piece of the property that, I think, will endear people to the project. We had a lot of questions this evening.

I know I'm going to do something a little bit different. I'm going to ask at this point, if there's no more questions from the Commission, that if there's anyone that would care to speak to this project in the audience this evening, the public. I will remind you that you only have three minutes in which to state your case. I ask that you state your name and address. I'm going to ask for proponents first of the project so that we can keep those separated. But, at this time, is there anyone from the public that would care to speak to the project? Please list your name, address, and remind, you have three minutes.

Mr. Lanier said as they're walking up, may I make a comment really quick, please? **Chairman Burroughs** said yes, sir. **Mr. Lanier** said I want to say thank you, well, thank you, again, for the opportunity to present this project. For me, I intend to create competition for myself. I go and find projects that nobody wants. I know that nobody was knocking on your door prior to me showing up saying, I want to develop housing market-rate in downtown KCK. Like I said, I've been here long before the grocery store was announced and so forth. I'm continuing to stay here. I brought on team partners to participate with me to do more than just build a building, but to raise a community and so forth. So, I hope that I create competition because I am. Once they see what's happening here, many other developers are going to come knocking on your door to try to participate in development in the corridor that could have long been developed if there was intent to come to this community. I want to make sure that I tell you kind of who I am and my desire. Thank you for the opportunity. **Chairman Burroughs** said thank you, Mr. Lanier.

Chairman Burroughs said please, our first conferee name and address.

Cedric Rowe, Pastor at First Baptist Church, said the church is right down the street, 500 Nebraska. I have my clock so I'll hit start so I won't take more than three minutes. I just want to say that I am excited about this opportunity for the UG to have this development in the downtown corridor. We were very instrumental in working with Merc with the grocery store so we're excited about it. I think the work that Mr. Lanier has put in is admirable to take into consideration the costs, the amenities, the needs of the community.

As a church that has been on the corner, and many of our members are here this evening as well, many of our trustee members are here and other members are here in order to show our support for this project. I can't tell you how excited we are, at least I am.

I've invited some other members from our community to be here to speak to how they would use the convention center for various activities that they either have to go way out to Embassy Suites up north, or way out to Overland Park where all of these are community-based church groups or so forth.

I'm here in support. I thank Mr. Lanier for his work, your fine director of Economic Development, I know, very well also. If you want more from us, we're here. I guess I could tell everybody to say amen, but you haven't voted yet. We'll say that when you vote. I do want to give up my time. I only took a minute, and that's unusual for me being a Baptist preacher. With that being said, we're 100% behind Mr. Lanier. We appreciate him wanting to hire the youth in our community who we deal with on a daily basis, who need firm jobs, education, and skills. With all the construction going on in this area, we need this, we truly do.

I appreciate your support. I look for a unanimous vote, no descent, and we'll get this thing going. All right, I'll get out of the way. I yield my time back to the next person.

Julie Nilsen, Director of Sales & Marketing , Hilton Garden Inn, 520 Minnesota Avenue, said we're very excited to be here tonight. I was very thankful for the invitation. Our building is managed by Peachtree Hotel Group. The Hilton Garden Inn is an award winning brand providing business and leisure guests upscale, affordable accommodations, and unexpected amenities for experiences that are simply on another level.

We are just inches away from completing a multi-million dollar renovation that we really wanted to—for the community to see as an opportunity for us to give the community back a gathering space which has been missing a little bit, partially because we've been under renovations for months and month, partially because there was some ownership changes, but we, as an organization, are committed to Kansas City, KS, and want to provide, just like I said, a gathering space for our families, communities, business people, civic organizations, and so forth.

Our hotel has 147 guest rooms, 88 of those are kings, 46 of those are double queens, then we have some accessible rooms and suites on top of that. 46 double queens could bring nearly 200 people under our roof in a single night when groups put up to 4 people in a guest room.

We have a restaurant presently opened for breakfast. Thank you very much. Dinner and lunch will follow, so please come and join us for breakfast.

We have a shop that has just been added in the renovation. It's a grab and go area where you can pick up healthy and indulgent snacks. We can also provide grab and go opportunities for people needing a lunch, people needing—attendees of events needing something that maybe wasn't provided in their agenda, so on and so forth. That's a new amenity of ours.

(The Clerk advised Ms. Nilsen that she had one minute remaining.)

We have an Eisenhower room that only seats up to 100 people for a reception. That's 30-40 people for a meeting that might use one side and might lunch on the other side, but that's it. With our amount of guests rooms, we can't accommodate so many of the meetings that we have an opportunity to bid on the business.

Types of groups, again, are sports teams, family reunions, wedding blocks, church groups, small state and national associations, class reunions, conferences, training meetings, and the federal court building with lengthy trials requiring temporary office space. When these organizations ask for additional breakout rooms, meal rooms, we can't accommodate them and we have to turn them away.

The hotel could perform better in a group segment. We love our location downtown, so close to I-70 and all our attendees can get anywhere in the Kansas City metropolitan area and experience all of that—(the Clerk advised Ms. Nilsen that she had one minute remaining)

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to extend time for three minutes.**

Chairman Burroughs said please continue.

Ms. Nielsen said the amenities of this development that will be afforded to our guests, the park-like greenspace on 5th Street would contribute greatly to the overall experience of our guests. The addition of eateries and world-class fitness facility is definitely a plus.

The addition of meeting space to compliment our 147 guest rooms is necessary to attract more meetings that would sell more group segment business and keep them from going to downtown Kansas City, MO. Thank you very much.

Jason Norbury, Executive Director, Downtown Shareholders of Kansas City, KS, 726 Armstrong, said I'd like to speak obviously in favor of this development. Many of you have heard me say this a number of times already, but the key to downtown revitalization is people and increasing the number of people that are in a downtown setting and development, as proposed. I realize that these are still fairly preliminary drawings and what have you brings people to live, brings people to work, and will bring people to visit the downtown, which are sort of the three legs upon which that revitalization process is there.

In addition, from Downtown Shareholders and as the Administrator for the Downtown Improvement District, this area that is being created to open between State and Minnesota aligns very well with our pocket park project that we have been working on. We hope that would create an additional public space to deal with that. It would, obviously, increase the number and density of residents in the downtown area, which we think is a great thing. Market-rate apartments is something that we have essentially none of at this point. Even if we expand our boundaries slightly to include the Boulevard Lofts, it's still, I think, 10 or so that we'd be dealing with there.

The one, I would say, a cautionary note that we haven't really talked about tonight, I think, with this development will require a little bit of a change to the way that State Street is organized. It's very pedestrian unfriendly. If we're going to create some changes around that, I think this can be done with re-striping, similar to the 6th Street project that was in the 2020 CIP, as well. It's just something to put on the Commission's plate for the future as this development comes on or as you're negotiating the final pieces of the development agreement. Thank you.

Chairman Burroughs said I would hope that's a problem we have.

Jan M. Carpenter Baker, Member of Murrel Omega Chapter of Alpha Kappa Alpha Sorority, Inc. My particular chapter is 96 years old. We will be a centennial in 2024. We don't have a physical address. We were chartered in Kansas City, KS, and our charter is still here since 1924. We are currently looking for a permanent residence in this area. I applaud you for the development, I pray, that will take place because we want to be a partner in the process. We want to have a permanent residence in this area, especially the area of development.

Let me say that I currently serve as the 29th Midwestern Regional Director of our sorority, which has more than 300,000 members around the world. My management was an eight state region. We have regional conferences here and other conferences. When we had to go to Overland Park and take our monies to Overland Park when we could have had it here in Kansas City, KS, if there was a facility large enough to accommodate us, and that includes hotel space. I have used the Holiday Inn for some of our meetings. It's very important to us, as an African-American organization for women, that's almost in our chapter 100 years old, the sorority is 112 years old, so you can see the difference. We want to serve the community. That's who we are. That's what we do. We need a permanent space—(the Clerk advised Ms. Carpenter that she had one minute remaining) here in Kansas City, KS. Thank you for listening.

Clifford Jones, 3024 S. 48th Dr., said I first served as President of the Kansas State Labor Auxiliary of the Missionary Baptist State Convention of Kansas. Every year we have sponsored a Gideon banquet, we have, what you call, running across the boarder several times. We've had our affair at Bartle. We've had it at the Marriott on 12th Street. For most of them, have been at the Jack Reardon Center. We've had it at Rich Charles. Currently, I had it at Embassy Suites off there on I-35. We're looking for a venue in Kansas since I do represent the Missionary Baptist State Convention of Kansas, which has been in existence over 128 years.

One of the things we do require is at least some quality. This is a formal setting, that Gideon banquet, so we want formal accommodations. It has to be affordable too. We are hoping that this project will be something that will bring us back into Kansas City, KS, in that most of our churches are located in the Wyandotte County area. Over 55 of them are located in the Wyandotte County area. So, Kansas City, KS, is a magnet spot for us to have our conventions and all kinds of meetings and stuff like that.

We also presently have an annual session in June—(the Clerk advised Mr. Jones that he had one minute remaining) which we have in Topeka at the Capitol Plaza. We'd like to get to the Kansas City area where most of our delegates are. A project like this would really help us out. It'd draw and keep people that we do have that attract these events. Thank you.

Chairman Burroughs asked, is there anyone else from the public who'd care to speak to the development this evening? Let the record show, no one else came forward. At this time, I'd ask if there's any other questions from the Commission? Seeing none, I'd ask the Clerk to call—yes, Commissioner Townsend.

Commissioner Townsend said just one. This was referred to by Mr. Jones' comments and Ms. Baker's. What would be the anticipated arrangement for catering services with the banquet space? Would the hotel do that or would anyone who wants to use it feel free to bring in their own caterer? What do you anticipate with that? **Mr. Lanier** said currently, we would be going out to the street here fairly soon to have discussions with catering companies. We do know there's a hotel ownership group. Peachtree Hospitality Group is interested in providing catering services as well, but we would still be bidding out in numerous companies to see who has the best support capacity for what we're trying to do here. It wouldn't be one—it would be a private company that would be brought on board to manage and provide professional services to this facility. **Commissioner Townsend** said okay; thank you.

I want to echo, again, comments been made that we appreciate you considering Wyandotte County, the downtown, northeast end corridor. Just any questions we've asked have been in our best—trying to do the best we can to ask questions that our constituents here in Wyandotte County may have and don't have the opportunity to do so. Thank you.

Commissioner McKiernan said, Mr. Lanier, thank you for your project. Thanks, again. I'll echo Commissioner Townsend, thanks for thinking of KCK. As I sit here, we always come from this side of the table. We are charged with the provision of city and county services to the citizens of

Kansas City, KS, and Wyandotte County. We're always worried about how we're going to raise the funds necessary to provide those services. In a project like this, very often the adage says, well, a small percentage of growth is better than 100% of the status quo. For that to be true, I think any project we are considering has to have tremendous catalytic potential; the potential to drive other development around it that ultimately will bring those revenues that we can use to provide city and county services. I do believe your project has the potential to do that. With that, Mr. Chairman, I would move to approve as submitted.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Walters, to approve as submitted.**

Patrick Waters, Senior Attorney, said I believe we have two motions tonight. One is for the consideration for setting the public hearing for the redevelopment district. **Commissioner McKiernan** said and we can take those both together, is that correct? **Ms. Waters** said I think we need two motions. **Commissioner McKiernan** said in that case, I would move that we adopt the resolution setting a public hearing on 3/26/20.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Walters, to adopt the resolution setting a public hearing on 3/26/20.** Roll call was taken and there were six "Ayes," Bryant, Walters, Bynum, Townsend, McKiernan, Burroughs.

Action: **Commissioner McKiernan made a motion, seconded by BPU Board Member Bryant, to approve the resolution approving the Downtown Campus development agreement.** Roll call was taken and there were six "Ayes," Bryant, Walters, Bynum, Townsend, McKiernan, Burroughs.

Chairman Burroughs said congratulations. Thank you. We look forward to having a nice time at the opening of the Reardon Center. Thank you to the public for being patient and so kind in your comments. Much appreciated.

Item No. 3 – 2010…TWO RESOLUTIONS: VILLAGE WEST APARTMENTS PHASE III IRBs

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

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

A public hearing is scheduled for February 27, 2020.

Katherine Carttar, Director of Economic Development, said I am here presenting another project. I think this is a great, kind of two-sides of our community, two-sides of the same coin here. I'm very excited to have two great projects to bring you in one evening. Obviously, we had a great project for downtown and now we're continuing the development in our Village West area.

I'm going to introduce, we have Steve Ellison to my right and Brent Miles, from NorthPoint, to my left. We'll be going through a brief presentation and then we'll open up for questions.

Brent Miles, NorthPoint, said many of you know me, one of the founders of NorthPoint. Obviously, in your community, we've done a lot of industrial projects, but we've also been very proud that we've done two previous multi-family, what I call, luxury multi-family projects in your community.

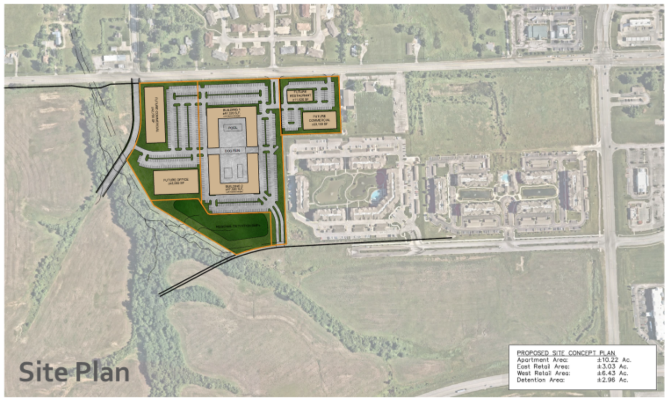
Previous Multi-Family Projects in Village West, KCK

As many of you know, we own the historic Power & Light building in downtown Kansas City, MO. Many of you may not know we own about another 4,000 units around town, and we manage another about 2,200 units across Kansas City. So, we manage around 6,200 units, which makes us one of the largest multi-family owners in Kansas City. We do not do multi-family anywhere else in the US. Many of you know we do industrial coast-to-coast, literally coast-to-coast. We'll be on both coasts this week, which will be fun.

Multi-family, this is our bread and butter. We, again, pretty open book. We'll answer any of your questions. I think what we have done is that we've created luxury multi-family in western Wyandotte County, western KCK, that no one else has done. We've heard talk for a long time about the number of projects and people looking, but, still today, I would say that we've delivered the highest end product. I'm really proud of the product that we have done.

I'll say something pretty open and vulnerable to you. Some people have asked, some of you may even have asked, well, why now with the third phase? If you were so successful with the first two, why didn't you just go ahead with the third phase previously? Why did it take you so long? I would say that admittedly, I've told Katherine this, we made a mistake. We missed—we thought that the housing, the multi-family bump was a bubble. We're not quite sure it is a bubble. We thought, we'll, we'll wait another year and see if it bust. Then we'll wait another year and see if it bust. I think there has been some overall see change to the demographic, into the housing wants and needs that we just missed.

So, we have a project that we've revamped and our ownership group said, if you can do three projects, three or four projects, where would they be? We're doing one that you're going to see in Lee's Summit. We've done two or three projects previously in Lee's Summit and had great success. You may have seen that we are going to develop in Berkley Park, right on the riverfront. Many of you are familiar with Bar K, the dog bar/park; very popular. I don't drink or have a dog so I don't go there. We're doing a project right next to it. Our third choice was here for a new project. We are also doing a fourth project in western Shawnee.



This project is much different than you've seen with us in terms of what we've already done in western Wyandotte County. This project, I would say, is a little bit more urban in dense. It's not, I would say, it's not typical suburban apartment development. We think that is a positive because one, it differentiates from the product that we've already done out there. We don't want to do more of the same so that we can hit a little bit different demographic.

Second, what we saw was that we thought Cerner would have a pretty big impact. We're seeing that it's not just Cerner, it's all, and it's all young people wanting more of the one-bedrooms and one of the studios.

When we did Village West I, the major question I heard in this committee and the major question I heard at the Commission was, we really don't want you to do three-bedrooms. We did a lot of two-bedrooms. We did a lot of one-bedrooms then. Again, we did fine. We did well. It was a successful product, but we really missed what the demographic was. The demographic is really 25-31-year-olds, high disposal income.

Our average incomes for the first two phases were well over $65,000 a person, per renter. So, these are people that are renting by choice. They're renting as a lifestyle. They want to have season tickets to Sporting, they maybe work at Cerner, they come home, they drop their bag, they hit the gym, the hit the shower, and they're off to a Sporting game with their season tickets, and then to Yard House, and then they come home and hopefully get 7 or 8 hours sleep, maybe not, and then go back to Cerner and do it again. That's where our demographic is.

Obviously, I've developed a lot in this community. I know all of you personally really well. There are a couple of things that I would hit on as points of what I think are positive for the project.

One is, obviously, Steve Ellison, sitting here, this gets another chunk of this property into useful production. As we all know, no offense, Steve, it doesn't produce a whole lot now from an economic development standpoint. It further extends Delaware infrastructure.

Many of you were here—I think this is a very valid point. You remember Bob Roddy sat here when we did Phase II. Phase II did not have any sewer. If you look at that line along the creek, the Unified Government spent, I don't have it in front of me, but off memory, I think you spent about $1.3M on a sewer that connects all the way up. I think it goes all the way to Leavenworth Road. That is to open up, I want to say, it was about 1,800 acres of land that did not have sewer.

We stroke the check right off the bat as a kick starter for that project. This project would further that in, I want to say, it's like $300,000-$350,000 of sewer payment right off the bat to repay you for infrastructure that you've already put in to sewer the entire area.

I'd say the number one concern I had—I know the superintendent at the time of Piper School District, was there going to be an influx? No one had done these kinds of apartments. Were we going to see a bunch of kids.

When we had Village West I and it was all said and done, we had about 10 school-aged children. We had 8 school-aged children in Village West Phase II. Our apartment folks know very well the people that live there. About 3 or 4 of those were not new to the district; they were divorcee. Dad wants to live close to Piper because he just got a divorce so the kid is spending some time at the apartment. Many of them weren't new to the district.

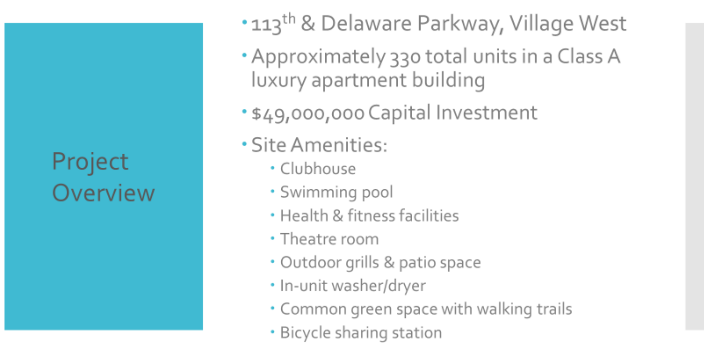
If you look at the line share of the taxes that we pay that goes to the school district, we've always had, I think, good rapport and support from the Piper School District on projects like this because we're paying a pretty hefty chuck of tax. Let's say worst case scenario, 10 kids as opposed to 2 kids per house as new housing.

I looked at the stat before I came. About 42% of the people who don't renew, those young people that are living here for a couple of years, are not renewing because they're buying a house. Now, we don't track where they're buying a house, but we know that proclivity says that they're probably going to buy a house within 5-10 minutes. They get their services set. They know the grocery store; they know their pharmacy.

Last, but not least, I think one thing and, again, many of you who live here can say this better than me, but I have been around this community a long time is, I think many people still look to, if we can add 500 new people, that's who's going to be about the population here. Each one of these projects is about 500 people. Is it the spark that gets the true neighborhood retail going? This isn't a bash on Walmart or any of the other big retails that's happened.

I think most people in Piper still say that they're missing what they would call pure neighborhood retail. We know what we hear from all the retail developers. We've heard it for the last 20 years. You don't have enough people. You don't have enough demographics. Right? I'm not saying you put this apartment in and you get Hy-Vee, but we all know that the more we add, the more people we add, the more disposable income we add, it only furthers the chance for the Sprouts, or the Hy-Vees, or the Trader Joe's, or the things that, I think, the Piper community in general has always said that they wanted. Again, that's not a knock on Walmart and that's not a knock on what's happened. I can't still believe how many restaurants and things are still out here, but I still think there is an urge and a need for neighborhood retail.

That's kind of the end of my points. I'll have Katherine kind of walk through the PILOT schedule. I would say of note, she's going to walk through this.



It's about \$49M. Again, I think many of you know I'm pretty open about how we do this. We cannot get the Northwestern Mutual's and we cannot get the large insurance companies to be our financers here, so that \$49M is going to come from five Kansas City families. They're going to put their money into the pot. They have faith in us. They have trust in us. No matter how hard we try, we cannot get an institutional investor to look at western Wyandotte County. They will not touch it. So, we have a lot of faith from people here in Kansas City to write a big check to us to invest in you. I think that's a really big thing that if I were in your shoes would think about.

Site amenities. If you've been, hopefully, if you haven't been, we're happy to take you out to Prairie View. Of all the things that we've done, it's probably my favorite clubhouse. Brad, who's on our design and build team, this is his baby. He says I'm going to smoke Prairie View's clubhouse with this thing. I don't know what that would mean, but as many of you know, we have on-site masseuse, I think we're going to probably switch to—Brad, I've been hearing all of them talk about we're probably going to switch to a peloton. Pelotons are super popular right now. Everybody wants a peloton. Ours, you know, is a great clothes rack at home for me. Outdoor grills, really, community-based, health and fitness center, theatre room, I think, any one of these that you've been in from our product out here, to Lee's Summit, to Downtown Power & Light, it's first-class, luxury.

This is the project we're doing in Lee's Summit; we call the Donovan. I would say, very similar architecture, very similar style. Many of you who saw Village West I know that there was a clubhouse that didn't have any units with it. When you saw Prairie View, there was a clubhouse with units with it. What we found is that people really like that, especially people that are new to Kansas City; maybe not used to Kansas City winters. They love the ability just to leave their unit, walk downstairs, go to the clubhouse, go to the fitness center.

Great pool. Obviously, that's a focal point of this community. It gets used a lot; the grilling stations.

Proposed Interiors

You can see the proposed interior is a little bit more modern. I would say Village West I was more coastal colonial. I think Village West II has more of a mountain lodge feel. This would have more of that modern feel.

PILOT (Payment-In-Lieu-Of-Taxes) Schedule

	With L/M/W		Without L/M/W	
Year	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	$1,050.00	$346,500.00	$1,050.00	$346,500.00
2	$1,060.50	$349,965.00	$1,071.00	$353,430.00
3	$1,092.32	$360,463.95	$1,119.20	$369,334.35
4	$1,125.08	$371,277.87	$1,169.56	$385,954.40
5	$1,158.84	$382,416.20	$1,222.19	$403,322.34
6	$1,193.60	$393,888.69	$1,277.19	$421,471.85
7	$1,229.41	$405,705.35	$1,334.66	$440,438.08
8	$1,266.29	$417,876.51	$1,394.72	$460,257.80
9	$1,304.28	$430,412.81	$1,457.48	$480,969.40
10	$1,343.41	$443,325.19	$1,523.07	$502,613.02
	Total:	**$3,901,831.58**		**$4,164,291.23**

Approximately 50% abatement for 10 years

Includes the reimbursement of the infrastructure expansion of Delaware Pkwy

Ms. Carttar said back to the fun part. So, talking about some of the financing. The way that we are proposing this would be through an industrial revenue bond structure. How that works is its 100% property tax abatement, but then we come in with a negotiated PILOT, a payment in lieu of taxes. So, what that ends up looking like is approximately it's an escalating amount over the course of 10 years. It starts at about $350,000 and goes up to, depending on the amount of L/M/W goals that are hit, anywhere between $440,000-$500,000. That is over the course of 10 years. Approximately $4M in tax revenue or like tax revenue, which correlates to about a 50% property tax abatement for those 10 years.

That also includes, Brent mentioned, the extension of Delaware Parkway. I just want to point that out more specifically. Currently, Delaware Parkway stops right here. As part of the project, the two lanes will be extended. As we have done with the previous, we are turning this—we want this to be a 4-lane road. So, one of the things that we have done is NorthPoint will build all 4 lanes and that gets included into the abatement; kind of there's a reimbursement. That all goes into the fact that it will be approximately a 50% abatement.

Tax Impact of Expansion Project

Overview	Tax Impact
Current Taxes Collected Annually	<$2,000
Projected Annual Taxes during Abatement (Years 1-10)	$350,000-500,000
Projected Annual Tax after Abatement (Year 11)	>$800,000

Taxing jurisdictions receive an average 19% return on investment.

What that really looks like right now is, this is zoned agriculture land. It's about $2,000 a year in property tax that are received from this property so, very minimal. During these 10 years of the abatement, as you saw the schedule, it will be escalating starting at about $350,000 going up to $500,000. Then, post the abatement period starting in year 11, it'll be north of $800,000 in annual property taxes.

As with all industrial revenue bond projects, we do a cost benefit analysis and it does show that every single taxing jurisdiction does benefit from this project. I think, actually, the Piper School District gets $1.40 for every $1.00 so, quite the return. It's about an average of a 19% return on the investment, which is a nice healthy return.

For Consideration:

- Public Hearing
- Resolution of Intent to issue IRB's in the amount not to exceed $45,700,000 for the benefit of Village West Apartments III, L.L.C.

So, tonight, we're asking for your consideration for setting a public hearing as well as a resolution of intent to issue IRBs in an amount not to exceed $45M.

Chairman Burroughs asked, questions from the committee?

Commissioner Walters said I have a question just on procedure. Do we have a resolution to issue the IRBs? A separate resolution to set the public hearing? What is this resolution to approve the Village West Apartments Phase III development agreement? So, we have three? **Ms. Carttar** said it's actually just two. With the resolution of intent for IRBs, that automatically sets the public hearing unlike a TIF where you have to set that separately.

Commissioner Walters said if I can continue, Brent, thank you very much for being here tonight. I really appreciate your company's continued interest in western Wyandotte County. **Mr. Miles** said yes, sir. Thank you. **Commissioner Walters** said we looked longingly at Lenexa and Shawnee and all those places that are building housing.

I listen to your comments and who knows what's going to happen with apartment housing, but I appreciate your faith in us and your courage to develop this project, and certainly the five secret investors that you have that also have confidence in western Wyandotte County. **Mr. Miles** said they would probably be fine with me saying—**Commissioner Walters** said well, they're secret to me. **Mr. Miles** said yes, okay. **Commissioner Walters** said, again, thank you very much. I appreciate all you've done and hope this isn't the last project we are sitting around here talking about. **Mr. Miles** said thank you, sir. I appreciate that.

Commissioner Walters said unless there are other comments, I'm ready to make a motion.

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to pass the resolution to issue IRBs and setting the public hearing.**

Chairman Burroughs said we do have a motion and a second. This opens it up for discussion.

Commissioner Bynum said, Brent, Mr. Miles, I'm not trying to embarrass you. **Mr. Miles** said that's okay. **Commissioner Bynum** said I did realize that I have known you now almost 15 years. **Mr. Miles** said yes. **Commissioner Bynum** said I've been impressed with the projects that you have brought forward long before I sat as an elected official. This is another project that's very impressive.

I'm looking forward to the Downtown project that you bring us that I know will be very soon. **Mr. Miles** said I figured this was—I thought there would be two questions: that or this isn't taking away $49M from Turner, right? **Commissioner Bynum** said no. I knew you wouldn't do that. The only thing I want to say is—and I am in support, but I'm not willing to do without our L/M/W goals. **Mr. Miles** said yes. **Commissioner Bynum** said they are minimal, according to what's in the agreement. **Mr. Miles** said yes. **Commissioner Bynum** said that's not a place where I'm willing to say, well, I want the extra $60 grand generated 10 years later—**Mr. Miles** said sure—**Commissioner Bynum** said in lieu of having these goals. **Mr. Miles** said sure. **Commissioner Bynum** said so, I just want to be on record for that. **Mr. Miles** said I'm happy to respond to that. I will respond in a very open and transparent way that may offend people, but it's not intended to.

We have L/M/W, well, primarily you're the only community that does L. We have a lot of M and W. Anything that we do in Kansas City, MO, of course, has a M and W component. I will just say, generally, to no one person or organization's fault, the airport project has a seismic impact—**Commissioner Bynum** said right, that's right—**Mr. Miles** said on the ability of L/M/W. I don't know about the L, the impact of L, but definitely M and W.

We could spend an hour talking about what should have happened over the last 20 years of building a pipeline and certifying and training and apprenticeships and all the things that come with that. I will just say, we will do our best. We are struggling with M and W. We have seen an uptick of that struggle since the airport. Maybe that's a good thing that the airport has such a strict and hard goal, but I'm not sure as a community as a whole, not just Wyandotte County, as a community as a whole have we done a good job of getting a pipeline ready of M and W to meet. There isn't enough certified folks. **Commissioner Bynum** said well, that's a point well taken. **Mr. Miles** said that's not me arguing. That's just we are struggling. We are hearing it. It's not just we think it's the airport, it's everyone that we've ever reached out to says, I couldn't even begin to bid that. Maybe in five years, four years, or three years, I could look at it. It's few and far between the folks who can.

Chairman Burroughs said I would just hope you would give strong consideration to the skilled workforce particularly those labor organizations that are very strong in our community that would be willing to partner with projects of this, especially being its taxpayer money generated in this community. **Mr. Miles** said understood. **Chairman Burroughs** said I would strongly suggest that you give that strong consideration in getting your deadline on track.

Commissioner McKiernan said you've already heard us tonight talk about the challenge we face when we're asked to incent or participate in bringing a project. I said earlier that it truly needs to be catalytic. I think yours have been. I think yours will continue to be. The thing I appreciate the most about this is that even though there is an abatement, there is an incentive on our part, you are contributing materially to the provisions of the services that will benefit the residents of your apartments. I very much appreciate your substantial contribution to the provision of those services and enabling us to continue to serve the people, especially of western Wyandotte County.

Mr. Miles said I would be remised to say that, obviously, seeing these two projects back-to-back, again, I don't want to take away my yes votes, but I worked hundreds of hours on downtown KCK personally; thousands of hours. We are catalytic. We are not the same project. We have a different impact on Piper. My personal advise to you is do all you can with that project to make it a success because downtown needs it and your grocery store project. I really want your downtown to be successful.

I love our project. I hope we're successful. I hope the gentleman that was before me is even more successful because it has more challenges than we do.

Commissioner Townsend said good to see you again, Mr. Miles. Similar to the question I asked Mr. Lanier are, these are market-rate. **Mr. Miles** said yes. **Commissioner Townsend** asked, what are they running on that? **Mr. Miles** said I don't want to be contrarian to the gentleman before me. Obviously, we have the historic Power & Light building downtown in Kansas City, MO, and we know what those rents are. For those of you who don't know, I live in the Power & Light building downtown. I live on the 26th floor. I can tell you all the play-by-play of the after Super Bowl celebration. I watched it out my window. We'll talk about that at Breit's sometime.

We think that a one bedroom—our goal is that the young demographic that's looking at these from a one-bedroom or a studio standpoint really has a mind block of anything over $1,000 a unit. It just sounds big, right? But $900 sounds so much less. There is a mental block at $1,000 a unit. We think the one-bedrooms will come in, in the $800 range, but, again, they're smaller studio. Then we think the one-bedroom, what we call one-bedroom will be more in that $900-$1,000. If you get a one-bedroom with a den or a two-bedroom, you're going to be in the $1,200-$1,400. Then, if you pay for parking, you pay for a storage unit, all that would be added on to that. You can load it up.

We'll see some empty nesters. We saw some in the first two phases. I would say, generally, the empty nesters are going to get the two-bedroom because their grandkid is going to come over and they're going to get two storage units and two garages and they're going to be in it for $2,500 a month. But, for the most part, I just for round math, about $1,000; $900-$1,000 a unit.

Chairman Burroughs asked, any other comments or questions? Seeing none, thank you. **Mr. Miles** said thank you.

Chairman Burroughs said at this time, we have a motion and a second. I'd ask the Clerk to call the roll.

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

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve the resolution of the Phase III development agreement.**

Chairman Burroughs asked, comments? Questions? Seeing none, I'd ask the Clerk to call the roll.

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

Public Agenda:

Item No. 1 – 2013…APPEARANCE: TSCHER MANCK

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

Action: Ms. Manck did not appear.

Adjourn

Chairman Burroughs adjourned the meeting at 7:22 p.m.

cg